

**SIHAYO GOLD LIMITED**  
**ACN 009 241 374**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of four (4) New Shares for every five (5) Shares held by those Shareholders registered on the Record Date at an issue price of \$0.004 per Share to raise up to \$11,793,477 (before costs and subject to the application of the Debt Conversion Facility) based on the number of Shares on issue as at the date of this Prospectus (**Offer**).

This Offer is partially underwritten by Provident Minerals Pte Ltd, PT Saratoga Investama Sedaya Tbk, Eastern Field Developments Ltd, Goldstar Mining Asia Resources (L) BHD, Asian Metal Mining Developments Limited and Tribeca Investment Partners Pty Ltd (together, the **Joint Underwriters**). Refer to Section 6.4.1 for a summary of the terms and conditions of the Underwriting Agreement.

**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.

***Not for release to US wire services or distribution in the United States except by the Company to Eligible Shareholders.***

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## IMPORTANT NOTICE

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This Prospectus is dated 26 April 2022 and was lodged with ASIC on that date. 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 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. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

For further information on overseas Shareholders please refer to Section 2.10.

### 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.

## **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.sihayogold.com>. A copy of this Prospectus is available in electronic format only to Eligible Shareholders in Australia.

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 3 9935 9161 during office hours or by emailing the Company at [sihayogold@sihayogold.com](mailto:sihayogold@sihayogold.com).

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 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

## **Privacy statement**

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

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Offer please call the Company Secretary on + 61 3 9935 9161.

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## CORPORATE DIRECTORY

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### Directors

Colin Moorhead (*Executive Chairman*)

Misha Collins (*Non-Executive Director*)

Gavin Caudle (*Non-Executive Director*)

Daryl Corp (*Non-Executive Director*)

### Key Management Personnel

Roderick Crowther (*Chief Financial Officer*)

### Company Secretary

Susan Park

### Registered Office

Suite 1, 245-249 Bay Street  
Brighton VIC 3186

Telephone: + 61 3 9935 9161

Email: [sihayogold@sihayogold.com](mailto:sihayogold@sihayogold.com)

Website: <http://www.sihayogold.com>

### Australian Legal Advisers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, 50 Market Street  
Melbourne VIC 3000

### Share Registry\*

Automic Group  
5/126 Phillip Street  
Sydney NSW 2000

Telephone: 1300 288 664  
Facsimile: +61 2 8583 3040

### Auditor

Stantons International Audit and  
Consulting Pty Ltd  
Level 2, 1 Walker Avenue  
West Perth WA 6005

### Joint Underwriters

Provident Minerals Pte Ltd  
80 Raffles Place  
#51-02 UOB Plaza 1  
Singapore 048624

PT Saratoga Investama Sedaya  
Level 15, Menara Karya  
JL HR Rasuna Said Block X5/1-2  
Jakarta 12950, Indonesia

Eastern Field Developments Limited  
Vitra Corporate Service Centre  
Wickhams Cay II Road Town  
Tortola VG 1110, British Virgin Islands

Goldstar Mining Asia Resources (L) BHD  
Tiara Labuan  
Jalan Tanjung Batu  
87000 FT Labuan, East Malaysia

Asian Metal Mining Developments Limited  
Vistra Corporate Services Centre  
Wickhams Cay II, Road Town  
Tortola, VG 1110, British Virgin Islands

Tribeca Investment Partners Pty Ltd  
Level 23, 1 O'Connell Street  
Sydney NSW 2000

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

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

|   |                         |
|---|-------------------------|
| Lodgement of Prospectus with ASIC   | Tuesday, 26 April 2022  |
| Lodgement of Prospectus and Appendix 3B with ASX  | Tuesday, 26 April 2022  |
| Ex-date   | Thursday, 28 April 2022 |
| Record Date for determining Entitlements  | Friday, 29 April 2022   |
| Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed | Wednesday, 4 May 2022   |
| Last day to extend the Closing Date   | Tuesday, 10 May 2022    |
| Closing Date (as at 5:00pm)*  | Friday, 13 May 2022     |
| Securities quoted on a deferred settlement basis  | Monday, 16 May 2022     |
| ASX and Joint Underwriters notified of under subscriptions  | Wednesday, 18 May 2022  |
| Joint Underwriters subscribe for Shortfall under terms of Underwriting Agreement                      | Thursday, 19 May 2022   |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares                 | Friday, 20 May 2022     |
| Quotation of Shares issued under the Offer  | Monday, 23 May 2022     |

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

### 1.2 Key statistics of the Offer

#### Shares

|  | Full Subscription    |
|--|----------------------|
| Offer Price per New Share                                  | \$0.004              |
| Entitlement Ratio (based on existing Shares)               | 4:5                  |
| Shares currently on issue <sup>1</sup>                     | 3,685,461,421        |
| New Shares to be issued pursuant to the Offer <sup>2</sup> | 2,948,369,137        |
| Gross proceeds of the issue of Shares <sup>3</sup>         | \$11,793,477         |
| <b>Shares on issue post-Offer</b>                          | <b>6,633,830,558</b> |

#### Notes:

1. Refer to Section 4.1 for the terms of the Shares.
2. Approximately 895,213,240 Shares may be issued pursuant to the Debt Conversion (assuming an exchange rate of A\$1:US\$0.75). Refer to Section 1.7 for further information.
3. Subject to the application of the Debt Conversion Facility. Refer to Section 2.6 for further information.

## Options

|   | Full Subscription  |
|---|--------------------|
| Options currently on issue <sup>1</sup> | 145,500,000        |
| Options to be issued under the Offer    | Nil                |
| <b>Options on issue post-Offer</b>      | <b>145,500,000</b> |

### Notes:

1. Unquoted Options:
  - (a) 24,500,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - (b) 17,000,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - (c) 34,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026; and
  - (d) 70,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026.

## 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.

The predominant risks relating to the Company and the Offer are summarised below:

| Risk                          | Description  | Further Information |
|-------------------------------|--|---------------------|
| <b>Potential for Dilution</b> | Upon implementation of the Offer, assuming all Entitlements are accepted and no other Shares are issued prior to the Record Date, the number of Shares in the Company will increase from 3,685,461,421 currently on issue to 6,633,830,558. This would mean that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company. | Section 5.2         |
| <b>Control risk</b>           | Provident holds a relevant interest in more than 25% of the Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the  | Section 5.2         |

|   |  |             |
|---|--|-------------|
|   | resolution).   |             |
| <b>Additional requirements for capital</b>                | The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.  | Section 5.2 |
| <b>Going Concern</b>                                      | The Company's Half Year Report for the period ended 31 December 2021 ( <b>Financial Report</b> ) 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.<br><br>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern. | Section 5.2 |
| <b>Commodity price volatility and exchange rate risks</b> | If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company (including exchange rate fluctuations).  | Section 5.3 |
| <b>Permits</b>  | The Company's proposed operations are subject to receiving and maintaining licences and permits (including forestry permits) from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits or additional permits.  | Section 5.3 |
| <b>Market conditions</b>                                  | Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.   | Section 5.4 |

## 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                 | Entitlement <sup>4</sup> | A\$         |
|----------------|--------------------------|-------------------------|--------------------------|-------------|
| Colin Moorhead | 2,000,000                | 94,500,000 <sup>1</sup> | 1,600,000                | \$6,400     |
| Gavin Caudle   | 963,534,378 <sup>2</sup> | Nil                     | 770,827,503              | \$3,083,310 |
| Misha Collins  | 6,823,547 <sup>3</sup>   | Nil                     | 5,458,838                | \$21,835    |
| Daryl Corp     | Nil                      | Nil                     | Nil                      | \$Nil       |

### Notes:

- Unquoted Options as follows:
  - 14,500,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - 10,000,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - 20,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026; and
  - 50,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026.
- Of these Shares:
  - 26,613,984 are held directly by Mr Caudle; and
  - 936,920,394 Shares are held indirectly through Provident Minerals Pte Ltd, of which Mr Caudle is a director and shareholder.
- Comprising 2,329,749 Shares held by the <Collins Super Fund> (an entity controlled by Mr Collins) and 4,493,798 Shares held by Insight Capital Management (an entity in which Mr Collins has an ability to influence how shares are voted / disposed).
- All Entitlement amounts have been rounded to the nearest whole number.

Gavin Caudle has entered into an agreement with the Joint Underwriters to sub-underwrite the Offer up to US\$500,000 (A\$666,667 based on an exchange rate of A\$1:US\$0.75), equivalent to approximately 166,666,667 Shares. Refer to Section 1.6 for further information and Section 6.4.2 for a summary of the terms of the Sub-underwriting Agreement.

The Board recommends that all Shareholders take up their Entitlements. The Directors have indicated their intention to subscribe for their Entitlements.

## 1.5 Details of Substantial Holders

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

| Shareholder                             | Shares      | %      |
|---|-------------|--------|
| Provident Minerals Pte Ltd <sup>1</sup> | 936,920,394 | 25.42% |
| PT Saratoga Investama Sedaya Tbk        | 378,429,197 | 10.27% |
| Eastern Field Developments Ltd          | 278,745,652 | 7.56%  |
| Goldstar Mining Asia Resources (L) BHD  | 243,387,822 | 6.60%  |
| Asian Metal Mining Developments Limited | 230,997,117 | 6.27%  |

**Notes:**

1. Gavin Caudle, a Director, is also a director and shareholder of Provident Minerals Pte Ltd. In the event that all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

## 1.6 Underwriting

The Offer is partially underwritten by each of Provident Minerals Pte Ltd (**Provident**), PT Saratoga Investama Sedaya Tbk (**Saratoga**), Eastern Field Development Ltd (a subsidiary of PT Merdeka Copper Gold Tbk (**Merdeka**)) (**Eastern Field**), Goldstar Mining Asia Resources (L) BHD (**Goldstar**), Asian Metal Mining Developments Limited (**Asian Metal**) and Tribeca Investment Partners Pty Ltd (**Tribeca**) (together, the **Joint Underwriters**).

