

# **YANDAL RESOURCES LIMITED**

## **ACN 108 753 608**

### **PROSPECTUS**

**For the offer of a non-renounceable pro-rata rights issue to Eligible Shareholders of approximately 16,964,690 New Shares, on the basis of 1 New Share for every 6 Shares held at an issue price of 40 cents per New Share, to raise up to approximately \$6,785,876 before costs and approximately 8,482,345 New Options on the basis of 1 free attaching New Option for every 2 New Shares issued, with each New Option having an exercise price of 65 cents and an expiry date of 31 December 2022.**

#### **IMPORTANT NOTICE**

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares and New Options offered by this Prospectus should be considered highly speculative.

## **IMPORTANT NOTICE**

This Prospectus is dated 19 November 2021 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had 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.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

### **Restrictions on distribution**

Eligible Shareholders are all Shareholders at the Record Date. However, this Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from the Company's website at [www.yandalresources.com.au](http://www.yandalresources.com.au). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus.

### **Target Market Determination**

A Target Market Determination (TMD) in respect of the offer of New Options under this Prospectus has been prepared by the Company and is available on the Company's website at [www.yandalresources.com.au](http://www.yandalresources.com.au).

The TMD seeks to offer potential investors with an understanding of the class of investors for which the offer of New Options has been designed, having regard to the objectives, financial situation and needs of the target market.

## CORPORATE DIRECTORY

### DIRECTORS

Mr Tim Kennedy (Non-Executive Chair)  
Mr David (Lorry) Hughes (Managing Director)  
Ms Katina Law (Non-Executive Director)

### COMPANY SECRETARY

Mrs Bianca Taveira

### BUSINESS OFFICE

159 Stirling Highway  
Nedlands WA 6009

Telephone: +61 8 9389 9021  
Email: [yandal@yandalresources.com.au](mailto:yandal@yandalresources.com.au)  
Website: [www.yandalresources.com.au](http://www.yandalresources.com.au)

### SOLICITORS

Fairweather Corporate Lawyers  
Suite 2, 589 Stirling Highway  
Cottesloe, Western Australia, 6011

### LEAD MANAGER

Panthea Capital Pty Ltd  
Level 15, 9 Hunter Street  
Sydney, New South Wales, 2000

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)  
Email: [corporateactions@boardroomlimited.com](mailto:corporateactions@boardroomlimited.com)  
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 any part of this Prospectus and has not consented to being named in the Prospectus.

## TIMETABLE

---

Prospectus lodged with ASIC and ASX	19 November 2021
"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	24 November 2021
Record Date (to determine eligibility of Shareholders to participate in the Offer)	25 November 2021
Send Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders/Opening Date	30 November 2021
Closing Date	16 December 2021
Issue date	23 December 2021
New Shares commence normal trading on ASX	24 December 2021

Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

---

## TABLE OF CONTENTS

<b>1.</b>	<b>INVESTMENT OVERVIEW .....</b>	<b>1</b>
<b>2.</b>	<b>REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY .....</b>	<b>6</b>
2.1	Background .....	6
2.2	Use of funds .....	6
2.3	Effect on Shareholders' equity and cash reserves .....	7
2.4	Effect on capital structure .....	8
2.5	Pro forma Statement of Financial Position .....	8
<b>3.</b>	<b>LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL .....</b>	<b>10</b>
3.1	Lead Manager and Lead Manager Agreement .....	10
3.2	Shortfall/Allocation Policy .....	10
3.3	Potential effect on control .....	10
3.4	Voting power of DGO and the future intention of DGO.....	11
<b>4.</b>	<b>RISK FACTORS.....</b>	<b>13</b>
4.1	Introduction.....	13
4.2	Company and Industry Risks .....	13
4.3	General Investment Risks.....	17
<b>5.</b>	<b>DETAILS OF THE OFFER .....</b>	<b>19</b>
5.1	The Offer .....	19
5.2	How to accept the Rights Issue .....	19
5.3	Issue and quotation .....	22
5.4	Shortfall .....	23
<b>6.</b>	<b>ADDITIONAL INFORMATION .....</b>	<b>24</b>
6.1	Rights attaching to New Shares.....	24
6.2	Terms of New Options.....	25
6.3	Transaction specific prospectus and continuous disclosure obligations .....	26
6.4	Market price of Shares.....	28
6.5	Directors' Interests.....	28
6.6	Interests of Experts and Advisers .....	30
6.7	Costs of the Offer .....	30
6.8	Consents .....	31
<b>7.</b>	<b>DIRECTORS' AUTHORISATION AND CONSENT .....</b>	<b>32</b>
<b>8.</b>	<b>GLOSSARY .....</b>	<b>33</b>

