

PROSPECH LIMITED
ACN 602 043 265

ENTITLEMENT ISSUE PROSPECTUS

For the offers of:

- (a) a pro-rata non-renounceable entitlement issue of three (3) Shares for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.02 per Share, together with one (1) free New Option, exercisable at \$0.04 each on or before the date that is two (2) years from the date of issue, for every two (2) Shares applied for and issued to raise up to \$1,059,583 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**);
- (b) up to 37,500,000 Options, exercisable at \$0.04 each on or before the date that is two (2) years from the date of issue (**Placement Options**) to participants under the Placement (**Placement Options Offer**); and
- (c) up to 7,678,749 Options, exercisable at \$0.04 each on or before the date that is two (2) years from the date of issue (**Lead Manager Options**) to the Lead Manager (**Lead Manager Options Offer**);

together, the **Offers**.

This Entitlement Offer is fully underwritten by BW Equities Pty Ltd (AFSL 389 353) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

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

This Prospectus is dated 20 March 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

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

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

No Investment Advice

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

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

Forward-looking statements

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

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

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

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

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

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

Overseas shareholders

This Entitlement 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 Entitlement 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 2.13.

Continuous disclosure obligations

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of

information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

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

Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 9300 3333 during office hours or by emailing the Company at info@prospech.com.au.

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

Company Website

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

Financial forecasts

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

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

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

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

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 Daylight Time (AEDT).

Privacy statement

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

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

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 2 9300 3333

CORPORATE DIRECTORY

Directors

Thomas Mann
Non-Executive Chairman

Jason Beckton
Managing Director

Peter Nightingale
Executive Director and Chief Financial Officer

John Levings
Executive Director

Stephen Gemell
Non-Executive Director

Company Secretary

Richard Edwards

Registered Office

Level 2
66 Hunter Street
SYDNEY NSW 2000

Telephone: + 61 2 9300 3333
Facsimile: +61 2 9221 6333

Email: info@prospech.com.au
Website: www.prospech.com.au

ASX Code

PRS

Share Registry*

Computershare Investor Services Pty
Limited
Level 3
60 Carrington Street
SYDNEY NSW 2000

Telephone: 1300 850 505
Facsimile: +61 3 9415 4000

Auditor

KPMG
16 Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Legal Advisers

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

Lead Manager and Underwriter

BW Equities Pty Ltd
Level 30
360 Collins Street
MELBOURNE VIC 3000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Announcement of Placement and Entitlement Offer (pre-market)	17 March 2023
Lodgement of Prospectus with the ASIC (pre-market)	20 March 2023
Lodgement of Prospectus and Appendix 3B with ASX (pre-market)	20 March 2023
Ex date	22 March 2023
Record Date for determining Entitlements	23 March 2023
Anticipated Placement Settlement Date for new Shares issued under Tranche 1 of the Placement	24 March 2023
Notice of General Meeting dispatched	24 March 2023
Expected date of ASX Quotation of Tranche 1 Placement Shares	27 March 2023
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	28 March 2023
Last day to extend the Closing Date	3 April 2023
Closing Date as at 5:00pm*	6 April 2023
Securities quoted on a deferred settlement basis	11 April 2023
ASX and Underwriter/Sub-Underwriter notified of under subscriptions	12 April 2023
Underwriter subscribes for Shortfall under terms of Underwriting /Sub-Underwriting Agreement	14 April 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities (before noon Sydney time)	17 April 2023
Quotation of Securities issued under the Entitlement Offer**	18 April 2023
General Meeting to approve issuance of Securities under Placement	24 April 2023
Anticipated issue date of Tranche 2 Placement Shares, Placement Options and Lead Manager Options	26 April 2023

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

1.2 Key statistics of the Offers

Shares

	Full Subscription (\$1,059,583)¹
Offer Price per Share	\$0.02
Entitlement Ratio (based on existing Shares)	3 New Shares for every 5 Existing Shares (3 for 5)
Shares currently on issue ²	88,298,593
Maximum number of Shares to be issued under the Entitlement Offer	52,979,156
Gross proceeds of the issue of Shares under the Entitlement Offer	\$1,059,583
Shares to be issued under the Placement ³	75,000,000
Total Shares on issue post Entitlement Offer and Placement	216,277,749

Notes:

1. Assuming the Full Subscription of \$1,059,583 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.
3. This includes 13,244,788 Tranche 1 Placement Shares and 61,755,212 Tranche 2 Placement Shares to be issued under the Placement. Refer to Company's announcement dated 17 March 2023 for details regarding the Placement.