The Joint Underwriters have entered into a sub-underwriting agreement in respect of the Offer with Gavin Caudle (a Director) to sub-underwrite the Offer up to US\$500,000 (A\$666,667 based on an exchange rate of A\$1:US\$0.75), equivalent to approximately 166,666,667 Shares at the Offer price.

Under the Underwriting Agreement, the Joint Underwriters have agreed that, other than in relation to Gavin Caudle, no sub-underwriter (if any) will increase their shareholding to above 19.99% as a direct result of the issue of the Shortfall Shares.

Refer to Section 6.4.1 for a summary of the terms of the Underwriting Agreement and Section 6.4.2 for a summary of the terms of the Sub-Underwriting Agreement.

## 1.7 Debt Conversion

The Company has entered into shareholder loan agreements with each of Provident, Goldstar and Saratoga (each a **Shareholder Lender**), as announced to ASX on 12 April 2022, 17 February 2022 and 21 January 2022, respectively. The Company received the following loans (including interest accrued at a rate of 10.0% per annum up until 18 May 2022 (being the indicative issue date of Shares under the Offer)):

- (a) US\$1,861,187 (A\$2,481,582) from Provident;
- (b) US\$516,885 (A\$689,181) from Saratoga; and
- (c) US\$307,567 (A\$410,090) from Goldstar,

(each loan a **Shareholder Loan**).

As at the date of this Prospectus, the Company owes approximately A\$3,580,853 (based on an exchange rate of A\$1:US\$0.75) to the Shareholder Lenders based on the face value of the Shareholder Loans of A\$3,466,667 and interest accrued at a rate of 10.0% per annum up until 18 May 2022 (being the indicative issue date of Shares under the Offer).

It is proposed that the Shareholder Lenders subscribe for Shares under their Entitlements in conversion of the Shareholder Loans (**Debt Conversion**) and based on the assumed exchange rate and interest calculation date set out above:

- (a) 620,395,605 Shares would be issued to Provident;
- (b) 172,295,151 Shares would be issued to Saratoga; and
- (c) 102,522,484 Shares would be issued to Goldstar.

Subject to foreign exchange rates, the amount owed by the Company pursuant to the Shareholder Loans and subsequently the number of Shares to be issued to the Shareholder Lenders may vary accordingly.

As announced to ASX on 18 March 2022, the Company has also received interim funding from Andrew Starkey (a shareholder of the Company) to the amount of US\$508,377 (A\$677,836) (which includes interest to 18 May 2022) (**Starkey Loan**). The Starkey Loan will not be converted into Offer Shares and will be paid out by the Company in cash from the proceeds of the Offer.

## **1.8 Interests of the Shareholder Lenders and the substantial shareholders in the Company**

The Company notes the following:

- (a) Mr Gavin Caudle is a common director of Merdeka, the Company and Provident. As set out in Sections 1.5 and 1.7, Provident is a substantial Shareholder of the Company.
- (b) Mr. Michael Soeryadjaya is director of Saratoga. As set out in Sections 1.5 and 1.7, Saratoga is a substantial Shareholder of the Company.
- (c) The following substantial Shareholders (whose relevant interests in the Company are set out in Section 1.5) are also shareholders of Eastern Field:
  - (i) Provident holds an approximate 23.2% interest in the shares of Eastern Field (20.53% of which it holds directly);
  - (ii) Saratoga holds an approximate 18.29% direct interest in the shares of Eastern Field; and
  - (iii) Goldstar Asia Mining Resources (L) Berhad (**Goldstar**) holds an approximate 8.78% direct interest in the shares of Eastern Field.
- (d) Merdeka (the parent company of Eastern Field) and the Company share common services and functions:

- (i) Merdeka and Sorikmas share common office space in Jakarta, Indonesia;
- (ii) Merdeka provides accounting, tax and back office services to the Company and PT Sorikmas Mining (**Sorikmas**, a subsidiary of the Company) through one of its subsidiaries in the same office as Merdeka and Sorikmas; and
- (iii) a senior manager within Merdeka (Boyke P. Abidin, Chief of External Affairs) is a director of Sorikmas.

On this basis, the Company is of the view that Eastern Field and Provident are associates for the purposes of the Corporations Act and Eastern Field's voting power in the Company will include the Shares in which Provident holds a relevant interest.

The voting power in the Company of Eastern Field, Provident and Saratoga (as well as the other Joint Underwriters) may increase as a result of the Debt Conversion and the underwriting. Refer to Section 1.9 for further information.

## **1.9 Effect on Control**

The Company has entered into an underwriting agreement with the Joint Underwriters under which the Joint Underwriters have agreed to partially underwrite the Offer. A summary of the material terms and conditions of the Underwriting Agreement are set out in Section 6.4.1 of this Prospectus.

The Directors of the Company consider, having regard to all available options, that entering into the Underwriting Agreement with the Joint Underwriters provides the Company with the highest degree of certainty in the time available that the Offer will be successful.

Provident, a Joint Underwriter, is a related party of the Company for the purpose of the Corporations Act by virtue of being controlled by Gavin Caudle, a Director. Notwithstanding this relationship between the Company and Provident, the Board (other than Gavin Caudle) considered prior Shareholder approval to the entry into the Underwriting Agreement (which is deemed under the Corporations Act to be the giving of a financial benefit to Provident) was not required on the basis that the terms of the agreement are considered to be 'arm's length'.

The Shareholder Lenders and their associated entities will be issued 895,213,240 Shares pursuant to the Debt Conversion (based on the assumptions as set out in Section 1.7).

For the reasons set out in Section 1.8, the Company is of the view that:

- (a) Provident's voting power in the Company will include the Shares in which Eastern Field holds a relevant interest; and
- (b) Eastern Field's voting power in the Company will include the Shares in which Provident holds a relevant interest.

The Joint Underwriters are substantial shareholders of the Company and the extent to which Shares are issued pursuant to the Underwriting Agreement (depending on the level of any Shortfall) will increase the Joint Underwriters' voting power in the Company. The Joint Underwriters' present relevant interest and voting power and changes under various scenarios are set out in the table

below and are based on the assumption that the Joint Underwriters take up their full Entitlement (as Shareholders) under each scenario (which, for the Shareholder Lenders includes the conversion of the Shareholder Loans) and does not take into account the effect of the Sub-underwriting Commitment.

| Joint Underwriter / Shareholder Lender | Event               | Total Relevant Interest in Shares (excluding associates interests) | Relevant Interest % (excluding associates interests) | Voting Power % (*including associates interests) |
|--|---------------------|--|--|--|
| Provident*                             | Date of Prospectus  | 936,920,294  | 25.42%   | 32.99%   |
|  | Completion of Offer |  |  |  |
|  | ▪ Fully subscribed  | 1,686,456,710  | 25.42%   | 32.99%   |
|  | ▪ 75% subscribed    | 2,230,100,263  | 33.62%   | 42.88%   |
|  | ▪ 50% subscribed    | 2,460,114,950  | 37.08%   | 47.62%   |
|  | ▪ 25% subscribed    | 2,690,129,638  | 40.55%   | 52.37%   |
| Saratoga                               | Date of Prospectus  | 378,429,197  | 10.27%   | 10.27%   |
|  | Completion of Offer |  |  |  |
|  | ▪ Fully subscribed  | 681,172,555  | 10.27%   | 10.27%   |
|  | ▪ 75% subscribed    | 844,120,846  | 12.72%   | 12.72%   |
|  | ▪ 50% subscribed    | 955,903,319  | 14.14%   | 14.14%   |
|  | ▪ 25% subscribed    | 1,067,685,793  | 16.09%   | 16.09%   |
| Eastern Field*                         | Date of Prospectus  | 278,745,652  | 7.56%  | 32.99%   |
|  | Completion of Offer |  |  |  |
|  | ▪ Fully subscribed  | 501,742,174  | 7.56%  | 32.99%   |
|  | ▪ 75% subscribed    | 614,321,941  | 9.26%  | 42.88%   |
|  | ▪ 50%               | 699,141,235  | 10.54%   | 47.62%   |

|             |                     |             |        |        |
|-------------|---------------------|-------------|--------|--------|
|             | subscribed          |             |        |        |
|             | ▪ 25% subscribed    | 783,960,530 | 11.82% | 52.37% |
| Goldstar    | Date of Prospectus  | 243,387,822 | 6.60%  | 6.60%  |
|             | Completion of Offer |             |        |        |
|             | ▪ Fully subscribed  | 438,098,080 | 6.60%  | 6.60%  |
|             | ▪ 75% subscribed    | 534,091,545 | 8.05%  | 8.05%  |
|             | ▪ 50% subscribed    | 608,920,495 | 9.18%  | 9.18%  |
|             | ▪ 25% subscribed    | 683,749,445 | 10.31% | 10.31% |
| Asian Metal | Date of Prospectus  | 230,997,117 | 6.27%  | 6.27%  |
|             | Completion of Offer |             |        |        |
|             | ▪ Fully subscribed  | 415,794,811 | 6.27%  | 6.27%  |
|             | ▪ 75% subscribed    | 506,134,352 | 7.63%  | 7.63%  |
|             | ▪ 50% subscribed    | 577,409,466 | 8.70%  | 8.70%  |
|             | ▪ 25% subscribed    | 648,684,580 | 9.78%  | 9.78%  |
| Tribeca     | Date of Prospectus  | 170,649,997 | 4.63%  | 4.63%  |
|             | Completion of Offer |             |        |        |
|             | ▪ Fully subscribed  | 307,169,995 | 4.63%  | 4.63%  |

|  |                  |             |       |       |
|--|------------------|-------------|-------|-------|
|  | ▪ 75% subscribed | 371,149,147 | 5.59% | 5.59% |
|  | ▪ 50% subscribed | 424,723,751 | 6.40% | 6.40% |
|  | ▪ 25% subscribed | 478,298,354 | 7.21% | 7.21% |

The number of Shares held by the Joint Underwriters and their voting power in the table above shows the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders, other than the Joint Underwriters will take up Entitlements under the Offer. The underwriting obligation and resulting voting power of the Joint Underwriters will reduce by a corresponding amount for the amount of Entitlements under the Offer subscribed for by the other Shareholders.

