

**YANDAL RESOURCES LIMITED**  
**ACN 108 753 608**

**OFFER DOCUMENT**  
**RIGHTS ISSUE**

**Non-renounceable pro-rata entitlement to 1 New Share for every 5 Shares held  
at an issue price of 25 cents per New Share to raise up to approximately \$3,342,399**

**Offer closes at 5.00pm WST on 13 July 2020**

**This Offer Document is not a prospectus.** It does not contain all of the information that an investor would find in a prospectus or which may be required to make an informed decision regarding, or about the rights attaching to, the New Shares.

You should read the entire document before deciding whether to accept the offer of New Shares. If you have any questions about the Offer or the action you should take, you should speak to your professional adviser.

## **IMPORTANT NOTICE**

This Offer Document has been prepared by Yandal Resources Limited and is issued pursuant to the requirements of section 708AA of the Corporations Act, as modified, for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document is dated 22 June 2020 and was lodged with ASX on this date.

This document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless this document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

### **Information about the Company**

The Company is listed on ASX, and our Shares are granted official quotation by ASX. In preparing this Offer Document, we have had regard to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. Information about the Company is publicly available and can be obtained from ASIC and ASX. This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company. You should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to subscribe for New Shares.

### **Not investment or financial product advice**

The information in this document is not investment or financial product advice, does not purport to contain all the information that you require in evaluating a possible acquisition of New Shares in the Company and has been prepared without taking into account the investment objectives, financial situation, tax position and needs of you or any particular investor.

Before deciding whether to apply for New Shares, you should conduct your own independent review, investigation and analysis of the Company and New Shares in light of your personal circumstances (including financial and taxation issues). You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

### **Overseas shareholders**

The Company has reviewed the register of Shareholders of the Company and has determined that this document will only be sent to Shareholders with a registered address in Australia or New Zealand on the Record Date. This document may not be distributed and does not constitute an offer in any other jurisdiction unless otherwise determined by the Company.

### **Disclaimer of representatives**

No person is authorised to give any information or to make any representation, in connection with the Rights Issue that is not contained in this Offer Document. Any information or representation that is not in this Offer Document may not be relied on as having been authorised by the Company or its related bodies corporate in connection with the Rights Issue.

Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on the investment made pursuant to this Offer Document.

### **Financial data**

All dollar values are in Australian dollars (\$).

### **Defined terms**

Terms used in this Offer Document are defined in the Glossary. The words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Ms Katina Law (Non-Executive Chair)  
Mr David (Lorry) Hughes (Managing Director)  
Ms Kelly Ross (Non-Executive Director)

### **COMPANY SECRETARY**

Mrs Bianca Taveira

### **BUSINESS OFFICE**

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Nedlands, Western Australia, 6009

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Email: [yandal@yandalresources.com.au](mailto:yandal@yandalresources.com.au)  
Website: [www.yandalresources.com.au](http://www.yandalresources.com.au)

### **SOLICITORS**

Fairweather Corporate Lawyers  
595 Stirling Highway  
Cottesloe, Western Australia, 6011

### **LEAD MANAGER**

Panthea Capital Partners Pty Ltd  
Level 3, 219 Castlereagh Street  
Sydney, New South Wales, 2000

Telephone: +61 409 758 229  
Email: [info@pantheacapital.com.au](mailto:info@pantheacapital.com.au)  
Website: [www.pantheacapital.com.au](http://www.pantheacapital.com.au)

### **SHARE REGISTRY \***

Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney, New South Wales, 2000

Telephone: 1300 737 760 (within Australia)  
Facsimile: +61 2 9279 0664  
Email: [corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

\* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of this Offer Document.