Options

	Full Subscription (\$1,059,583)¹
Offer Price per New Option	Nil
Option Entitlement Ratio (based on existing Shares)	1 free attaching New Option for every 2 New Shares (1 for 2)
Options currently on issue ²	17,031,250
Maximum number of New Options to be issued under the Entitlement Offer ³	26,489,578
Gross proceeds of the issue of New Options under the Entitlement Offer	Nil
Options to be issued under the Placement Options Offer ³	37,500,000
Options to be issued under the Lead Manager Options Offer ⁴	7,678,749
Total Options on issue post-Offers	88,699,577

Notes:

1. Assuming the Full Subscription of \$1,059,583 is achieved under the Entitlement Offer.
2. Comprising:
 - (a) 5,000,000 Options, with an exercise price of \$0.30 expiring on or before 4 December 2023; and
 - (b) 12,031,250 Options, with an exercise price of \$0.30 expiring on or before 30 September 2023.
3. Refer to Section 4.2 for the terms of the New Options and Placement Options.
4. Refer to Section 4.3 for the terms of the Lead Manager Options.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the 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.

1.4 Directors' Interests in Securities

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

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Thomas Mann ¹	4,418,749	2,500,000	2,651,249	1,325,624	53,025
Jason Beckton ²	3,910,159	3,125,000	2,346,095	1,173,047	46,922
Peter Nightingale ³	7,692,798	3,125,000	4,615,679	2,307,839	92,314
Stephen Gemell	Nil	Nil	Nil	Nil	Nil
John Levings ⁴	4,291,563	1,250,000	2,574,938	1,287,469	51,499

Notes:

1. Comprising:
 - (a) 4,418,749 Shares indirectly held by 1147 Pty Ltd <TJ & CJ Mann S/F Pen A/C>; and
 - (b) 2,500,000 Options, exercisable at \$0.30 on or before 30 September 2023 directly held by Thomas Mann.
2. Comprising:
 - (a) 3,750,002 Shares indirectly held by Jason Michael Beckton and Denise Lea Gledhill ATF Beckton Gledhill Family Trust;
 - (b) 160,157 Shares directly held by Jason Beckton; and
 - (c) 3,125,000 Options, exercisable at \$0.30 on or before 30 September 2023 directly held by Jason Becton.
3. Comprising:
 - (a) 1,381,250 Shares held by Rosignol Consultants Pty Ltd, an entity controlled by Peter Nightingale;

- (b) 6,311,548 Shares indirectly held by Rosignol Pty Ltd <ATF Nightingale Family Trust>; and
 - (c) 3,125,000 Options, exercisable at \$0.30 on or before 30 September 2023 directly held by Peter Nightingale.
4. Comprising:
- (a) 4,291,563 Shares directly held by John Levings; and
 - (b) 1,250,000 Options, exercisable at \$0.30 on or before 30 September 2023 directly held by John Levings.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion. Board advises that Peter Nightingale and John Levings intend to take up their full Entitlements and Thomas Mann and Jason Beckton intend to take up a part of their Entitlement.

As outlined in Section 1.7, the Directors (through nominee entities) have entered into agreements with the Underwriter to sub-underwrite the Entitlement Offer up to 13,000,000 Shares and 6,500,000 New Options as follows:

- (a) Thomas Mann through his nominee entity has agreed to sub-underwrite the Entitlement Offer up to up to a value of \$50,000 (being 2,500,000 Shares and 1,250,000 New Options);
- (b) Peter Nightingale through his nominee entity has agreed to sub-underwrite the Entitlement Offer up to a value of \$100,000 (being 5,000,000 Shares and 2,500,000 New Options);
- (c) John Levings has agreed to sub-underwrite the Entitlement Offer up to a value of \$60,000 (being 3,000,000 Shares and 1,500,000 New Options); and
- (d) Stephen Gemell has agreed to sub-underwrite the Entitlement Offer up to a value of \$50,000 (being to 2,500,000 Shares and 1,250,000 New Options).

Upon completion of the Entitlement Offer and assuming the full sub-underwriting commitments are satisfied, the relevant interest of each of the Directors could be as follows:

- (a) 3.2% for Thomas Mann;
- (b) 5.9% for Peter Nightingale;
- (c) 3.4% for John Levings; and
- (d) 1.2% for Stephen Gemell.

Refer to Section 6.4.2 for details regarding the terms of the sub-underwriting agreements.

1.5 Details of Substantial Holders

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

Shareholder	Shares	%
Peter James Nightingale ¹	7,692,798	8.7

Shareholder	Shares	%
Lonway Pty Limited ²	6,557,238	7.4
Robust Resources Limited	5,122,500	5.8
Thomas Joseph Mann ³	4,418,749	5.0

Notes:

1. Indirectly held by Rosignol Consultants Pty Ltd and Rosignol Pty Ltd <ATF Nightingale Family Trust>.
2. Held by Lonway Pty Limited and its associated entity, Wapimala Pty Limited.
3. Indirectly held by 1147 Pty Ltd <TJ & CJ Mann S/F Pen A/C>.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer.