Under the terms of the Sub-Underwriting Agreement, Gavin Caudle has agreed to sub-underwrite the Offer up to US\$500,000 (A\$666,667 based on an exchange rate of A\$1:US\$0.75) (**Sub-Underwriting Commitment**). Mr Caudle is a related party of the Company because he is a Director. The Sub-Underwriting Commitment is in addition to Mr Caudle's Entitlement that he has agreed to subscribe for. The final amount that Mr Caudle ultimately sub-underwrites will be determined by the Company (in consultation with the Joint Underwriters). Mr Caudle will not be paid any fee for sub-underwriting the Offer. A summary of the Sub-Underwriting Agreement is set out in Section 6.4.2.

Based on the number of Shares on issue as at the date of the Prospectus, Mr Caudle holds a direct relevant interest in 26,613,984 Shares (excluding Shares held indirectly through Provident, of which Mr Caudle is a director and shareholder) representing 0.72% of the total Shares on issue. In respect of the Sub-Underwriting Commitment, Mr Caudle may be issued approximately a further 166,666,667 Shares at the Offer price.

Mr Caudle's relevant interest and voting power will also include the relevant interest and voting power of Provident, an entity that is controlled by Mr Caudle by virtue of his position as a director and shareholder. Refer to the table above for further details regarding Provident's relevant interest and voting power under various scenarios.

Prior to entering into the Underwriting Agreement and Sub-Underwriting Commitment, the Company considered alternative options to mitigate the potential control effects. In the Board's opinion, in the current commercial environment the underwriting by the Joint Underwriters was the most suitable underwriting option that was available to the Company.

In order to mitigate the potential control effects of the Underwriting and Sub-Underwriting Commitment:

- (a) the Directors have each indicated their intention of taking up their respective Entitlement (which together will reduce any potential Shortfall) (for further details, refer to Section 2.7);

- (b) the Company has included a Shortfall Offer, as described in Section 2.7; and
- (c) the Joint Underwriters have agreed with the Company that eligible Shareholders who participate in the Shortfall Offer will be given priority over the Joint Underwriters in respect of any Shortfall.

Notwithstanding the potential control effect of the Joint Underwriters underwriting the Offer, the Company understands that, other than as disclosed in this Prospectus and previously announced by the Company, the Joint Underwriters have no present intention of making any significant changes to the business of the Company. These intentions are based on information concerning the Company, its business and the business environment which is known to the Joint Underwriters at the date of this Prospectus. These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

### 1.10 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 44% (as compared to their holdings and number of Shares on issue as at the date of this 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 Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 10,000,000                | 0.27%            | 8,000,000                    | 10,000,000                     | 0.15%        |
| Shareholder 2 | 5,000,000                 | 0.14%            | 4,000,000                    | 5,000,000                      | 0.08%        |
| Shareholder 3 | 1,500,000                 | 0.04%            | 1,200,000                    | 1,500,000                      | 0.02%        |
| Shareholder 4 | 400,000                   | 0.01%            | 320,000                      | 400,000                        | 0.006%       |
| Shareholder 5 | 50,000                    | 0.001%           | 40,000                       | 50,000                         | 0.001%       |

**Notes:**

1. This is based on an issued share capital of 3,685,461,421 Shares as at the date of the Prospectus and assumes no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## 2. DETAILS OF THE OFFER

### 2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of four (4) New Shares for every five (5) Shares held by Shareholders registered on the Record Date at an issue price of \$0.004 per Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of Options on issue) approximately 2,948,369,137 Shares (including Shares issued pursuant to the Debt Conversion) may be issued under the Offer to raise up to \$11,793,477 (before costs and subject to the application of the Debt Conversion Facility).

The Shareholder Lenders may elect to take up their Entitlement by means of converting of some or all of the existing debt owed to them by the Company (at an issue price of A\$0.004 per Share) under the Debt Conversion Facility. Details of the Debt Conversion Facility are set out in Section 2.6.

As at the date of this Prospectus, the Company has 145,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the 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 purpose of the Offer and the intended use of funds raised are set out in Section 3.

Each Eligible Shareholder participating in the Offer represents and warrants that it (and any person for whom it is acting):

- (a) is in Australia, or, if not in Australia, is in another Permitted Jurisdiction;
- (b) if in China, is a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets; (ii) sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investment; or (iii) other type of qualified investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise);
- (c) if in the United States, is an Accredited Investor and has delivered to the Company a form of US investor certificate;
- (d) understands that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States;
- (e) has not and will not send this Prospectus or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Offer to any person in the United States or elsewhere outside Australia;

- (f) if it is acting as a nominee or custodian, each beneficial holder on whose behalf it is submitting the Entitlement and Acceptance Form is resident in Australia, British Virgin Islands, Canada, Malaysia, New Zealand, Philippines or Singapore and is not in the United States or any other country and is not acting for the account or benefit of a person in the United States, and it has not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Offer to any person other than beneficial shareholders of the Company who are resident in Australia, British Virgin Islands, Canada, Malaysia, New Zealand, Philippines and Singapore; and
- (g) acknowledges that, if it decides to sell or otherwise transfer any Securities, it will only do so in regular way transactions on the ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

## 2.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form (which accompanies this Prospectus) and will be available through the Automic Investor Portal at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

| Option   | Key Considerations   | For more information         |
|--|--|------------------------------|
| <b>Take up all of your Entitlement</b>                                     | <ul style="list-style-type: none"> <li>Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li> <li>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>  | Section 2.3 and Section 2.4. |
| <b>Take up all of your Entitlement and also apply for Shortfall Shares</b> | <ul style="list-style-type: none"> <li>Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at <a href="https://investor.automic.com.au/#/home">https://investor.automic.com.au/#/home</a>. Please read the instructions carefully.</li> <li>Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> </ul> | Sections 2.3, 2.4 and 2.7.   |

| Option   | Key Considerations  | For more information        |
|--|---|-----------------------------|
|  | <ul style="list-style-type: none"> <li>If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Shares may be scaled-back.</li> <li>The Company's decision on the number of Shortfall Shares to be allocated to you will be final.</li> </ul> |                             |
| <b>Take up a proportion of your Entitlement and allow the balance to lapse</b> | <ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3.</li> </ul>   | Section 2.3 and Section 2.4 |
| <b>Allow all or part of your Entitlement to lapse</b>                          | <ul style="list-style-type: none"> <li>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.</li> </ul>   | N/A                         |

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

## 2.3 Payment options

### (a) By BPAY®

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

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should

therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00 pm (AEST) on the Closing Date. The Company and the Share Registry shall not be responsible for any delay in the receipt of the BPAY® payment.**

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

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

#### **(b) By Electronic Funds Transfer**

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

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

#### **(c) By Cheque**

Payment by cheque or cash will not be accepted.

## **2.4 Implications of an acceptance**

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

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

## 2.5 Minimum subscription

There is no minimum subscription.

## 2.6 Debt Conversion Facility

If you are a Shareholder Lender, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company. The conversion will be undertaken on a dollar for dollar basis (subject to foreign exchange conversion) at the issue price of the Offer (being A\$0.004 per Share), and, in the case of any fractional entitlements, the number of Shares arising from the conversion of the debt shall be rounded down to the nearest whole number.

For clarity, the Debt Conversion Facility does not enable any Shareholder Lender to take up more Shares under the Offer than if the facility was not available. That is, Shareholder Lenders may only convert the amount owed to them (including interest accrued on debt) by the Company through subscribing for their Entitlement.

To elect to satisfy the Application monies in respect of your Entitlement by converting some of all of the existing debt owed to you by the Company, you will need to complete the appropriate section in the Entitlement and Acceptance Form.

To the extent that Entitlements are taken up through the use of the Debt Conversion Facility, the amount payable to Shareholder Lender will reduce by the equivalent amount from the effective proceeds of the Offer.

The following Shareholder Lenders have given the following firm commitments regarding their subscription for Shares utilising the Debt Conversion Facility:

| Shareholder Lender               | Amount owing by Company <sup>1,2</sup> | Amount of Shares to be issued on conversion of amounts owed <sup>3</sup> | Amount owed by Company on completion of the Offer |
|----------------------------------|--|--|---|
| Provident Minerals Pte Ltd       | \$2,481,582                            | 620,395,605  | \$0   |
| PT Saratoga Investama Sedaya Tbk | \$689,181                              | 172,295,151  | \$0   |
| Goldstar Mining Asia             | \$410,090                              | 102,522,484  | \$0   |

### Notes:

1. Includes US\$ denominated debt. A\$ equivalent of US\$ denominated debt at an assumed FX rate of A\$1 = US\$0.75.
2. Includes interest accrued at a rate of 10.0% per annum up until 18 May 2022 (being the indicative issue date of Shares under the Offer).
3. Amounts that the Company will owe these Shareholders Lenders (including accrued interest on debts), which are subject to the fluctuation in A\$:US\$ exchange rates. Consequently the number of Shares to be issued to the Shareholder Lenders may vary from the amount stated.