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## 1. KEY INFORMATION

<b>SUMMARY OF RIGHTS ISSUE OFFER</b>	
<b>Offer</b>	1 New Share for every 5 Shares held on the Record Date. See Section 3.1.
<b>Issue Price</b>	25 cents per New Share. See Section 3.1.
<b>Number of New Shares to be issued</b>	Up to approximately 13,369,595 New Shares will be issued at Full Subscription.  The precise number of New Shares to be issued is not known and will vary depending on how many Shares are on issue on the Record Date and the number of Shares applied for under the Offer.  See Section 3.3.
<b>Funds raised</b>	Up to approximately \$3,342,399 will be raised by the Rights Issue at Full Subscription.  The precise amount of funds that will be raised is not known and will vary depending on how many Shares are on issue on the Record Date and the number of Shares applied for under the Rights Issue.  See Section 3.1.
<b>No minimum subscription</b>	There is no minimum subscription under the Offer. See Section 3.7.
<b>Use of funds</b>	Funds (including existing funds) are intended to be used: (a) primarily to accelerate exploration on the Gordon's Project as well as the Mt McClure Project; (b) for general working capital; and (c) to pay the costs of the rights issue process.  The table in Section 3.2 sets out the proposed application of funds assuming different scenarios.  See Section 3.2.
<b>Not underwritten</b>	The Rights Issue is not underwritten. See Section 3.8.
<b>Entitlement to participate in Rights Issue</b>	All Eligible Shareholders on the Record Date are entitled to participate in the Rights Issue.  Optionholders are not entitled to participate in the Offer unless they exercise their Options before the Record Date.  See Section 3.4.

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## SUMMARY OF RIGHTS ISSUE OFFER

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**Shortfall and Lead  
Manager to place Shortfall**

Eligible Shareholders who are not related parties may apply for Shortfall Shares. Application by Eligible Shareholders with moneys does not guarantee any issue of Shortfall Shares.

The Company has appointed the Lead Manager to place any Shortfall on a best endeavours basis. The Lead Manager will be paid a placement fee of 4% plus GST on the Shortfall funds placed by it.

See Sections 3.9 and 3.10.

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**Risks**

The Rights Issue should be considered highly speculative as the Company is a resource exploration and development company. Some of the specific risks to an investment in the Company are exploration and development, tenure and access, gold price and exchange rates and dependence on key personnel risk.

See Section 5.

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**The potential effect of the  
Rights Issue on control of  
the Company**

The Company is of the view that the Rights Issue will not materially affect the control of the Company. By reason of existing shareholdings in the Company and the structure of the Rights Issue, no Shareholder can increase their voting power beyond 20% by reason of the Rights Issue.

The Company will not issue any New Shares by reason of Shortfall to Eligible Shareholders or others so they can increase their voting power beyond 20%.

See Section 4.1.

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## 2. TIMETABLE

<b>Event</b>	<b>Date</b>
Pro-rata Offer announced	12 June 2020
Shares quoted on an "ex" basis (date from which the Shares commence trading without the entitlement to participate in the Offer).	16 June 2020
Record Date (date for identifying Shareholders entitled to participate in the Offer).	17 June 2020
Offer Document with Entitlement Form sent to Eligible Shareholders	22 June 2020
Offer opens	22 June 2020
Closing Date (last date for lodgement of Entitlement Forms and Application Money)	13 July 2020
Trading of New Shares commences on a deferred settlement basis	14 July 2020
Company to notify ASX of the results of the Offer	16 July 2020
Issue Date of New Shares Deferred Settlement trading ends	20 July 2020

The timetable outlined above is indicative only and subject to change. The Directors reserve the right to vary these dates including the Closing Date, subject to the Listing Rules and the Corporations Act. The Directors also reserve the right not to proceed with the whole or part of the Rights Issue at any time prior to the issue of New Shares. In that event, the Application Money will be returned without interest.

### 3. DETAILS OF THE RIGHTS ISSUE

#### 3.1 The Rights Issue

Eligible Shareholders are invited to participate in a non-renounceable pro-rata entitlements rights issue on the basis of 1 New Share for every 5 Shares (1:5) held as at the Record Date (5.00pm WST on 17 June 2020), at an issue price of 25 cents per New Share.