1.6 Lead Manager

BW Equities Pty Ltd (AFSL 389353) (**Lead Manager**) has been appointed as the lead manager of the Entitlement Offer and Placement. Terms of the lead manager mandate are set out in Section 6.4.3 below.

1.7 Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten by BW Equities Pty Ltd (AFSL 389353) (**Underwriter**). Refer to Section 6.4.1 for details of the terms of the underwriting.

The Underwriter has also been appointed as the lead manager of the Entitlement Offer and Placement. The terms of the lead manager appointment and total fees payable are set out in Section 6.4.3 below.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall Securities, including sub-underwriting agreements with Directors, Thomas Mann, Peter Nightingale, John Levings, Jason Beckton or Stephen Gemell (or their associated entities).

No sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Entitlement Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Refer to Section 6.4.2 for further detail of the sub-underwriting agreements.

1.8 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Entitlement Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients,

individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 37.50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 33.78% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	11.33%	6,000,000	10,000,000	7.08%
Shareholder 2	5,000,000	5.66%	3,000,000	5,000,000	3.54%
Shareholder 3	1,500,000	1.70%	900,000	1,500,000	1.06%
Shareholder 4	400,000	0.45%	240,000	400,000	0.28%
Shareholder 5	50,000	0.06%	30,000	50,000	0.04%

Notes:

1. This is based on a share capital of 88,298,593 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options are exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFERS

2.1 Background of the Placement and the Entitlement Offer

On 15 March 2023, the Company announced that it has entered into an earn-in agreement with Bambra Oy, a company incorporated in Finland (**Bambra**) to earn up to 100% interest in Bambra and therefore, acquire the Jokikangas REE Project, the Korsnas REE Project and Saarenkyla Lithium Project in Finland (together, **Finland Projects**) (**Earn-In Agreement**).

On 17 March 2023, the Company further announced that it was undertaking a capital raising comprising a two-tranche (each being a **Tranche**) placement of Securities to raise an aggregate of \$1,500,000 (**Placement**) and a non-renounceable entitlement offer to raise up to approximately \$1,059,583 (before costs) (**Entitlement Offer**) (together, **Capital Raising**).

Refer to Section 3.1 for further details on how the funds to be raised under the Placement and the Entitlement Offer are proposed to be allocated.

2.2 Placement

The Placement has been structured into two-tranches as follows:

- (a) Tranche 1 – comprising of the following of Securities:
 - (i) 13,244,788 Shares at an issue price of \$0.02 per Share to raise \$264,895.76 (before costs) to be issued under the Company's placement capacity under Listing Rules 7.1; and
 - (ii) subject to Shareholder approval, 6,622,394 Options, exercisable at \$0.04 per Option and expiring two years from the date of issue (**Tranche 1 Placement Options**); and
- (b) Tranche 2 – comprising of the following Securities:
 - (i) subject to Shareholder approval, up to 61,755,212 Shares at an issue price of \$0.02 per Share to raise \$1,235,104.24 (before costs) (**Tranche 2 Placement Shares**); and
 - (ii) subject to Shareholder approval, 30,877,606 Options exercisable at \$0.04 per Option and expiring two years from the date of issue (**Tranche 2 Placement Options**).

The Company will seek Shareholder approval at the General Meeting to be held on or about 24 April 2023 to issue the:

- (a) Tranche 2 Placement Shares; and
- (b) Tranche 1 Placement Options and Tranche 2 Placement Options; and
- (c) Lead Manager Options.

2.3 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of three (3) Shares for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.02 per Share together, with one (1) New

Option for every two (2) Shares subscribed for and issued (**Entitlement Offer**). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 52,979,156 Shares and 26,489,578 New Options may be issued under the Entitlement Offer to raise up to \$1,059,583. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus, the Company has 17,031,250 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.04 on or before two (2) years from the date of issue and otherwise on the terms set out in Section 4.2.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 3.

2.4 Placement Options Offer

This Prospectus includes the offer of up to 37,500,000 Placement Options to be issued to participants in the Placement, exercisable at \$0.04 each, on or before the date that is two (2) years from the date of issue.

No funds will be raised from the issue of Placement Options pursuant to the Placement Options Offer as the Placement Options are free attaching to Shares issued under the Placement on a one for three basis. Fractional entitlements will be rounded up to the nearest whole number.

Only participants in the Placement will be eligible to apply for the Placement Options under the Placement Options Offer. Accordingly, the Placement Options Offer will only be extended to specific parties on invitation from the Directors and the Placement Options Offer Application Form will be provided by the Company to these parties only.

The Placement Options will be issued on the terms and conditions set out in Section 4.2. All of the Shares issued upon exercise of the Placement Options will rank equally with the Shares on issue at the date of this Prospectus.