## 1. INVESTMENT OVERVIEW

---

Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a non-renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 1 New Share for every 6 Shares held on the Record Date. Each Eligible Shareholder will also be entitled to 1 free New Option for every 2 New Shares subscribed for under the Prospectus. Application will be made for quotation of the New Shares. No application will be made for quotation of the New Options.</p>	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 40 cents per New Share.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 65 cents and an expiry date of 31 December 2022. The full terms of the New Options are set out in Section 6.2.	Section 6.2
Who is an Eligible Shareholder?	The Offer is made to Eligible Shareholders being all Shareholders at the Record Date.	Section 5.1
How many New Securities will be issued?	<p>The maximum number of securities that may be issued under the Offer is 16,964,690 New Shares and 8,482,345 New Options.</p> <p>This may increase if existing Option holders exercise their Options before the Record Date to participate in the Offer.</p>	Section 2.1
What is the amount that will be raised under the Offer?	<p>At the date of this Prospectus the maximum amount that may be raised under the Offer is \$6,785,876.</p> <p>The actual amount of funds that will be raised under the Offer is not known as it depends upon Eligible Shareholders take-up of the Offer and the placing of subsequent Shortfall. Further, existing Option holders may exercise their Options before the Record Date to participate in the Offer.</p>	Section 2.1

Question	Response	Where to find more information						
What is the purpose of the Offer?	<p>Since listing on ASX in December 2018, the Company has undertaken systematic exploration and development of its 4 Projects in Western Australia that are primarily prospective for gold.</p> <p>The purpose of the Offer is to raise funds to primarily be used to fund accelerated exploration upon the Company's Projects.</p> <p>A budget of how we intend to use the funds raised at Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.</p>	Section 2.2						
What is the effect of the Offer?	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> <li>• Increase the number of Shares and Options on issue.</li> <li>• Increase our cash reserves by approximately \$6,785,876 (at Full Subscription and before the costs of the Offer).</li> </ul>	Section 2.3						
What is Minimum Subscription?	The Minimum Subscription is \$1.	Section 5.1						
What are the risks of a further investment in the Company?	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <table border="1" data-bbox="408 1240 1214 2024"> <thead> <tr> <th data-bbox="408 1240 544 1272">Risk Area</th> <th data-bbox="660 1240 740 1272">Risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="408 1312 612 1375">Exploration and development</td> <td data-bbox="660 1294 1214 1693"> <p>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.</p> <p>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.</p> </td> </tr> <tr> <td data-bbox="408 1733 560 1796">Tenure and access</td> <td data-bbox="660 1733 1214 2024"> <p>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</p> </td> </tr> </tbody> </table>	Risk Area	Risks	Exploration and development	<p>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.</p> <p>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.</p>	Tenure and access	<p>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</p>	Section 4
Risk Area	Risks							
Exploration and development	<p>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.</p> <p>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.</p>							
Tenure and access	<p>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</p>							

Question	Response	Where to find more information
	<p>payment of rent and prescribed annual expenditure commitments.</p> <p>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.</p> <p>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. Inability to access, or delays experienced in accessing the land, may adversely impact on the Company's activities.</p>	
Gold Price	<p>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. 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.</p>	
Dependence on key personnel	<p>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.</p>	
Future funding	<p>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 is needed, it may be required to reduce the</p>	



Question	Response	Where to find more information
	scope of its operations and scale back its programs.	
How do I accept my Entitlement under the Offer?	<p>Eligible Shareholders are entitled to subscribe for New Shares and New Options under the Offer. If you wish to make an Application in respect to your Entitlement, you must complete the Entitlement and Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	Section 5.2
What happens if Eligible Shareholders don't accept their Entitlement?	<p>Any Entitlement not subscribed for by Eligible Shareholders will form the Shortfall.</p> <p>Eligible Shareholders who are not related parties and have subscribed for their full Entitlement may also apply for Shortfall.</p>	Sections 3.2 and 5.4
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 5.1
What are the Lead Manager arrangements?	<p>Panthea Capital Pty Ltd is the Lead Manager. It has been appointed to seek to place any Shortfall on a best endeavours basis. The Lead Manager will be paid a fixed fee of \$20,000 plus GST plus a fee of 5% plus GST on the value of any Shortfall that it places.</p>	Section 3.1
How will Shortfall be allocated?	<p>The Shortfall will be placed at the discretion of the Directors in consultation with the Lead Manager. Application for Shortfall by Eligible Shareholders who are not related parties and have subscribed for their full Entitlement does not guarantee any allocation.</p>	Sections 3.2 and 5.4