The Company currently has 66,847,975 Shares and 13,134,821 Options on issue. Based on the current capital structure of the Company, up to approximately 13,369,595 New Shares will be issued under the Offer at Full Subscription to raise up to \$3,342,399 (before the costs of the issue). If any of the Options are exercised before the Record Date then the number of New Shares that may be issued under the Offer could increase.

The New Shares will rank equally in all respects with existing Shares.

#### 3.2 Purpose and use of proceeds

The Company has funds of approximately \$3,950,000 at 8 June 2020. The Company intends to use this cash on hand to systematically explore and develop each of its Projects (Ironstone Well, Barwidgee, Mt McClure and Gordon's Projects), for corporate administrative costs and general working capital. The Ironstone Well Project includes the Flushing Meadows Prospect upon which the Company will be undertaking further drilling and feasibility study work.

The Rights Issue will increase the total number of Shares on issue and increase our cash reserves by up to \$3,342,399 (before costs).

The funds raised from this Rights Issue are intended to primarily be used to accelerate exploration upon the Gordon's Project as well as the Mt McClure Project as set out below.

The table below sets out the proposed application of any funds raised under the Rights Issue at Full Subscription.

<b>Funds Available</b>	<b>Full Subscription (\$3,342,399)</b>
Funds raised under the Offer <sup>1</sup>	\$3,342,399

  

<b>Use of Funds</b>	<b>Amount (\$)</b>
Exploration and drilling at the Gordon's Project including at Gordon's Dam Prospect	2,000,000
Exploration and drilling at Mt McClure Project	750,000
General working capital <sup>2</sup>	552,599
Cash costs of the Offer <sup>3</sup>	39,800
<b>Total</b>	<b>\$3,342,399</b>

Notes:

1. The table assumes that none of the existing Option holders exercise their Options before the Record Date and participate in the Offer.
2. General working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees and insurance and travel costs.



3. Cash costs of the Offer include the legal, share registry, printing and ASX expenses. A placement fee to the Lead Manager is not included in the costs of the Offer as it is uncertain what Shortfall will be available and the extent of any placement of Shortfall. The placement fee payable to the Lead Manager is 4% plus GST on any Shortfall that is placed by it. Any fee payable to the Lead Manager will be paid from general working capital.
4. As funds are raised, the net funds after costs are intended to be applied to Project expenditure on the Gordon's Project and Mt McClure Project pro-rata to the amounts to be spent at Full Subscription (up to an amount of \$2,750,000) and then the balance (up to \$552,599) to general working capital.
5. This table is a statement of our proposed application of the funds raised as at the date of this Offer Document. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

### 3.3 Capital structure

Assuming that no Options are exercised before the Record Date, the effect of the Offer on the Company's issued share capital if Full Subscription is achieved is shown in the following table:

Shares	Full Subscription
Existing Shares	66,847,975
New Shares issued under Rights Issue	13,369,595
<b>Total Shares on issue after completion of the Rights Issue</b>	<b>80,217,570</b>

  

Options	Full Subscription
Unlisted Options (exercise price 27 cents, expiry date 30 June 2021)	6,684,821
Unlisted Options (exercise price 25 cents, expiry date 31 December 2021)	6,450,000
Options issued under Rights Issue	0
<b>Total Options on issue</b>	<b>13,134,821</b>

### 3.4 Eligible Shareholders

The Rights Issue is available to all Shareholders whose registered address on the Record Date is situated in Australia or New Zealand. As a non-renounceable offer, Eligible Shareholders may not sell or otherwise dispose of their rights to apply for New Shares under the Offer.

The holders of Options are not eligible to participate in the Rights Issue unless they exercise their Options before the Record Date.