The Placement Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Placement Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Placement Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

2.5 Lead Manager Options Offer

This Prospectus includes the offer of up to 7,678,749 Lead Manager Options to be issued to BW Equities Pty Ltd (or its nominee/s) (**Lead Manager**), exercisable at \$0.04 each, on or before the date that is two (2) years from the date of issue.

No funds will be raised from the issue of Lead Manager Options pursuant to the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided by the Lead Manager to the Company, pursuant to the Lead Manager Mandate. Further details regarding the material terms of the Lead Manager Mandate are set out in Section 6.4.2.

The Lead Manager Options will be issued on the terms and conditions set out in Section 4.3. All of the Shares issued upon exercise of the Lead Manager Options will rank equally with the Shares on issue at the date of this Prospectus.

The Lead Manager Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

2.6 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.investorcentre.com/au using your Holder ID and postcode or username and password. Select 'Statements and Documents' and click to view your form titled Entitlement Acceptances dated 20 March 2023. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<p>Take up all of your Entitlement</p>	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus or which can be accessed at www.prospech.com.au. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.7. As set out in Section 2.7, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.7 and Section 2.8.</p>

Option	Key Considerations	For more information
<p>Take up all of your Entitlement and also apply for Shortfall Securities</p>	<ul style="list-style-type: none"> • Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus or which can be accessed at www.prospech.com.au. Please read the instructions carefully. • Payment can be made by the methods set out in Section 2.7. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.10. Accordingly, your application for additional Shortfall Securities may be scaled-back. • The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	<p>Sections 2.7, 2.8 and 2.10.</p>
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or which can be accessed at www.prospech.com.au for the number of Securities you wish to take up and making payment using the methods set out in Section 2.7 below. As set out in Section 2.7, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.7 and Section 2.8</p>
<p>Allow all or part of your Entitlement to lapse</p>	<ul style="list-style-type: none"> • 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 Entitlement Offer to you will lapse. 	<p>N/A</p>

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

2.7 Payment options

(a) By BPAY®

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

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 6 April 2023 (AEDT) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

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

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

(b) By Cheque

Payment by cheque or cash will not be accepted.

2.8 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any 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;

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

2.9 Minimum subscription

There is no minimum subscription under the Entitlement Offer.

2.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02, being the price at which Shares have been offered under the Entitlement Offer.

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

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.7.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

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

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities 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 Securities applied for will be issued to Eligible Shareholders.

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

Eligible Shareholders resident in jurisdictions outside Australia should note that their participation in the Shortfall Offer may be restricted by Australia's foreign investment laws. The Company reserves the right to not issue Shortfall Shares to an Eligible Shareholder where it reasonably believes that doing so may infringe on Australia's foreign investment laws.

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.02 being the price at which Shares have been offered under the Entitlement Offer.

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

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.7.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Entitlement Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.11 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options, Placement Options and Lead Manager Options offered pursuant to this Prospectus will also be made

within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options, Placement Options and Lead Manager Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will issue the New Options, Placement Options and Lead Manager Options but will not apply for Official Quotation of the New Options, the Placement Options and Lead Manager Options issued pursuant to this Prospectus.

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

2.12 Issue of Securities

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

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

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.13 Overseas shareholders

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

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

New Zealand

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

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and

is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

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

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer and Placement is to raise up to \$2,500,000 before costs.

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

Item	Proceeds of the Entitlement Offer and Placement	Full Subscription under the Entitlement Offer (\$1,059,583)	%	Maximum Raise under the Entitlement Offer and Placement (\$2,500,000)	%
1.	Exploration Expenditure:		61		60
	• Slovakian drilling	200,000		450,000	
	• Other Slovakian exploration and tenement costs	150,000		182,500	
	• Finland establishment, lithium and REE exploration costs	100,000		500,000	
	• Geologic salaries	200,000		363,500	
2.	Administration costs	200,000	19	400,000	16
3.	Working capital	53,008	1	355,425	14
4.	Expenses of the Offers ¹	156,575	15	248,575	10
	Total	1,059,583	100	2,500,000	100

Notes:

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

On completion of the Entitlement Offer and Placement, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

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 Offers

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

- (a) increase the cash reserves by \$2,311,008 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (a) increase the number of Shares on issue from 88,298,593 as at the date of this Prospectus to 216,277,749 Shares following the Entitlement Offer and Placement; and
- (b) increase the number of Options on issue from 17,031,250 as at the date of this Prospectus to 88,699,577 Options following the Offers and the Placement.