Question	Response	Where to find more information
What is the effect on control of the Offer?	<p>The maximum dilution to shareholding that will be experienced by Eligible Shareholders that do not subscribe for their Entitlement is 14.29%.</p> <p>DGO is the largest Shareholder in the Company with a current voting power of 19.64%. If DGO wishes to take up some or all of its Entitlement, its voting power may increase beyond the 20% takeover threshold. It will rely on the section 611 item 10 Corporations Act exception (rights issues exception) to do so. The maximum voting power of DGO by reason of its participation in the Rights Issue could be 22.18% (see the table in section 3.4).</p> <p>DGO will not participate in any Shortfall.</p> <p>For the reasons set out in Section 3.3, the Company is of the view that the Rights Issue will not materially affect the control of the Company.</p>	Sections 3.3 and 3.4

## **2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY**

---

### **2.1 Background**

The Company is a resource exploration and development company with a large portfolio of tenements in Western Australia primarily prospective for gold. The Company's tenements form 4 Projects. The Ironstone Well, Barwidgee and Mt McClure Projects are located in the Yandal Greenstone Belt in Western Australia. The Gordons Project is in the Kalgoorlie terrain of the Norseman to Wiluna Greenstone Belt in Western Australia.

The Company listed on ASX on 14 December 2018. Since listing on ASX, the Company has undertaken systematic exploration and development activities on its Projects. Drilling programs have been undertaken resulting in new mineralisation at the Projects and a JORC Code Mineral Resource estimate at the Flushing Meadows prospect within the Ironstone Well Project (see ASX announcement of 4 November 2020).

The Company is making this Offer in order to apply the funds to accelerate exploration upon the Company's Projects as set out in Section 2.2 below.

The Offer consists of a pro-rata non-renounceable rights issue of approximately 16,964,690 New Shares to Eligible Shareholders. The Offer is made on the basis of 1 New Share for every 6 Shares held by Eligible Shareholders on the Record Date at an issue price of 40 cents per New Share and 1 free New Option for every 2 New Shares subscribed for under the Prospectus. The Rights Issue will raise up to approximately \$6,785,876 before costs at Full Subscription.

Application will be made for quotation of the New Shares on ASX. No application will be made for quotation of the New Options.

### **2.2 Use of funds**

The Company has approximately \$3,218,000 cash on hand at 15 November 2021. The Company intends to use this cash on hand pro-rata to the 4 Project items and working capital item in the table below in accordance with the percentages these items represent at Full Subscription.

The funds raised from this Rights Issue are intended to primarily be used to fund accelerated exploration upon the Company's Projects as set out below.

A total of up to approximately \$6,785,876 at Full Subscription will be raised from this Rights Issue. Presented below is how the Company intends to use the proceeds of the Offer at Full Subscription.

<b>Funds Raised</b>	<b>Full Subscription (\$6,785,876)</b>
Funds raised under the Offer <sup>1</sup>	\$6,785,876
<hr/>	
<b>Use of Funds</b>	<b>Amount</b>
Exploration programmes and drilling at the Ironstone Well Project	\$1,750,000
Exploration programmes, drilling and mining studies at the Gordons Project	\$1,600,000
Exploration programmes and drilling at the Barwidgee Project	\$1,000,000
Exploration programmes and drilling at the Mt McClure Project	\$1,000,000
Working Capital <sup>2</sup>	\$1,360,876
Costs of the Offer <sup>3</sup>	\$75,000
<b>Total</b>	<b>\$6,785,876</b>

Notes:

1. This 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 operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance costs and travel costs. General working capital may also be used to pay \$50,000 to complete the Moho tenements acquisition (see ASX announcement of 11 November 2021).
3. The costs of the Offer are set out in Section 6.7.
4. In the event that moneys are raised beyond Minimum Subscription but less than Full Subscription (up to \$6,710,876 excluding the costs of the Offer), the Company intends to apply the funds firstly to the Project expenditure for the Ironstone Well, Gordons, Barwidgee and Mt McClure Projects (up to \$5,350,000 to with such expenditure being pro-rata to the amounts to be spent at Full Subscription) and then the balance (up to \$1,360,876) to general working capital.
5. This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. 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.