### 3.5 Entitlements

Only Eligible Shareholders may apply for New Shares under the Offer. The Entitlement to participate will be determined on the Record Date. The number of New Shares to which you are entitled is shown on the personalised Entitlement Form which accompanies this Offer Document. Fractional Entitlements will be rounded up to the nearest whole number.

You are encouraged to apply for New Shares as early as possible. To apply for the New Shares under the Offer, you must complete your Entitlement Form and lodge it together with payment for the New Shares by no later than the Closing Date. Please see Section 6 of this Offer Document for further information regarding the acceptance of the Offer.

The Offer will lapse if you do not accept your Entitlement by the Closing Date.

### 3.6 **Closing Date**

We will accept applications from the Opening Date until 5pm (WST) on 13 July 2020 or such other date as the Directors may determine, subject to the requirements of the Corporations Act and the Listing Rules.

### 3.7 **No Minimum Subscription**

There is no minimum subscription under the Offer.

### 3.8 **Not Underwritten**

The Rights Issue is not underwritten.

### 3.9 **Lead Manager**

The Company has appointed the Lead Manager to place any Shortfall on a best endeavours basis. The Lead Manager will be paid a placement fee of 4% plus GST on the Shortfall funds placed by the Lead Manager.

### 3.10 **Shortfall**

Any New Shares not applied for by Eligible Shareholders under the Rights Issue will form the Shortfall.

Eligible Shareholders who are not related parties may apply for Shortfall Shares by completing the "*additional New Shares*" section in the Entitlement Form. Application by Eligible Shareholders with moneys does not guarantee any issue of Shortfall Shares. All Application Moneys in relation to which Shortfall Shares are not issued will be returned without interest.

The Company will not issue Shortfall Shares so that an Applicant's voting power in the Company may exceed 20%.

Subject to the above, the Directors reserve the right to place any Shortfall Shares at their discretion within 3 months of the Closing Date. The Lead Manager has been appointed to place Shortfall and will be paid a fee as set out in Section 3.9. Such Shortfall may be placed to non-Shareholders.

Shortfall Shares will be issued at the same price as the New Shares offered under the Rights Issue. The offer of Shortfall Shares is an offer under this Offer Document.

Directors cannot be issued Shortfall Shares without prior shareholder approval.

### 3.11 **Continuous Disclosure Obligations**

The Company is a "*disclosing entity*" (as defined in Section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document 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 information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. 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.

All announcements made by the Company are available from its website [www.yandalresources.com.au](http://www.yandalresources.com.au) or the ASX [www.asx.com.au](http://www.asx.com.au).

## 4. EFFECT OF RIGHTS ISSUE ON CONTROL AND DIRECTORS' INTERESTS

### 4.1 Effect on Control

The effect of the Rights Issue on the control of the Company, and the consequences of that effect, will depend upon a number of factors, including the level of take up from Eligible Shareholders. The primary consequences will be as follows:

- (a) If all Eligible Shareholders as at the Record Date take up their full Entitlement, the Rights Issue will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company subject only to changes resulting from Excluded Shareholders being unable to participate in the Rights Issue.
- (b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (ie there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Issue and Excluded Shareholders unable to participate in the Rights Issue will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement. The maximum dilution if you do not take up your Entitlement will approach 16.67% if nearly all Eligible Shareholders other than you take up their full Entitlement.
- (c) By reason of existing shareholdings in the Company and the structure of the Rights Issue, no Shareholder can increase their voting power beyond 20% by the Rights Issue. The Company will not issue any New Shares under the Shortfall so a party can increase their voting power beyond 20%.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company.

### 4.2 Directors' Interests

The relevant interest of each of the Directors in the securities of the Company as at the Record Date is set out in the table below.