3.3 Effect on capital structure

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

Shares

	Number
Shares currently on issue	88,298,593
Shares offered pursuant to the Entitlement Offer	52,979,156
Shares offered pursuant to the Placement	75,000,000
Total Shares on issue after completion of the Offers	216,277,749

Options

	Number
Options currently on issue	
Unquoted Options, with each Option exercisable at \$0.30 on or before 30 September 2023	12,031,250
Unquoted Options, with each Option exercisable at \$0.30 on or before 4 December 2023	5,000,000
Total Options on issue as at the date of this Prospectus	17,031,250
New Options to be issued pursuant to the Entitlement Offer	26,489,578
New Options to be issued under the Placement Options Offer	37,500,000
Lead Manager Options to be issued under the Lead Manager Options Offer	7,678,749
Total Options on issue after completion of the Offers	88,699,577

The capital structure on a fully diluted basis as at the date of this Prospectus would be 105,329,843 Shares and on completion of the Entitlement Offer and Placement (assuming all Entitlements are accepted, and no Shares are issued including on

exercise or conversion of other Securities on issue prior to the Record Date) would be 304,977,326 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audited balance sheet as at 31 December 2022 and the audited pro-forma balance sheet as at 31 December 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

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 31 December 2022	Proforma Minimum Raise (\$1,059,583)	Proforma Maximum Raise (\$2,500,000)
	\$	\$	\$
Current assets			
Cash	227,807	1,130,815	2,538,815
Other current assets	30,408	30,408	30,408
Prepayments	29,294	29,294	29,294
Total current assets	287,509	1,190,517	2,598,517
Non-current assets			
Exploration and valuation expenditure	7,835,617	7,835,617	7,835,617
Property, plant and equipment	21,486	21,486	21,486
Total non-current assets	7,857,103	7,857,103	7,857,103
Total assets	8,144,612	9,047,620	10,455,620
Current liabilities			
Trade and other payables	418,123	418,123	418,123
Total Current Liabilities	418,123	418,123	418,123

	Audited 31 December 2022	Proforma Minimum Raise (\$1,059,583)	Proforma Maximum Raise (\$2,500,000)
	\$	\$	\$
Total liabilities	418,123	418,123	418,123
Net assets	7,726,489	8,629,497	10,037,497
Equity			
Share capital	12,081,396	12,984,404	14,392,404
Reserves	1,900,540	1,929,149	1,969,649
Accumulated losses	(6,255,447)	(6,284,056)	(6,324,556)
Total equity	7,726,489	8,629,497	10,037,497

Notes:

1. The 31 December 2022 balances are extracted from the Company's audited 31 December 2022 financial statements.
2. The PROFORMA Minimum Raise balances are the 31 December 2022 balances adjusted for the following assumptions:
 - (a) the issue of 52,979,156 Shares and 26,489,578 New Options under the Entitlement Offer to raise \$1,059,583;
 - (b) the issue of 353,194 Lead Manager Options; and
 - (c) costs of the issue of \$156,575.
3. The PROFORMA Maximum Raise balances are the 31 December 2022 balances adjusted for the following assumptions:
 - (a) the issue of 52,979,156 Shares and 26,489,578 New Options under the Entitlement Offer to raise \$1,059,583;
 - (b) the issue of 75,000,000 Shares and 37,500,000 New Options under the Placement to raise \$1,500,000;
 - (c) the issue of 7,325,555 Lead Manager Options; and
 - (d) costs of the issue of \$248,575.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being 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.

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

(b) Voting rights

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

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

(c) Dividend rights

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the

Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options and Placement Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option and Placement Option will be \$0.04(**Exercise Price**)

(c) **Expiry Date**

Each Option will expire on the date that is two (2) years from the date of issue (**Expiry Date**). A New Option and Placement Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options and Placement Options are exercisable at the end of each calendar quarter at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options and Placement Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options and Placement Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

4.3 Terms of Lead Manager Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Lead Manager Option will be \$0.04(**Exercise Price**)

(c) **Expiry Date**

Each Option will expire on the date that is two (2) years from the date of issue (**Expiry Date**). A Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

(i) issue the number of Shares required under these terms and conditions in respect of the number of Lead Manager 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 Lead Manager Options.

If a notice delivered under (g)(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 Lead Manager Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

5. RISK FACTORS

5.1 Introduction

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

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

The future performance of the Company and the value of the 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 described below.

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

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

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

5.2 Company Specific

Risk Category	Risk
Potential dilution for	<p>In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 37.50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 33.78% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the</p>

Risk Category	Risk
	<p>Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.021 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.</p>
<p>Going concern</p>	<p>The Company's Financial Report for the year ended 31 December 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.</p> <p>For the year ended 31 December 2022, the Company has incurred a loss of \$1,750,601 and has accumulated losses of \$6,255,447 as at 31 December 2022. The Company used \$505,108 of cash in operations, in addition to \$1,257,257 of cash for exploration and evaluation expenditure for the year ended 31 December 2022, and had cash on hand of \$227,807 at 31 December 2022.</p> <p>The Directors have prepared cash flow projections for the period from 1 January 2023 to 31 March 2024 that support the ability of the Company to continue as a going concern. These cash flow projections assume the Company continues substantial exploration activities in the areas of interest, which will require additional funding from shareholders or other parties. The Company has engaged a broker to assist in capital raising activities. The Company has successfully raised additional funding in prior years, however, such fundraising is inherently uncertain until secure.</p> <p>These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offers, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>In the event that the Offers are 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.</p>
<p>Exploration risk</p>	<p>Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining</p>