## 2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. 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 \$0.004 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other 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 Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Section 2.3.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Joint Underwriters 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 Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares 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 Shares applied for under the Shortfall Offer.

The Joint Underwriters note that no Shares 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. Except as disclosed in this Prospectus, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

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.

## **2.8 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 1.1. 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 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.

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

## **2.9 Issue of Shares**

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

Shares issued pursuant to the Shortfall Offer may be issued on a progressive basis. Where the number of Shares 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 Shares 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 Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

## **2.10 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### ***British Virgin Islands***

The New Shares may not be offered in the British Virgin Islands unless the Company or the person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. While the Company is not licensed to carry on business in the British Virgin Islands, the New Shares may be offered to existing shareholders of the Company in the British Virgin Islands from outside the British Virgin Islands.

### ***Canada***

This Prospectus constitutes an offering of the New Shares in the Canadian province of British Columbia (the **Province**) where existing shareholders of the Company are resident. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Province.

No securities commission or other authority in the Province has reviewed or in any way passed upon this Prospectus, the merits of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Province with respect to the offering of New Shares or the resale of such securities. Any person in the Province lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province.

Any resale of the New Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security (such as New Shares) of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a

substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

### **China**

This Prospectus has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the New Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for New Shares be made from, within the PRC. This Prospectus does not constitute an offer of New Shares within the PRC.

The New Shares may not be offered to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

### **European Union**

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the New Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in each member state of the European Union is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

### **Hong Kong**

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### **Indonesia**

A registration statement with respect to the New Shares has not been, and will not be, filed with Otoritas Jasa Keuangan in the Republic of Indonesia. Therefore, the New Shares may not be offered or sold to the public in Indonesia.

Neither this Prospectus nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the New Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law of the Republic of Indonesia.

### **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of New Shares. The New Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any New Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

### **New Zealand**

The New Shares 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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

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 under the Financial Markets Conduct Act 2013. This Prospectus 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.

### **Philippines**

THE NEW SHARES BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER THE PHILIPPINE SECURITIES REGULATION CODE (THE "CODE"). ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

The New Shares are being offered or sold to existing shareholders of the Company in an exempt transaction under Section 10.1(e) of the Code. The Company has not sought confirmation, and the SEC has not confirmed, whether the Offer qualifies as an exempt transaction under the Code.

### **Singapore**

This Prospectus and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return

this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the New Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, the Company or the New Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Prospectus will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Prospectus may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

### **United Kingdom**

Neither this Prospectus nor any other Prospectus relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net

worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

### ***United States***

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

### ***Nominees and custodians***

Nominees and custodians may not distribute the Prospectus, and may not submit an Entitlement and Acceptance Form on behalf of any Shareholder (including any beneficial shareholder) resident outside Australia, British Virgin Islands, Canada, Malaysia, New Zealand, Philippines and Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

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### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$11,793,477 before costs.

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

| Item | Proceeds of the Offer                    | Full Subscription (\$) | %             |
|------|--|------------------------|---------------|
| 1.   | Exploration and evaluation               | 2,610,000              | 22.1%         |
| 2.   | Regulatory and permitting                | 750,000                | 6.4%          |
| 3.   | Shareholder Loan repayments <sup>1</sup> | 4,258,689              | 36.1%         |
| 4.   | Working capital                          | 4,053,582              | 34.4%         |
| 5.   | Expenses of the Offer <sup>2</sup>       | 121,206                | 1.0%          |
|      | <b>Total<sup>3</sup></b>                 | <b>\$11,793,477</b>    | <b>100.0%</b> |

**Notes:**

1. The Company has received firm commitments in relation to the subscription for Shares utilising the Debt Conversion Facility. Refer to Section 2.6 for further information. This amount also reflects the repayment of the Starkey Loan. Refer to Section 1.7 for further information.
2. Refer to Section 6.12 for further details relating to the estimated expenses of the Offer.

If only the Underwritten Amount (being \$9,666,667) is raised under the Offer, resulting in net cash received of approximately \$6,085,814 (taking into account the conversion of the Shareholder Loans pursuant to the Debt Conversion Facility), then the expenses of the Offer, Shareholder Loan repayments, and the amounts allocated to exploration and evaluation and regulatory and permitting are not expected to change. However, the Company will reduce the amount of funds allocated to working capital by the amount of the difference between the amount raised and the Underwritten Amount.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriate scale back funds available for working capital (Item 4).

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

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

### 3.2 Effect of the Offer

The principal effect of the Offer, assuming all 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 \$8,230,066 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (a) increase the number of Shares on issue from 3,685,461,421 as at the date of this Prospectus to 6,633,830,558 Shares.

### 3.3 Effect on capital structure

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

#### Shares

|  | Number               |
|--|----------------------|
| Shares currently on issue <sup>1</sup>                     | 3,685,461,421        |
| New Shares to be issued pursuant to the Offer <sup>2</sup> | 2,948,369,137        |
| <b>Total Shares on issue after completion of the Offer</b> | <b>6,633,830,558</b> |

#### Notes:

- 1. Refer to Section 4.1 for the terms of the Shares.
- 2. Approximately 895,213,240 Shares may be issued pursuant to the Debt Conversion (assuming an exchange rate of A\$1:US\$0.75). Refer to Section 1.7 for further information.

#### Options

|   | Number             |
|---|--------------------|
| Options currently on issue <sup>1</sup>                     | 145,500,000        |
| Options to be issued pursuant to the Offer                  | Nil                |
| <b>Total Options on issue after completion of the Offer</b> | <b>145,500,000</b> |

#### Notes:

- 1. Unquoted Options:
  - (a) 24,500,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - (b) 17,000,000 of which are exercisable at \$0.02907 on or before 9 December 2022;
  - (c) 34,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026; and
  - (d) 70,000,000 of which are exercisable at \$0.03624 on or before 9 December 2026.

### 3.4 Pro-forma balance sheet

The audit reviewed half year financial report for the period ended 31 December 2021 and the unaudited pro-forma balance sheet as at 31 March 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

|                                  | REVIEWED<br>31 December<br>2021<br>\$ | UNAUDITED<br>31 March 2022<br>\$ | PROFORMA<br>31 March 2022<br>\$ |
|----------------------------------|---------------------------------------|----------------------------------|---------------------------------|
| <b>CURRENT ASSETS</b>            |                                       |                                  |                                 |
| <b>CURRENT ASSETS</b>            |                                       |                                  |                                 |
| Cash                             | 593,845                               | 56,463                           | 8,286,529                       |
| Other current assets             | 129,641                               | 393,350                          | 393,350                         |
| <b>TOTAL CURRENT ASSETS</b>      | <b>723,486</b>                        | <b>449,813</b>                   | <b>8,679,879</b>                |
|                                  |                                       |                                  |                                 |
| <b>NON-CURRENT ASSETS</b>        |                                       |                                  |                                 |
| Plant and equipment              | 3,701,304                             | 3,605,186                        | 3,605,186                       |
| Capitalised exploration          | 17,141,332                            | 18,842,907                       | 18,842,907                      |
| Other non-current assets         | 4,824,975                             | 4,872,555                        | 4,872,555                       |
| <b>TOTAL NON-CURRENT ASSETS</b>  | <b>25,667,611</b>                     | <b>27,320,648</b>                | <b>27,320,648</b>               |
|                                  |                                       |                                  |                                 |
| <b>TOTAL ASSETS</b>              | <b>26,391,097</b>                     | <b>27,770,461</b>                | <b>36,000,527</b>               |
|                                  |                                       |                                  |                                 |
| <b>CURRENT LIABILITIES</b>       |                                       |                                  |                                 |
| Borrowings                       | 1,653,804                             | 3,341,353                        | –                               |
| Other creditors                  | 1,948,475                             | 2,961,923                        | 2,961,923                       |
| <b>TOTAL CURRENT LIABILITIES</b> | <b>3,602,279</b>                      | <b>6,303,276</b>                 | <b>2,961,923</b>                |

|                                      | REVIEWED<br>31 December<br>2021<br>\$ | UNAUDITED<br>31 March 2022<br>\$ | PROFORMA<br>31 March 2022<br>\$ |
|--------------------------------------|---------------------------------------|----------------------------------|---------------------------------|
| <b>NON-CURRENT LIABILITIES</b>       |                                       |                                  |                                 |
| Other non-current liabilities        | 684,279                               | 672,054                          | 672,054                         |
| <b>TOTAL NON-CURRENT LIABILITIES</b> | <b>684,279</b>                        | <b>672,054</b>                   | <b>672,054</b>                  |
| <b>TOTAL LIABILITIES</b>             | <b>4,286,558</b>                      | <b>6,975,330</b>                 | <b>3,633,977</b>                |
| <b>NET ASSETS (LIABILITIES)</b>      | <b>22,104,539</b>                     | <b>20,795,131</b>                | <b>32,366,550</b>               |
| <b>EQUITY</b>                        |                                       |                                  |                                 |
| Share capital                        | 149,083,183                           | 149,082,472                      | 160,754,743                     |
| Options Reserve                      | 16,046,559                            | 11,260,664                       | 11,260,664                      |
| Retained loss                        | (120,848,209)                         | (112,649,593)                    | (112,750,445)                   |
| Non-controlling interest             | (22,176,994)                          | (26,898,412)                     | (26,898,412)                    |
| <b>TOTAL EQUITY</b>                  | <b>22,104,539</b>                     | <b>20,795,131</b>                | <b>32,366,550</b>               |

**Notes:**

1. Proforma balance sheet is shown post the repayment of all shareholder loans, including the repayment of the loan from Andrew Starkey totalling A\$677,836.