Director	Shares	Options
Katina Law	565,000	1,032,500 <sup>1</sup>
Lorry Hughes	2,988,654	2,040,909 <sup>2</sup>
Kelly Ross	156,251	515,626 <sup>3</sup>

Notes:

1. 32,500 are unlisted Options with an exercise price of 27 cents and an expiry date of 30 June 2021 and 1,000,000 are unlisted Options with an exercise price of 25 cents and an expiry date of 31 December 2021.
2. 90,909 are unlisted Options with an exercise price of 27 cents and an expiry date of 30 June 2021 and 1,950,000 are unlisted Options with an exercise price of 25 cents and an expiry date of 31 December 2021.
3. 15,626 are unlisted Options with an exercise price of 27 cents and an expiry date of 30 June 2021 and 500,000 are unlisted Options with an exercise price of 25 cents and an expiry date of 31 December 2021.
4. The table above does not include any Entitlement which may be taken up by a Director.

## **5. RISK FACTORS**

### **5.1 Introduction**

An investment in the New Shares the subject of this Offer Document is highly speculative as the Company is a resource exploration and development company seeking to explore and develop its Projects in Western Australia which are primarily prospective for gold. The Company has a large portfolio of tenements.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. The list is set out under "Company and Industry Risks" and "General Investment Risks". The list is not an exhaustive list of risks.

### **5.2 Company and Industry Risks**

#### **Exploration and Development**

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

The Company is a resource exploration and development company. There can be no assurance that exploration on the Projects will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

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, changing government regulations and other factors beyond the control of the Company.

#### **Tenure and access**

The Company has a large portfolio of tenements in Western Australia. Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of leases and licences by the State. The Company is subject to the Mining Act and the Company has an obligation to meet conditions that apply to the granted tenements including the payment of rent and prescribed annual expenditure commitments.

The granted tenements are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to the tenements, there can be no

guarantees made that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied.

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and land owners/occupiers are generally required before the Company can access land for exploration of mining activities. Further, activities can be restricted by the Aboriginal heritage sites that may be present. In the north of the Mt McClure Project there are a number of heritage sites that could restrict exploration activities.

Inability to access, or delays experienced in accessing the land, may adversely impact on the Company's activities.

### **Gold Price and Exchange Rates**

The Company Projects are primarily prospective for gold. Gold and other commodity prices can fluctuate significantly and the gold price is exposed to numerous factors beyond the control of the Company such as world demand for gold and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends and domestic and international fiscal, monetary and regulatory policy settings.

A significant decrease in the gold price is likely to adversely affect sentiment and market support towards a gold exploration company.

If the Company achieves gold mining production, the Company's financial performance will be dependent in part on the gold price as well as the Australian dollar and US dollar exchange rate. International prices of gold and other commodities are generally denominated in US dollars. The income and expenditure of the Company 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.

### **Dependence on key personnel**

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel (such as the Managing Director) may have an adverse impact on the Company's performance.

### **Future funding**

The funds raised by the Offer will be primarily used to accelerate exploration upon the Company's Projects as set out in Section 3.2.

The Company is a resource exploration and development company with Projects in Western Australia primarily prospective for gold. The Company will depend upon the availability of further investor funds. No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing (whether equity or debt) as needed, it may be required to reduce the scope of its operations and scale back its expansion programs.

## **Grant of tenement applications**

Some of the Project tenements are in application (currently 8 of 66). There can be no guarantee that the tenement applications will be granted, or if they are granted, that they will be granted in their entirety. If the tenement applications are not granted, the Company will not acquire an interest in these tenements and the Projects will be limited to the granted tenements.

## **COVID-19 pandemic risk**

The COVID-19 pandemic has and, until development of a vaccine, may continue to significantly adversely affect world economic conditions including economic conditions for companies with projects in Australia.

Various governments have imposed restrictions on the movement of people and goods as a measure to seek to slow and contain the spread of the COVID-19 virus. Social distancing measures have been implemented. Various stages of restriction such as a lockdown could be implemented.

Development of the Company's Projects may be delayed or curtailed as a result of the COVID-19 pandemic or measures to contain it.