Risk Category	Risk
	<p>tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.</p> <p>Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<p>Future capital requirements</p>	<p>The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements.</p> <p>The Company's ability to raise further equity or debt, or to divest all or part of its interest in a tenement, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities.</p> <p>Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.</p> <p>Additional financing may also not be available on terms acceptable to the Company, or at all. Significantly, any additional equity financing or the exercising of Options, may dilute your existing shareholdings; and debt financing, if available, may restrict financing and future activities. If the Company fails to obtain additional financing, as needed, it may have to reduce the scope of its operations or anticipated expansion of its operations, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.</p>
<p>Regulatory risks</p>	<p>The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection</p>

Risk Category	Risk
	<p>of endangered and protected species, social licence obligations, bribery, corruption and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.</p>
<p>Risks of operating in another country</p>	<p>The Company's exploration licences are located in Slovakia and the Finland Projects, subject to the Bambra Earn-In Agreement are located in Finland. The Company's operations are therefore subject to the laws and regulations of Slovakia and Finland. Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment.</p> <p>Adverse changes in these regulations may negatively affect the Company's growth plans and strategy. Operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.</p> <p>The success of the Company is dependent on the stability of the political, economic and legal situation in Slovakia and Finland. Any change in legislation could have an adverse effect on the Company.</p>
<p>Proximity to war in Ukraine</p>	<p>Slovakia shares a border with Ukraine. Should the current war in Ukraine expand beyond the borders of Ukraine and into Slovakia the exploration, development and mining activities of the Company in Slovakia may be affected.</p>
<p>Mine development risk</p>	<p>Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, climate change, 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</p>

Risk Category	Risk
Ability to exploit successful discoveries	Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences, mining concessions and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied
Loss of key management personnel	The Company's success largely depends upon key management personnel for the management of the Company as well as upon other management and technical personnel for the daily operation of the Company. Consequently, there is a possibility that the Company will be adversely affected, particularly in respect of the rate at which its exploration programs and tenements are developed or prioritised, if one or more of the key management personnel cease their employment.
Exploration costs	The exploration costs of the Company are premised upon a number of assumptions and estimates as regards the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the cost estimates and the underlying assumptions will be realised in practice, which may adversely affect the Company's budget and forecast cashflows and ultimately the trading price of its Securities.
Contractual risk	<p>The Company's interest in the Finland Projects are subject to the Earn-In Agreement with Bambra.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Earn-In Agreement.</p> <p>If the Company is unable to satisfy its undertakings under these agreements, the Company's interest in their subject matter may be jeopardised.</p> <p>If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p>

Risk Category	Risk
Earn-in interests/not registered holder	<p>The Company is not the registered owner of the tenements of the Finland Projects and therefore the Company's ability to achieve its objectives in respect of those tenements is dependent upon it and the registered holder of the tenements complying with their obligations under the Earn-In Agreement giving rise to the Company's interest, and on the registered holder complying with the terms and conditions of the tenements and any other applicable legislation. Any failure to comply with these obligations may result in the Company losing its interest in those tenements, which may have a material adverse effect on the Company's operations and the performance and value of the Shares.</p> <p>The Company has no current reason to believe that the registered owners of the tenements will not meet and satisfy their respective obligations under the relevant agreements, the tenement conditions and other applicable legislation.</p>

5.3 Industry Specific

Risk Category	Risk
Commodity price risks	<p>Commodity prices, including gold and silver, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions.</p> <p>These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.</p>
Environmental risks	<p>The Company is subject to a number of laws and regulations regarding the protection of the environment. 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 damages, clean-up costs, or penalties and the Company's social licence may be questioned in the event of certain discharges into the environment, environmental damage caused by previous occupiers or 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.</p>

Risk Category	Risk
Competition risk	The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's business.

5.4 General Risks

Risk Category	Risk
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (i) general economic outlook; (ii) introduction of tax reform or other new legislation; (iii) interest rates and inflation rates; (iv) changes in investor sentiment toward particular market sectors; (v) the demand for, and supply of, capital; and (vi) terrorism or other hostilities.