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

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

The following is a summary of the more significant rights and liabilities attaching to the Shares being 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 website or at the 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 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 Options currently on issue

(a) **Entitlement**

The Options entitle the holder to subscribe for one Share upon exercise of each Option.

(b) **Exercise Price and Expiry Date**

The Options have the exercise price (**Exercise Price**) and expiry date (**Expiry Date**) as set out for each tranche of Options below:

- (i) **Tranche 1:** 24,500,000 Options have an exercise price of \$0.02907 and an expiry date of 9 December 2022;
- (ii) **Tranche 2:** 17,000,000 Options have an exercise price of \$0.02907 and an expiry date of 9 December 2022;
- (iii) **Tranche 3:** 34,000,000 Options have an exercise price of \$0.03624 and an expiry date of 9 December 2026; and
- (iv) **Tranche 4:** 70,000,000 Options have an exercise price of \$0.03624 and an expiry date of 9 December 2026.

(c) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date. If an Option is not exercised before the Expiry Date it will automatically lapse (and thereafter be incapable of exercise).

(d) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised.

(e) **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 by the Company as cleared funds of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) **Shares issued on exercise**

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

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

Within 5 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) allot and issue the Shares pursuant to the exercise of the Options;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
- (v) apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.
- (k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.
- (l) **Adjustment for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Options may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (m) **Quotation of Options**

The Company will not apply for Official Quotation of the Options on ASX.
- (n) **Options transferable**

The Options are transferable provided that the transfer of the Options complies with section 707(3) of the Corporations Act and with prior written consent of the Board.
- (o) **Vesting**

The Options will vest as follows:

  - (i) **Tranche 1:** The Tranche 1 Options will vest when the Company:
    - (A) raises US\$7,000,000 in equity from parties other than current significant Shareholders and / or Eastern Field (and affiliates); and
    - (B) achieves financial closing in relation to the Sihayo Starter Project whereby bank loans fund a minimum of 50% of the project construction's capital expenditure,

**(Tranche 1 Vesting Condition).** The Tranche 1 Vesting Condition was met on 30 June 2021;
  - (ii) **Tranche 2:** The Tranche 2 Options will vest when the Company raises an additional US\$30,000,000 in equity from parties other than current significant Shareholders and / or Eastern Field (and affiliates) for the Sihayo Starter Project before construction commences.
  - (iii) **Tranche 3:** The Tranche 3 Options will vest when the Company makes full repayment of all outstanding debt from free-cashflow.

- (iv) **Tranche 4:** The Tranche 4 Options will vest on the first to occur of:
- (A) If, as a result of new exploration discoveries, the existing project near mine measured and indicated reserves increase such that the overall project NPV (discounted at 8% above treasuries) increases by at least US\$100,000,000, then:
    - (I) 20% of the Tranche 4 Options will vest upon the publication of an ASX announcement to that effect; and
    - (II) an additional 20% will vest for every additional US\$100,000,000 NPV (discounted at 8% above treasuries) increase beyond the initial US\$100,000,000 increase, as a result of new exploration discoveries, until 100% have vested; or
  - (B) If a discovery is made and the Board formally approves the development of a project, separate to the existing Sihayo Starter Project, with an NPV of at least US\$300,000,000 (discounted at 8% above treasuries) based on measured and indicated reserves, then:
    - (I) 20% will vest upon the publication of an ASX announcement to that effect; and
    - (II) an additional 20% will vest for every additional US\$100,000,000 NPV (discounted at 8% above treasuries) calculated for the new project approval above the initial threshold project value of US\$300,000,000, until 100% have vested.

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## 5. RISK FACTORS

### 5.1 Introduction

The Shares 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 Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

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

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

### 5.2 Company specific

| Risk Category                 | Risk  |
|-------------------------------|---|
| <b>Potential dilution</b> for | <p>Upon implementation of the Offer, assuming all Entitlements are accepted and no other Shares are issued prior to the Record Date the number of Shares on issue will increase from 3,685,461,421 currently on issue to 6,633,830,558. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> |
| <b>Control risk</b>           | <p>Provident is currently the largest Shareholder of the Company and has a relevant interest in approximately 25.42% of the Shares in the Company. Assuming</p>   |

| Risk Category                              | Risk   |
|--|--|
|  | <p>Provident takes up its full Entitlement and no other Shareholders accept their entitlements and Shares are issued to Provident pursuant to the Debt Conversion and the Joint Underwriters take up their full Entitlement, Provident's voting power in the Company could increase significantly (further details of which are set out in Section 1.9).</p> <p>Provident's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>Provident currently holds a relevant interest in more than 25% of the voting shares in Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p> |
| <b>Additional requirements for capital</b> | <p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>   |
| <b>Going Concern</b>                       | <p>The Company's Half Year Report for the period ended 31 December 2021 (<b>Financial Report</b>) 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>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, 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. Please refer to Section 3.1 for further details.</p>   |

| Risk Category                 | Risk   |
|-------------------------------|--|
|                               | <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>   |
| <b>Climate Risk</b>           | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li data-bbox="608 562 1402 1111">(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li data-bbox="608 1126 1402 1442">(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</li> </ul> |
| <b>Coronavirus (COVID-19)</b> | <p>The outbreak of the coronavirus disease (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>As described in the Company's quarterly reports, the Company has implemented a wide range of strategies to mitigate the risks posed by COVID-19 including mandatory testing prior to travel and quarantining at the project site prior to recommencing work as well as a strict COVID-19 workplace protocols and established standard operating procedures to help prevent the occurrence and transmission of the COVID-19 virus in the workplace.</p>   |

| Risk Category             | Risk   |
|---------------------------|--|
|                           | <p>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 or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.</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. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>  |
| <b>Related Party Risk</b> | <p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties including suppliers, manufacturers and consultants. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> <li>(a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or</li> <li>(b) insolvency, default on performance or delivery by any operators, contractors or service providers.</li> </ul> <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and impact the Company's position, performance and reputation.</p> |
| <b>Feasibility Study</b>  | <p>The Company completed and published a Feasibility Study Update in February 2022. There is no assurance that the cost estimates and underlying assumptions in the Feasibility Study will be realised in practice, which may materially and adversely affect the company's viability.</p> <p>In the event the cost estimates and the underlying</p>   |

| Risk Category                    | Risk   |
|----------------------------------|--|
|                                  | <p>assumptions are unachievable in practice, the Company may be required to do more work, including, amongst other things, attempting to increase the amount of gold in the known resource by expanding the boundaries of the ore body as currently defined, investigate additional opportunities to improve metallurgical recoveries and investigate ways to reduce upfront capital costs and project critical path lead times. This would require the Company to expend significantly more funds than would be available to the Company, even accounting for the funds provided by the Offer and the Placement. There is no guarantee this extra work would produce a financially viable project, which would materially affect the viability of the Company.</p>  |
| <p><b>Resource Estimates</b></p> | <p>Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on the Company's operations.</p>   |
| <p><b>Sovereign Risk</b></p>     | <p>The Company's Sihayo Starter Project is located in Indonesia. As such its operations are subject to regulation by the Indonesian Central Government and local government bodies in relation to mining operations, environment, community relations and manpower.</p> <p>Possible sovereign risks associated with operating in Indonesia include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.</p> <p>No assurance can be given regarding future stability in Indonesia or any other country in which the Company may, in the future, have an interest.</p> |
| <p><b>Gold Price</b></p>         | <p>Changes in the market price of gold, which in the past have fluctuated widely, will affect the profitability of the Company's projected operations and its financial condition. The viability of the Company's Sihayo Starter Project also depends on the future market price of gold. The price of gold is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, demand for jewellery</p>   |

| Risk Category  | Risk  |
|--|---|
|  | <p>and industrial products containing gold, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks, other holders and speculators, and global and regional political and economic factors.</p> <p>A decline in the market price of gold below the Company's projected production costs for a sustained period may have a material adverse impact on the viability of the Company's Sihayo Starter Project. Such a decline also could have a material adverse impact on the ability of the Company to finance the development of the Sihayo Starter Project. A decline in the market price of gold may also require the Company to write-down the carrying value of assets which may have a material adverse effect on the value of the Company's Shares.</p> <p>The Company notes that there the market price of gold has been volatile during the course of the COVID-19 pandemic.</p>   |
| <p><b>Gold – Operating and Development Risks</b></p> | <p>The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of gold mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.</p> <p>In addition, the Company's profitability could be adversely affected if for any reason its production and processing of gold or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communication systems, poor water condition, interruptions to gas and electricity supplies, human error</p> |

| Risk Category          | Risk  |
|------------------------|---|
|                        | <p>and adverse weather conditions.</p> <p>The risks outlined above also mean that there can be no assurances as to the future development of a mining operation in relation to the Company's Sihayo Starter Project or any projects which the Company may acquire in the future.</p>  |
| <b>Seismic Risk</b>    | <p>The Sihayo Contract of Work is proximal to the Trans Sumatra Fault Zone a known active area of seismicity. Seismic events including large scale earthquakes can occur. This risk is well understood and in part mitigated by locating the Tailings Storage Facility (<b>TSF</b>) at the bottom of the Nias Valley in a location that minimised the length of the TSF wall, with near surface soils within the embankment abutments excavated and replaced with engineered fill in order to improve stability of the TSF wall in a large seismic event. An independent consultant also completed a seismic slip analysis of the entire project including all infrastructure locations. The processing plant was relocated to a lower risk location as part of that analysis and additional hold down design of tall and critical foundations added to the design. Notwithstanding these mitigations a major event does have the potential to disrupt operations/construction and to cause damage.</p>   |
| <b>US Tax Law Risk</b> | <p>The Company may be a passive "foreign investment company" under US tax law, which would subject US investors to adverse tax rules.</p> <p>Holders of Shares who are US taxpayers could face US income tax risks if the Company is a "passive foreign investment company" ("PFIC", as defined in the US Internal Revenue Code), which could result in a reduction in the after-tax return to a US holder of Shares. For US federal income tax purposes, the Company will be classified as a PFIC for any taxable year in which (i) 75% or more of its gross income is passive income or (ii) at least 50% of the average value of all of the Company's assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset that produces passive income. US investors should consult their own tax advisors about the application of the PFIC rules and certain elections that may help to minimize adverse US federal income tax consequences in their particular circumstances.</p> |