## **Resources and Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Mineral Resources and Ore Reserves may differ from those estimated, which may result in either a positive or negative effect on operations.

## **Native title**

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining the consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of infrastructure, development or mining operations.

### **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (eg the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (eg operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

### **Acquisitions**

The Company may make acquisitions of, or investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisition of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

### **Environmental risk**

The Company's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.



## **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

## **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Offer Document, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

## **Royalties**

The Company's Projects are subject to State royalties upon any production of gold. In the event that State royalties are increased in the future, the profitability and commercial viability of the Company's Projects may be negatively impacted.

Some of the Company's tenements are subject to a contractual royalty or royalties as set out in Schedule 3 to the Solicitor's Report on Tenements in the Company's replacement prospectus of 22 November 2018.

## **Climate Change Regulation**

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

### **5.3 General Investment Risks**

#### **Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, securities markets (such as the ASX) may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of a company such as a resource exploration and development company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

#### **Liquidity risk**

There is no guarantee that the Shares will trade at a particular price or a particular volume after the Company's listing on the ASX. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

**Legislative**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

**Economic risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

## **6. ACTION REQUIRED BY SHAREHOLDERS**

### **6.1 Acceptance of Offer**

The number of New Shares to which you are entitled is shown on the Entitlement Form accompanying this Offer Document. If you are an Eligible Shareholder, you may:

- Take up your Entitlement in full or in part; or
- Allow your Entitlement to lapse.

Acceptance of the Offer must not exceed the Entitlement as shown on the Entitlement Form. However, you may apply for Shortfall Shares in accordance with Section 3.10 if you take up your Entitlement in full. The Directors reserve the right to reject any applications for New Shares that are not made in accordance with the terms of this Offer Document or the instructions on the Entitlement Form. Fractional Entitlements to Shares will be rounded up.

### **6.2 Taking up your Entitlement in full or in part**

If you wish to accept your Entitlement in full or in part either:

- Complete the Entitlement Form for the number of New Shares you wish to take up in accordance with the instructions on the form. Return your completed form, together with the Application Money to the Company's share registry (see Section 6.5 below). It must be received by no later than the Closing Date.

OR

- Make a payment of 25 cents for each New Share you wish to apply for by BPAY in accordance with the instructions on the Entitlement Form by no later than the Closing Date.

If you take up your Entitlement in full, you may apply for further New Shares as part of the Shortfall in accordance with Section 3.10.

### **6.3 Allowing your Entitlement to lapse**

If you do not wish to take up any of your Entitlement under the Offer, then you do not need to take any action. If you do nothing then your Entitlement will lapse. The New Shares not subscribed for will form part of the Shortfall.

Although you will continue to own the same number of Shares, your percentage shareholding in the Company will be diluted.

### **6.4 Payment for New Shares**

The issue price of 25 cents per New Share is payable in full on application.

All payments are to be made in Australian currency by cheque or by BPAY.

Cheques should be drawn on an Australian branch of a financial institution, made payable to "*Yandal Resources Limited*" and crossed "*Not Negotiable*".

BPAY payments should be made in accordance with the instructions on the Entitlement Form using the BPAY Biller Code and Customer Reference Number shown on the form. You are not required to return the Entitlement Form if you use BPAY to pay the Application Money. You should be aware that your own financial institution may implement earlier cut-off times

with regard to electronic payment. You should take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date. The Customer Reference Number is used to identify your holding. If you have multiple holdings you will receive multiple Customer Reference Numbers. You must use the Customer Reference Number shown on each Entitlement Form to pay for each holding separately. If you pay by BPAY and do not pay your full Entitlement, your remaining Entitlement will lapse. Your completed BPAY acceptance, once paid, cannot be withdrawn. We do not accept any responsibility for incorrectly completed BPAY payments.