Risk Category	Risk
	<p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>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.</p>
Force Majeure	<p>The Company's existing projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>
Litigation risk	<p>The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. 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 could have a material effect on its financial position, results of operations or the Company's activities.</p>
Dividends	<p>Payment of future dividends will depend on matters such as the future profitability and financial position of the Company. There is no assurance that the Company will be in a position or determine to pay dividends in the near future.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Government	<p>Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and investor returns.</p>
Climate risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the</p>

Risk Category	Risk
	<p>Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(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.</p>
<p>Coronavirus (COVID-19)</p>	<p>The coronavirus (COVID-19) is continuing to impact global markets, commodity prices and foreign exchange rates. 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.</p> <p>The COVID-19 pandemic may also give rise to labour shortages and delays if the Company's personnel or contractors are hospitalised due to COVID-19, supply chain disruptions and fluctuations in the availability of equipment which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

5.5 Speculative investment

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

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

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
24/02/2023	Corporate Governance Statement and Appendix 4G
24/02/2023	Annual Report to Shareholders

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.prospech.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	\$0.035	27 January 2023
Lowest	\$0.021	17 March 2023
Last	\$0.021	17 March 2023

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with BW Equities Pty Ltd (**Underwriter** or **BW Equities**), pursuant to which BW Equities has agreed to underwrite the Entitlement Offer up to a value of \$1,059,583 (the **Underwritten Amount**) (being 100% of the funds to be raised under the Entitlement Offer (and equal to 52,979,156 Shares and 26,489,578 Options) (**Underwritten Securities**).

The Underwriter may appoint sub-underwriters to sub-underwrite the Entitlement Offer (including the persons and entities who have been appointed as set out in section 6.4.2 below). The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	Subject to the Conditions Precedents and the Underwriter's compliance relevant to the Shortfall Security applications, the Company agrees to: (a) pay the Underwriter an underwriting fee of 4% of the Underwritten Amount; (b) issue the Underwriter (or its nominee/s) three (3) Options for every dollar raised under the Entitlement Offer; and (c) a management fee of 2% of the Underwritten Amount.
Termination Events by Underwriter	The Underwriter, without cost, liability or prejudice to itself, may by written notice to the Company, terminate its obligations under the Underwriting Agreement upon or at any time prior to completion of the Entitlement Offer if: (a) Indices fall: the S&P ASX 200 Index is at any time after the date of this Agreement [10% or more] or more below

its respective level as at the close of business on the Business Day prior to the date of this Agreement; or

- (b) **Share price:** the Shares finish trading on the ASX under the ASX code of "PRS" on any five (5) trading days with a closing price that is less than its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (c) **Prospectus:** the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Entitlement Offer is withdrawn by the Company; or
- (d) **Supplementary prospectus:**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause 6.4.1 (q) , forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter; or
- (e) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities; or
- (f) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (g) **proceedings:** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Entitlement Offer or the Prospectus, or publicly foreshadows that it may do so;
- (h) **Unable to Issue Securities:** the Company is prevented from issuing the Underwritten Securities within the time

required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or

- (i) **future matters:** any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (j) **Withdrawal of consent to Prospectus:** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (k) **No Quotation Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation; or
- (l) **ASIC application:** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (m) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (n) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect; or
- (o) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
- (p) **Indictable offence:** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (q) **Termination Events:** subject always to clause (r) below, any of the following events occurs:
 - (i) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China

or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by clause 10.2 of the Underwriting Agreement;

- (ii) **Default:** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking and that default or breach is not remedied to the satisfaction of the Underwriter (acting reasonably) within three (3) Business Days;
- (iii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect and that representation, warranty or undertaking is not remedied to the satisfaction of the Underwriter (acting reasonably) within three (3) Business Days;
- (iv) **Contravention of constitution or Act:** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results or any part of the Verification Material was, misleading or deceptive, materially false or that there was a material omission from them;
- (vii) **Significant change:** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **Public statements:** without the prior approval of the Underwriter or as otherwise permitted by this Agreement, a public statement is made by the Company in relation to the Entitlement Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;

- (ix) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in clause 1.3 of the Underwriting Agreement;
- (xi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (xii) **Prescribed Occurrence:** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (xiii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (xiv) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Relevant Company;
- (xv) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
- (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Entitlement Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 2 Business Days;

- (xx) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
 - (xxi) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
 - (xxii) **Capital Structure:** any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of this Agreement;
 - (xxiii) **Breach of Material Contracts:** any of the Contracts is terminated or substantially modified; or
 - (xxiv) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.
- (r) The Termination Events listed in clause (q) above, do not entitle the Underwriter to exercise its termination rights, unless in the reasonable opinion of the Underwriter, reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect, or could give rise to a liability of the Underwriter under the Corporations Act.