### 5.3 Industry specific

| Risk Category      | Risk  |
|--------------------|---|
| <b>Exploration</b> | <p>The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of these</p> |

| Risk Category                   | Risk  |
|---------------------------------|---|
|                                 | <p>tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.</p> <p>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 the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p> |
| <p><b>Operational Risks</b></p> | <p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>  |

| Risk Category   | Risk   |
|---|--|
| <b>Commodity price volatility and exchange rate risks</b> | <p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> |
| <b>Permits</b>  | <p>The Company's proposed operations are subject to receiving and maintaining licences and permits (including forestry permits) from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits for any existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.</p>   |

#### 5.4 General risks

| Risk Category            | Risk   |
|--------------------------|--|
| <b>Economic</b>          | <p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p>  |
| <b>Market conditions</b> | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences</p> |

| Risk Category                         | Risk   |
|---------------------------------------|--|
|                                       | <p>on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <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>           |
| <b>Litigation risks</b>               | <p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>   |
| <b>Dividends</b>                      | <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>  |
| <b>Taxation</b>                       | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p> |
| <b>Reliance on key personnel</b>      | <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>  |
| <b>Data loss, theft or corruption</b> | <p>The Company stores data in its own systems and networks and also with a variety of third party service providers. Corruption, theft or loss of the data as a result of misuse, exploitation or hacking of any of these systems or networks could lead to corruption, theft or loss of the</p>   |

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

## 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.

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## 6. ADDITIONAL INFORMATION

### 6.1 Litigation

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

### 6.2 Continuous disclosure obligations

As set out in the Important Notice 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 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 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 ASIC;
  - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with 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 ASIC.

Copies of all documents lodged with 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 ASIC are set out in the table below.

| Date          | Description of Announcement                                   |
|---------------|---|
| 22 April 2022 | <i>Trading Halt</i>   |
| 12 April 2022 | <i>Update to Provident Loan</i>                               |
| 6 April 2022  | <i>Encouraging Surface Sample Results from Tambang Tinggi</i> |
| 23 March 2022 | <i>Sihorbo South Continues to Grow on Latest Results</i>      |

| <b>Date</b>      | <b>Description of Announcement</b>                                   |
|------------------|--|
| 22 March 2022    | <i>Response to ASX Query Letter</i>                                  |
| 18 March 2022    | <i>Sihayo Secures Further Interim Funding</i>                        |
| 16 March 2022    | <i>Half Year Financial Statements 31 December 2021</i>               |
| 17 February 2022 | <i>Project Update and Launch of Strategic Review Process</i>         |
| 17 February 2022 | <i>Sihayo Secures Further Interim Funding</i>                        |
| 31 January 2022  | <i>Significant Results from High pH Leaching Test Work – Amended</i> |
| 31 January 2022  | <i>Quarterly Activities Report</i>                                   |
| 31 January 2022  | <i>Quarterly Cashflow Report</i>                                     |
| 31 January 2022  | <i>Significant Results from High pH Leaching Test Work</i>           |
| 25 January 2022  | <i>Sihayo Exploration Update</i>                                     |
| 21 January 2022  | <i>Sihayo Secures Further Interim Funding</i>                        |
| 20 December 2021 | <i>Change of Registry Address</i>                                    |
| 2 December 2021  | <i>Sihayo Secures Interim Funding</i>                                |
| 23 November 2021 | <i>Results of Annual General Meeting</i>                             |
| 23 November 2021 | <i>2021 Annual General Meeting Chairman's Address</i>                |
| 23 November 2021 | <i>Encouraging Exploration Results Continue at Sihayo</i>            |
| 28 October 2021  | <i>Quarterly Activities Report</i>                                   |
| 28 October 2021  | <i>Quarterly Cashflow Report</i>                                     |
| 25 October 2021  | <i>Encouraging Precious Metal Grades Intercepted at Hutabargot</i>   |

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 <http://www.sihayogold.com>.

### **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 ASIC and the respective dates of those sales were:

|         | (\$)    | Date   |
|---------|---------|--|
| Highest | \$0.009 | 31/01/2022, 02/02/2022, 03/02/2022, 04/02/2022, 07/08/2022, 08/02/2022, 14/02/2022 |
| Lowest  | \$0.003 | 22/04/2022   |
| Last    | \$0.003 | 22/04/2022   |

## 6.4 Material Contracts

### 6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Provident, Saratoga, Eastern Field, Goldstar, Asian Metal and Tribeca (each an **Underwriter** and together the **Joint Underwriters**), pursuant to which the Joint Underwriters have agreed to jointly underwrite the Offer up to a value of \$9,666,667 (the **Underwriting Commitment**) (being 81.97% of the funds to be raised under the Offer and equal to 2,416,666,667 Shares) (**Underwritten Securities**).

The Joint Underwriters may appoint sub-underwriters to sub-underwrite the Offer (including Gavin Caudle (a Director) who has 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 Joint Underwriters.

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

| Underwriting |     |   |                         |                                |  |
|--------------|-----|---|-------------------------|--------------------------------|--|
|              |     | Underwriter   | Relevant percentage (%) | Maximum Number of Offer Shares | Maximum Subscription Amount <sup>1</sup> |
|              | (a) | The Joint Underwriters have agreed to underwrite the Offer to the extent of the Underwriting Commitment.  |                         |                                |  |
|              | (b) | The Company has authorised the Joint Underwriters to engage sub-underwriters to offset some of the Underwriting Commitment.   |                         |                                |  |
|              | (c) | Each Underwriter has been allocated a maximum total commitment amount in accordance with their current percentage shareholding in the Company relative to the other Underwriters, as follows: |                         |                                |  |
|              |     | Provident   | 41.84%                  | 1,011,207,078                  | A\$4,044,828.31                          |
|              |     | Saratoga  | 16.90%                  | 408,434,148                    | A\$1,633,736.59                          |
|              |     | Eastern Field   | 12.45%                  | 300,846,879                    | A\$1,203,387.52                          |
|              |     | Goldstar  | 10.87%                  | 262,685,592                    | A\$1,050,742.37                          |
|              |     | Asian Metal   | 10.32%                  | 249,312,451                    | A\$997,249.80                            |

|   |       |  |                |                      |                        |
|---|-------|--|----------------|----------------------|------------------------|
|   |       | Tribeca  | 7.62%          | 184,180,519          | A\$736,722.08          |
|   |       | <b>TOTAL</b>   | <b>100.00%</b> | <b>2,416,666,667</b> | <b>A\$9,666,666.67</b> |
| <b>Conditions Precedent</b>             | (a)   | The Underwriting Commitment is conditional upon:   |                |                      |                        |
|   | (i)   | the Company lodging a prospectus in relation to the Offer with ASIC in accordance with the Offer timetable;  |                |                      |                        |
|   | (ii)  | the Joint Underwriters confirming they agree to the content of the Prospectus; and   |                |                      |                        |
|   | (iii) | no Termination Event (as defined below) occurring,   |                |                      |                        |
|   |       | (together, the <b>Conditions Precedent</b> ).  |                |                      |                        |
|   | (b)   | If the Conditions Precedent are not satisfied or waived date of lodgement of the Prospectus, the Underwriting Agreement shall immediately terminate.   |                |                      |                        |
| <b>Shortfall Offer and Subscription</b> | (a)   | The Joint Underwriters and the Company agree that, for the purposes of calculating the Shortfall Shares, the Company shall first allot and issue Shares to the Shareholder Lenders who have agreed to satisfy their Shareholder Loans by subscribing for Shares under the Offer. |                |                      |                        |
|   | (b)   | The Company will notify the Joint Underwriters of the number of Shortfall Shares required to have valid applications for by the Joint Underwriters ( <b>Underwritten Shortfall Shares</b> ).   |                |                      |                        |
|   | (c)   | If the Joint Underwriters fail to lodge valid applications within the prescribed time period, the Company may as an irrevocable agent and attorney of the Joint Underwriters apply for the Underwritten Shortfall Shares on behalf of each Underwriter.                          |                |                      |                        |
| <b>Termination Events</b>               |       | The Joint Underwriters may terminate the Underwriting Agreement if any of the following events occur prior to the Closing Date:  |                |                      |                        |
|   | (a)   | ASIC makes an order under section 739 of the Corporations Act and such order is not lifted within 30 days;   |                |                      |                        |
|   | (b)   | ASX does not give approval for the Shares to be listed on the ASX;   |                |                      |                        |
|   | (c)   | the All Ordinaries or S&P/ASX Small Ordinaries Index is 20% or more below its respective level on any three (3) consecutive days of trading prior to the date of this Agreement;   |                |                      |                        |
|   | (d)   | the Company takes any steps for a proposal contemplated under sections 257A or 260B of the Corporations Act without the consent of the Joint Underwriters;   |                |                      |                        |
|   | (e)   | except as described in the Prospectus, the Company alters its capital structure or its Constitution without the prior  |                |                      |                        |

- written consent of the Joint Underwriters;
- (f) the Company is in material default of any of the terms and conditions of the Underwriting Agreement;
- (g) the Company becomes insolvent;
- (h) the Company increases or consolidates its share capital, enters into a buy-back agreement, agrees to dispose of the whole or substantial part of its business or property or is wound up;
- (i) the Company suspends payment of its debts;
- (j) a takeover offer or scheme of arrangement is announced and recommended by a majority of the independent directors;
- (k) the results of the due diligence investigation are false or misleading;
- (l) any adverse change occurs which materially impacts the assets or financial position of the Company;
- (m) the Company's bankers terminate or issue any demand or penalty notice in relation to an existing facility;
- (n) the Joint Underwriters reasonably form the view that a supplementary/replacement document must be lodged with ASIC and the Company does not lodge such a document as requested; or
- (o) there is an international outbreak of hostilities or material escalation.