## 6.5 Address details and enquiries

Completed Entitlement Forms and cheques for the Application Money (if not paying by BPAY) should be mailed to the postal address set out below by no later than the Closing Date:

**Postal address:**

Yandal Resources Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

You should ensure that your Entitlement Form (and Application Money) is sent early to ensure that they arrive at the postal address specified above by the Closing Date. If we receive your Entitlement Form after the Closing Date, the Directors may, at their discretion, accept or reject your Application. If we reject your Application, we will refund your Application Money in full without interest

If you have any questions about the Rights Issue or how to complete your Entitlement Form, please contact the Company Secretary.

## 6.6 Issue of New Shares and quotation on ASX

New Shares under the Rights Issue will be issued as soon as practicable after the Closing Date.

Application for official quotation by ASX of the New Shares offered under this Offer Document has been made. If permission for quotation is not granted by ASX, the New Shares will not be allotted and Application Money will be refunded (without interest) as soon as practicable.

It is your responsibility to confirm your holdings before trading in New Shares. Any person who sells New Shares before receiving confirmation of their holding will do so at their own risk. The Company and the share registry disclaim all responsibility to any person who trades in New Shares before receiving their confirmation statement.

Application Money will be held in trust in a separate bank account on behalf of each Eligible Shareholder until the New Shares are issued. If necessary, Application Money will be refunded as soon as reasonably practicable, without interest. Interest earned on the Application Money will be retained by the Company, regardless of whether New Shares are issued under the Offer.

The Directors may at any time decide to withdraw this Offer Document and the offers made under the Rights Issue, in which case the Company will return all Application Money (without interest) as soon as practicable.

## 6.7 Excluded Shareholders

The Offer under the Rights Issue is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is situated outside Australia or New Zealand). The Rights Issue does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

In making this decision, the Directors have taken into account the small number of Excluded Shareholders and the cost and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand.

This Offer Document has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Shares issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Offer Document or the Entitlement Form.

The making of an Application (whether by the return of a duly completed Entitlement Form or the making of a BPAY payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

## 6.8 Taxation

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares. These taxation implications vary depending on your individual circumstances.

You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares.

## 7. GLOSSARY

Where the following terms are used in this Offer Document they have the following meanings:

<b>Applicant</b>	A person who makes an Application.
<b>Application</b>	An application to subscribe for New Shares under this Offer Document.
<b>Application Money</b>	Money payable by Eligible Shareholders in respect of New Shares applied for under this Offer Document.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as applicable.
<b>Board</b>	The board of directors of the Company.
<b>Closing Date</b>	The last day for payment and return of Entitlement Forms, being 5.00pm (WST) on 13 July 2020 or such other date as may be determined by the Directors.
<b>Company or Yandal Resources</b>	Yandal Resources Limited (ACN 108 753 608).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	A director of the Company.
<b>Eligible Shareholder</b>	Shareholders with a registered address in Australia or New Zealand as at the Record Date.
<b>Entitlement</b>	The number of New Shares that an Eligible Shareholder may apply for under the Offer, as determined by the number of Shares held on the Record Date.
<b>Entitlement Form</b>	The entitlement and acceptance form accompanying this Offer Document.
<b>Excluded Shareholder</b>	A Shareholder whose registered address is not in Australia or New Zealand.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being the sum of \$3,342,399 assuming no existing Options are exercised.
<b>Issue Price</b>	25 cents per New Share.
<b>Lead Manager</b>	Panthea Capital Partners Pty Ltd (ACN 620 836 722).