Indemnity

Subject to the limitations of the indemnity provided in the Underwriting Agreement, the Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees and agents (**Related Parties**) and hold them harmless from and against prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency but excluding indirect, special or consequential losses), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) (**Liability**) arising out of or in respect of:

- (a) non-compliance by the Company with or breach of any legal requirement or the Corporations Act or Listing Rules in relation to the Prospectus or any Supplementary Prospectus;
- (b) any advertising of the Entitlement Offer (notwithstanding that the Underwriter may have consented to it) or any documents in respect of the Entitlement Offer which accompany the Prospectus or any Supplementary Prospectus or otherwise arising out of the Entitlement Offer;

- (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus or any Supplementary Prospectus, any advertising of the Entitlement Offer or any documents in respect of the Entitlement Offer which accompany the Prospectus or any Supplementary Prospectus; or
- (d) any breach or failure by the Company to observe any of the terms of this Agreement.

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

6.4.2 Sub-Underwriting Agreements

The Underwriter has entered into the following sub-underwriting agreements (**Sub-Underwriting Agreements**) with Directors and/or their associated entities as follows:

- (a) 1147 Pty Ltd, being an entity controlled by Director, Thomas Mann to sub-underwrite up to a value of \$50,000 (and equal to 2,500,000 Shares and 1,250,000 New Options);
- (b) Rosignol Consultants Pty Ltd, being an entity controlled by Director, Peter Nightingale to sub-underwrite up to a value of \$100,000 (and equal to 5,000,000 Shares and 2,500,000 New Options);
- (c) John Levings to sub-underwrite up to a value of \$60,000 (and equal to 3,000,000 Shares and 1,500,000 New Options); and
- (d) Stephen Gemell to sub-underwrite up to a value of \$50,000 (and equal to 2,500,000 Shares and 1,250,000 New Options),

(together, the **Sub-Underwriters**).

The Sub-Underwriting Agreements shall terminate if the Underwriters' obligations under the Underwriting Agreement cease or are terminated.

The Sub-Underwriting Agreements are otherwise made on terms and conditions considered standard for an agreement of this nature.

6.4.3 Lead Manager Mandate

On 8 February 2023, the Company signed a mandate letter to engage BW Equities to act as lead manager of the Entitlement Offer and Placement (**Lead Manager Mandate**).

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

6.5 Interests of Directors

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

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

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

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

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

Security holdings

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

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 31 December 2022 Annual Report.

Director	FY ending 31 December 2022	FY ending 31 December 2021
Jason Becton	240,000	240,000
John Levings	120,000	120,000
Peter Nightingale	120,000	120,000

Director	FY ending 31 December 2022	FY ending 31 December 2021
Thomas Mann ¹	80,000	80,000
Stephen Gemell ¹	40,000	32,903

6.6 Interests of experts and advisers

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

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

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

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

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

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

BW Equities has acted as the lead manager and underwriter of the Entitlement Offer and Placement. The Company estimates it will pay BW Equities the fees set out in section 6.4.1 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BW Equities has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin approximately \$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received any other fees for any other services.

6.7 Consents

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

Each of the parties referred to in this Section:

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

BW Equities has given its written consent to being named as the lead manager and underwriter to the Entitlement Offer and Placement in this Prospectus.

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

KPMG has consented to the inclusion of the audited balance sheet of the Company as at 31 December 2022 for the purposes of the pro-forma balance sheet set out in Section 3.4

6.8 Expenses of the Offers

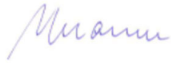
In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$248,575 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	13,006
Lead Manager fees	158,575
Legal fees	20,000
Printing and distribution	50,000
Miscellaneous	3,788
Total	248,575

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.



Thomas Mann
Chairman
Prospech Limited

8. GLOSSARY

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

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Prospech Limited (ACN 602 043 265).

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

Earn-In Agreement means the earn-in agreement entered into between the Company and Bambra Oy, a company incorporated in Finland on or about 15 March 2023 to earn up to 100% interest in Bambra Oy to acquire the Finland Projects.

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

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

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

Entitlement Offer means the renounceable entitlement issue the subject of this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.04.

Finland Projects means the Jokikangas REE Project, the Korsnas REE Project and Saarenkyla Lithium Project In Finland.

Lead Manager or **BW Equities** means BW Equities Pty Ltd (ACN 146 642 462) (AFSL 389353).

Lead Manager Option means the Options to be offered to the Lead Manager in part consideration for services provided to the Company, with an exercise price of \$0.04 each, expiring on or before the date that is two years from the date of issue.

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

Offers means the Entitlement Offer, the Placement Options Offer and the Lead Manager Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement undertaken by the Company, details of which are set out in the Company's announcement dated 17 March 2023.

Privacy Act 1988 means the *Privacy Act 1988* (Cth).

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

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

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Entitlement Offer (if any).

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.10.

Shortfall Securities means those Securities not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Underwriter means BW Equities Pty Ltd (ACN 146 642 462) (AFSL 389353).

Underwritten Amount means \$1,059,583.