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 Agreement

The Joint Underwriters have entered into a sub-underwriting agreement with Gavin Caudle (a Director), pursuant to which Mr Caudle has agreed to sub-underwrite the Offer (**Sub-Underwriting Agreement**) on the following material terms:

- (a) Mr Caudle has agreed to sub-underwrite the Offer up to US\$500,000 (A\$666,667 based on an exchange rate of A\$1:US\$0.75), being 166,666,667 Shares (**Sub-Underwriting Commitment**); and
- (b) the Sub-Underwriting Agreement shall terminate if the Joint Underwriters' obligations under the Underwriting Agreement cease or are terminated.

No sub-underwriting fee is payable to Gavin Caudle under the Sub-Underwriting Agreement.

The Sub-Underwriting Agreement is otherwise on terms and conditions considered standard for an agreement of this nature.

## 6.5 Shareholder Loan Agreement – Provident

The Company has entered into a working capital loan facility agreement with Provident pursuant to which Provident has provided a loan to the Company (**Provident Loan Agreement**).

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

|                      |  |
|----------------------|--|
| <b>Loan facility</b> | <p>(a) Provident has agreed to provide the Company with a loan facility of US\$1,800,000 (<b>Loan Facility</b>) for the purpose of financing an intercompany loan to the Company and funding the Company's working capital costs, subject to the Company providing Provident with a drawdown notice (<b>Drawdown Notice</b>) and Provident approving the Drawdown Notice.</p> <p>(b) Each Drawdown Notice shall be for the amount of US\$600,000.</p> <p>(c) The Company has drawn down the full Loan Facility.</p>  |
| <b>Repayment</b>     | <p>(a) The Company must repay the amount of the Loan Facility that is outstanding on 1 December 2022 or such other date as agreed between the parties (<b>Maturity Date</b>).</p> <p>(b) If the Company successfully completes a rights issue before the Maturity Date, then the Company must repay the amount of the Loan Facility that is outstanding within 5 business days of the Company's receipt of proceeds from the rights issue.</p>   |
| <b>Interest</b>      | Interest will accrue on the Loan Facility at a rate of 10% per annum.  |
| <b>Security</b>      | The Loan Facility is unsecured.  |
| <b>Default</b>       | <p>(a) It is an event of default if:</p> <p>(i) the Company fails to pay an amount under the Provident Loan Agreement within 2 business days of when it is due;</p> <p>(ii) the Company breaches a term of the Provident Loan Agreement;</p> <p>(iii) a change occurs in respect of the business, assets or liabilities of the Company which would materially affect its ability to perform its obligations or the rights of Provident under the Provident Loan Agreement;</p> <p>(iv) the Company commences a substantive business activity (outside of mineral exploration or mining) without the consent of Provident;</p> <p>(v) the Shares are suspended from trading</p> |

|                        |   |
|------------------------|---|
|                        | <p>on ASX for more than 15 trading days;</p> <p>(vi) the Company is removed from the Official List;</p> <p>(vii) the Company becomes insolvent; or</p> <p>(viii) it becomes unlawful for the Company to perform its obligations under the Provident Loan Agreement.</p> <p>(b) If an event of default occurs, the amount of the Loan Facility that is outstanding must be repaid within 5 business days of Provident issuing written notice to the Company requiring payment.</p>   |
| <b>Confidentiality</b> | <p>(a) The Company and Provident have agreed that any information, documents and records concerning a party which has been disclosed by that party to the other will be kept confidential (<b>Confidential Information</b>) and will not be used for any purpose other than as contemplated by the Provident Loan Agreement.</p> <p>(b) The Company and Provident have agreed not to disclose the Confidential Information without the prior written consent of the other party except as required by law or the Listing Rules.</p> |

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

## 6.6 Shareholder Loan Agreement – Saratoga

The Company has entered into a working capital loan facility agreement with Saratoga pursuant to which Saratoga has provided a loan to the Company (**Saratoga Loan Agreement**).

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

|                      |  |
|----------------------|--|
| <b>Loan facility</b> | <p>(a) Saratoga has agreed to provide the Company with a loan facility of US\$500,000 (<b>Loan Facility</b>) for the purpose of financing an intercompany loan to the Company and funding the Company's working capital costs, subject to the Company providing Saratoga with a drawdown notice (<b>Drawdown Notice</b>) and Saratoga approving the Drawdown Notice.</p> <p>(b) The Company has drawn down the full Loan Facility.</p> |
| <b>Repayment</b>     | <p>(c) The Company must repay the amount of the Loan Facility that is outstanding on 1 December 2022 or such other date as agreed between the parties (<b>Maturity Date</b>).</p> <p>(d) If the Company successfully completes a rights issue before the Maturity Date, then the</p>   |

|                        |   |
|------------------------|---|
|                        | Company must repay the amount of the Loan Facility that is outstanding within 5 business days of the Company's receipt of proceeds from the rights issue.   |
| <b>Interest</b>        | Interest will accrue on the Loan Facility at a rate of 10% per annum.   |
| <b>Security</b>        | The Loan Facility is unsecured.   |
| <b>Default</b>         | <p>(a) It is an event of default if:</p> <ul style="list-style-type: none"> <li>(i) the Company fails to pay an amount under the Saratoga Loan Agreement within 2 business days of when it is due;</li> <li>(ii) the Company breaches a term of the Saratoga Loan Agreement;</li> <li>(iii) a change occurs in respect of the business, assets or liabilities of the Company which would materially affect its ability to perform its obligations or the rights of Saratoga under the Saratoga Loan Agreement;</li> <li>(iv) the Company commences a substantive business activity (outside of mineral exploration or mining) without the consent of Saratoga;</li> <li>(v) the Shares are suspended from trading on ASX for more than 15 trading days;</li> <li>(vi) the Company is removed from the Official List;</li> <li>(vii) the Company becomes insolvent; or</li> <li>(viii) it becomes unlawful for the Company to perform its obligations under the Saratoga Loan Agreement.</li> </ul> <p>(b) If an event of default occurs, the amount of the Loan Facility that is outstanding must be repaid within 5 business days of Saratoga issuing written notice to the Company requiring payment.</p> |
| <b>Confidentiality</b> | <p>(a) The Company and Saratoga have agreed that any information, documents and records concerning a party which has been disclosed by that party to the other will be kept confidential (<b>Confidential Information</b>) and will not be used for any purpose other than as contemplated by the Saratoga Loan Agreement.</p> <p>(b) The Company and Saratoga have agreed not to disclose the Confidential Information without the prior written consent of the other party except as required by law or the Listing Rules.</p>  |

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

## 6.7 Shareholder Loan Agreement – Goldstar

The Company has entered into a working capital loan facility agreement with Goldstar pursuant to which Goldstar has provided a loan to the Company (**Goldstar Loan Agreement**).

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

|                      |  |
|----------------------|--|
| <b>Loan facility</b> | <p>(a) Goldstar has agreed to provide the Company with a loan facility of US\$300,000 (<b>Loan Facility</b>) for the purpose of financing an intercompany loan to the Company and funding the Company's working capital costs, subject to the Company providing Goldstar with a drawdown notice (<b>Drawdown Notice</b>) and Goldstar approving the Drawdown Notice.</p> <p>(b) The Company has drawn down the full Loan Facility.</p>   |
| <b>Repayment</b>     | <p>(a) The Company must repay the amount of the Loan Facility that is outstanding on 1 December 2022 or such other date as agreed between the parties (<b>Maturity Date</b>).</p> <p>(b) If the Company successfully completes a rights issue before the Maturity Date, then the Company must repay the amount of the Loan Facility that is outstanding within 5 business days of the Company's receipt of proceeds from the rights issue.</p>   |
| <b>Interest</b>      | Interest will accrue on the Loan Facility at a rate of 10% per annum.  |
| <b>Security</b>      | The Loan Facility is unsecured.  |
| <b>Default</b>       | <p>(a) It is an event of default if:</p> <ul style="list-style-type: none"> <li>(i) the Company fails to pay an amount under the Goldstar Loan Agreement within 2 business days of when it is due;</li> <li>(ii) the Company breaches a term of the Goldstar Loan Agreement;</li> <li>(iii) a change occurs in respect of the business, assets or liabilities of the Company which would materially affect its ability to perform its obligations or the rights of Goldstar under the Goldstar Loan Agreement;</li> <li>(iv) the Company commences a substantive business activity (outside of mineral exploration or mining) without the consent of Goldstar;</li> <li>(v) the Shares are suspended from trading on ASX for more than 15 trading days;</li> <li>(vi) the Company is removed from the</li> </ul> |

|                        |  |
|------------------------|--|
|                        | <p>Official List;</p> <p>(vii) the Company becomes insolvent; or</p> <p>(viii) it becomes unlawful for the Company to perform its obligations under the Goldstar Loan Agreement.</p> <p>(b) If an event of default occurs, the amount of the Loan Facility that is outstanding must be repaid within 5 business days of Goldstar issuing written notice to the Company requiring payment.</p>  |
| <b>Confidentiality</b> | <p>(a) The Company and Goldstar have agreed that any information, documents and records concerning a party which has been disclosed by that party to the other will be kept confidential (<b>Confidential Information</b>) and will not be used for any purpose other than as contemplated by the Goldstar Loan Agreement.</p> <p>(b) The Company and Goldstar have agreed not to disclose the Confidential Information without the prior written consent of the other party except as required by law or the Listing Rules.</p> |

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

## 6.8 Shareholder Loan Agreement – Starkey

The Company has entered into a working capital loan facility agreement with Andrew Starkey (a Shareholder) (**Starkey**) pursuant to which Starkey has provided a loan to the Company (**Starkey Loan Agreement**).