<b>Listing Rules</b>	The official listing rules of ASX, as amended or waived by ASX from time to time.
<b>New Share</b>	A Share to be issued under this Offer Document.
<b>Offer</b>	The offer to Eligible Shareholders of New Shares under the Rights Issue.
<b>Offer Document</b>	This offer document.
<b>Option</b>	An option to acquire a Share.
<b>Project</b>	A project of the Company.
<b>Record Date</b>	5.00pm (WST) on 17 June 2020.
<b>Rights Issue</b>	The pro-rata non-renounceable offer conducted pursuant to this Offer Document under which up to approximately 13,369,595 New Shares will be offered to Eligible Shareholders on the basis of 1 New Share for every 5 Shares held at the Record Date at the Issue Price.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shareholder</b>	A registered holder of Shares.
<b>Shortfall</b>	The number of New Shares not applied for under the Rights Issue before the Closing Date.
<b>WST</b>	Western Standard Time.

## ENTITLEMENT AND ACCEPTANCE FORM - ENTITLEMENT OFFER

Entitlement No.

Subregister

SRN/HIN

Number of Shares held at 5pm  
(WST) on 17 June 2020

**Offer Closes: 13 July 2020 at 5:00pm (WST)**

NON-RENOUCEABLE PRO-RATA RIGHTS ISSUE AT AN ISSUE PRICE OF 25 CENTS EACH ON THE BASIS OF 1 NEW SHARE FOR EVERY 5 ORDINARY SHARES HELD, TO RAISE UP TO APPROXIMATELY \$3,342,399 BEFORE COSTS, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER (ENTITLEMENT OFFER)

### A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT**, please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Closing Date being by 5pm (WST) on 13 July 2020 with payment will constitute acceptance of the Entitlement Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of One New Share for every Five Ordinary Shares held	Price Per Share	Amount Payable for Full Acceptance, at \$0.25 per New Share
	<b>\$0.25 per Share =</b>	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY**, please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Enclosed
	<b>\$0.25 per Share =</b>	<b>\$</b>

### B Apply for Shortfall Shares (if available)

If you wish to apply for additional shares to your Entitlement above, please insert the number of additional shares in the box below and the appropriate amount payable. These additional shares will only be allotted if available and will be at the sole discretion of the Company.

Number of Additional Shares Applied for	Price Per Share	Amount Enclosed
	<b>\$0.25 per Share =</b>	<b>\$</b>

### C Payment

Payment may only be made by electronic BPAY, cheque or bank draft. Cash will not be accepted via the mail or at the Yandal Resources Limited Share Registry. Payments cannot be made at any bank.

#### Payment Option 1 – BPAY



Billers Code:  
Ref:

#### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

® Registered to BPAY Ltd ABN 69 079 137 518

To pay via BPAY please contact your participating financial institution.

**If paying by BPAY you do not need to return the Entitlement and Acceptance Form.**

If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

Applicants should be aware that their own financial institutions may impose earlier cut off times regarding electronic payment, and should therefore take this into consideration when making payment.

#### Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				<b>\$</b>

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "Yandal Resources Limited" and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

**THIS FORM CONTINUES OVERLEAF**



## D Contact Details

CONTACT NAME	CONTACT NUMBER	EMAIL ADDRESS

By submitting this Entitlement and Acceptance Form or by payment by electronic funds, I/We represent and warrant that I/we have read and understood the Offer Document to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Offer Document and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Yandal Resources Limited and agree to the terms and conditions of the Entitlement Offer.

The Entitlement Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia and New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

## LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

### ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR PART

Multiply the number of New Shares for which you are accepting by \$0.25 then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

Telephone No. 02 9290 9600  
Facsimile No. 02 9279 0664

**If you do not deal with your Entitlement, it will lapse at 5pm (WST) on 13 July 2020.**

### PAYMENT

#### Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to "Yandal Resources Limited" and crossed "Not Negotiable".

#### BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: [www.bpay.com.au](http://www.bpay.com.au). Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before **5.00pm (WST) on 13 July 2020**.

### INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Offer Document.

### CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHES holders must notify your sponsoring broker for amendments to holdings on the CHES Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /  
Sole Director & Sole Company  
Secretary

Joint Shareholder 2 (Individual) /  
Director

Joint Shareholder 3 (Individual) /  
Director/Company Secretary  
(Delete one)

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy.html>).