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

|                      |   |
|----------------------|---|
| <b>Loan facility</b> | <p>(a) Starkey has agreed to provide the Company with a loan facility of US\$500,000 (<b>Loan Facility</b>) for the purpose of financing an intercompany loan to the Company and funding the Company's working capital costs, subject to the Company providing Starkey with a drawdown notice (<b>Drawdown Notice</b>) and Starkey approving the Drawdown Notice.</p> <p>(b) The Company has drawn down the full Loan Facility.</p> |
| <b>Repayment</b>     | <p>(a) The Company must repay the amount of the Loan Facility that is outstanding on 1 December 2022 or such other date as agreed between the parties (<b>Maturity Date</b>).</p> <p>(b) If the Company successfully completes a rights issue before the Maturity Date, then the Company must repay the amount of the Loan Facility that is outstanding within 5 business days of the Company's receipt of proceeds from the</p>    |

|                        |  |
|------------------------|--|
|                        | rights issue.  |
| <b>Interest</b>        | Interest will accrue on the Loan Facility at a rate of 10% per annum.  |
| <b>Security</b>        | The Loan Facility is unsecured.  |
| <b>Default</b>         | <p>(a) It is an event of default if:</p> <ul style="list-style-type: none"> <li>(i) the Company fails to pay an amount under the Starkey Loan Agreement within 2 business days of when it is due;</li> <li>(ii) the Company breaches a term of the Starkey Loan Agreement;</li> <li>(iii) a change occurs in respect of the business, assets or liabilities of the Company which would materially affect its ability to perform its obligations or the rights of Starkey under the Starkey Loan Agreement;</li> <li>(iv) the Company commences a substantive business activity (outside of mineral exploration or mining) without the consent of Starkey;</li> <li>(v) the Shares are suspended from trading on ASX for more than 15 trading days;</li> <li>(vi) the Company is removed from the Official List;</li> <li>(vii) the Company becomes insolvent; or</li> <li>(viii) it becomes unlawful for the Company to perform its obligations under the Starkey Loan Agreement.</li> </ul> <p>(b) If an event of default occurs, the amount of the Loan Facility that is outstanding must be repaid within 5 business days of Starkey issuing written notice to the Company requiring payment.</p> |
| <b>Confidentiality</b> | <p>(a) The Company and Starkey have agreed that any information, documents and records concerning a party which has been disclosed by that party to the other will be kept confidential (<b>Confidential Information</b>) and will not be used for any purpose other than as contemplated by the Starkey Loan Agreement.</p> <p>(b) The Company and Starkey have agreed not to disclose the Confidential Information without the prior written consent of the other party except as required by law or the Listing Rules.</p>  |

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

## 6.9 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 ASIC, any interest in:

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

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

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

### **Security holdings**

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

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$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 (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2021 and 2020 Annual Report.

| Director                | FY ending 2021 <sup>1</sup> | FY ending 2020 <sup>1</sup> |
|-------------------------|-----------------------------|-----------------------------|
| Colin Moorhead          | \$257,917 <sup>2</sup>      | \$Nil                       |
| Misha Collins           | \$51,667                    | \$65,000                    |
| Gavin Caudle            | \$45,000                    | \$45,000                    |
| Daryl Corp <sup>3</sup> | \$4,566                     | \$Nil                       |

**Notes:**

1. These amounts are exclusive of superannuation.
2. In addition to these director fees, Mr Moorhead received \$101,487 in Share-based payments from the Company.
3. Mr Corp's appointment as Non-Executive Director was effective 1 June 2021.

## 6.10 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 ASIC, any interest in:

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

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

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

Provident Minerals Pte Ltd, PT Saratoga Investama Sedaya Tbk, Eastern Field Copper Gold Tbk, Goldstar Mining Asia Resources (L) BH, Asian Metal Mining Developments Limited and Tribeca Investment Partners Pty Ltd have acted as the joint underwriters of the Offer. The Company will not pay the Joint Underwriters a fee for these services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Steinepreis Paganin has been paid fees totalling \$178,450 (excluding GST and disbursements) for legal services provided to the Company.

Stantons International Audit and Consulting Pty Ltd provides audit services to the Company. The Company has not paid Stantons International Audit and Consulting Pty Ltd any fees in connection with the Offer. During the 24 months preceding lodgement of this Prospectus with ASIC, Stantons International Audit and Consulting Pty Ltd has received \$145,608 (excluding GST) in fees from the Company for audit services.

## **6.11 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 ASIC.

The Joint Underwriters have given their written consent to being named as the Joint Underwriters to the Offer in this Prospectus.

Each of the Joint Underwriters are Shareholders of the Company and currently have the relevant interests in Shares specified in Section 1.9. The Joint Underwriters have indicated that it is their current intention to subscribe for their full Entitlement under the Offer in respect of all of the Shares in which they have a relevant interest.

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

Stantons International Audit and Consulting Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus. Stantons International Audit and Consulting Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

## 6.12 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$121,206 (excluding GST) and are expected to be applied towards the items set out in the table below:

| Item                      | \$               |
|---------------------------|------------------|
| ASIC fees                 | 3,206            |
| ASX fees                  | 30,000           |
| Legal fees                | 48,000           |
| Share registry            | 30,000           |
| Printing and distribution | 5,000            |
| Miscellaneous             | 5,000            |
| <b>Total</b>              | <b>\$121,206</b> |

### 6.13 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 ASIC.



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**Colin Moorhead**  
**Executive Chairman**  
**SIHAYO GOLD LIMITED**

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## 7. GLOSSARY

**\$** or **A\$** means Australian dollars.

**Accredited Investor** means "accredited investor" as defined in Rule 501(a) under the US Securities Act of 1933.

**AEST** means Australian Eastern Standard Time.

**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 CHES.

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

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

**Closing Date** means the date specified in the timetable set out in Section 1.1 (unless extended).

**Company** means Sihayo Gold Limited (ACN 009 241 374).

**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®.

**Debt Conversion Facility** means the facility described in Section 2.6 under which the Eligible Shareholders who are also Shareholder Lenders may elect to take up their Entitlement by means of conversion of some or all of the existing debt owed to them by the Company.

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

**Eligible Shareholder** means a Shareholder as at the Record Date who is eligible to participate in the Offer that is resident in Australia, British Virgin Islands, Canada, China, European Union (Belgium, Hungary, Poland), Hong Kong, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Switzerland, the United Kingdom and the United States, and in particular:

- (a) If in **China**, it (and any person for whom it is acting) is a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets; (ii) sovereign wealth fund or quasi-government investment fund that has the authorization to make overseas investment; or (iii) other type of qualified

investor that has obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise); and

- (b) If in the **United States**, it (and any person for whom it is acting) is an Accredited Investor.

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

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

**Joint Underwriters** means Provident Minerals Pte Ltd, PT Saratoga Investama Sedaya, PT Eastern Field Development Ltd, Goldstar Mining Asia Resources (L) BHD, Asian Metal Mining Developments Limited and Tribeca Investment Partners Pty Ltd.

**New Shares** means new Shares being offered under the Offer.

**NPV** means Net Present Value.

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

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

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

**Permitted Jurisdictions** means Australia, British Virgin Islands, Canada, China, European Union (Belgium, Hungary, Poland), Hong Kong, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Switzerland, the United Kingdom and the United States.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out in Section 1.1.

**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.

**Share Registry** means the Company's share registry, Automic Group.

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

**Shareholder Lender** means each of the Shareholders who have provided the Company with a Shareholder Loan, as detailed in Section 1.7.

**Shareholder Loan** or **Shareholder Loans** have the meaning given in Section 1.7.

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

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

**Shortfall Offer** means the offer of the Shortfall Shares on the terms and conditions set out in Section 2.7.

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

**Sihayo Starter Project** means the Company's gold project located in North Sumatra, Indonesia, for which a Definitive Feasibility Study was completed in June 2020 and a Feasibility Study Update was announced on 17 February 2022.

**Starkey Loan** has the meaning set out in Section 1.7.

**Sub-underwriting Agreement** has the meaning set out in Section 6.4.2.

**Sub-Underwriting Commitment** has the meaning set out in Section 1.9.

**US\$** means United States Dollars.

**Underwriting Agreement** has the meaning set out in Section 6.4.1.

**Underwritten Amount** means \$9,666,667.