### **2.3 Effect on Shareholders' equity and cash reserves**

Assuming that all New Shares and New Options offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase the total number of Shares and Options on issue (see Section 2.4); and
- (b) increase our cash reserves, before taking into account the costs of the Offer (see Section 2.5).

A pro forma statement of financial position that contains further information about the effect of the Rights Issue on the Company is provided in Section 2.5.

## 2.4 Effect on capital structure

Assuming no existing Options are exercised before the Record Date, the capital structure of the Company following the Offer assuming Full Subscription is shown in the following table.

<b>Shares</b>	<b>Full Subscription</b>
Existing Shares	101,788,135
New Shares issued under Rights Issue	16,964,690
<b>Total Shares on issue after completion of the Rights Issue<sup>1</sup></b>	<b>118,752,825</b>
<b>Options</b>	<b>Full Subscription</b>
Existing Options (exercise price 25 cents and expiry date 31 December 2021)	3,600,000
New Options issued under Rights Issue (exercise price 65 cents and expiry date 31 December 2021)	8,482,345
<b>Total Options on issue after completion of the Rights Issue</b>	<b>12,082,345</b>

1. The Company will have 2,625,000 Performance Rights on issue on the assumption of 2,100,000 Performance Rights being issued subsequent to Shareholder approval at the annual general meeting on 19 November 2021. In the event of conversion, the Performance Rights convert into Shares on the basis of one Share for each one Performance Right.

## 2.5 Pro forma Statement of Financial Position

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the unaudited balance sheet as at 30 September 2021. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 30 September 2021 at Full Subscription based on the following assumptions:

- (a) The issue of 16,964,690 New Shares at an issue price of 40 cents each and the issue of 8,482,345 free attaching New Options to raise \$6,785,876.
- (b) Costs of the Offer of \$75,000.

	30 September 2021 Consolidated unaudited	30 September 2021 Proforma (Full Subscription)
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	4,654,842	11,356,718
Trade and other receivables	417,070	417,070
Other assets	3,917	3,917
<b>Total current assets</b>	<b>5,075,829</b>	<b>11,777,705</b>
<b>Non-current assets</b>		
Exploration and evaluation expenditure	14,041,033	14,041,033
Plant and equipment	219,842	219,842
<b>Total non-current assets</b>	<b>14,260,875</b>	<b>14,260,875</b>
<b>Total assets</b>	<b>19,336,704</b>	<b>26,038,580</b>
<b>Current liabilities</b>		
Trade and other payables	1,084,352	1,084,352
<b>Total current liabilities</b>	<b>1,084,352</b>	<b>1,084,352</b>
<b>Total liabilities</b>	<b>1,084,352</b>	<b>1,084,352</b>
<b>Net assets</b>	<b>18,252,352</b>	<b>24,954,228</b>
<b>Equity</b>		
Contributed equity	19,706,570	26,408,446
Reserves	608,861	608,861
Accumulated losses	(2,063,079)	(2,063,079)
<b>Total equity</b>	<b>18,252,352</b>	<b>24,954,228</b>

### **3. LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL**

---

#### **3.1 Lead Manager and Lead Manager Agreement**

The Lead Manager (Panthea Capital Pty Ltd) has been engaged to place any Shortfall on a best endeavours basis.

The Lead Manager will be paid a fixed fee of \$20,000 plus GST plus a fee of 5% plus GST on the value of any Shortfall it places.

#### **3.2 Shortfall/Allocation Policy**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. Information on how to apply for Shortfall is set out in Section 5.4.

The Company will allocate any Shortfall at the discretion of the Directors in consultation with the Lead Manager. Eligible Shareholders (other than DGO) who are not related parties and have subscribed for their full Entitlement may apply for Shortfall. Such an application does not guarantee any allocation.

#### **3.3 Potential 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.
- (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 will be diluted relative to those Eligible 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 14.29% 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:
  - (i) other than DGO as referred to below, no Shareholder can increase their voting power beyond 20% by taking up Entitlement. Further, the Company will not issue any New Shares under the Shortfall so a party can increase their voting power beyond 20%; and
  - (ii) DGO is the largest Shareholder in the Company as it currently holds 19,987,550 Shares (see ASIC Form 604 announced on 9 July 2021) representing a voting power of 19.64%. DGO may wish to take up some or all of its Entitlement, which may result in its voting power increasing beyond 20%. If it does so, it will rely on the section 611 item 10 Corporations Act exception (rights issues exception) to the takeovers prohibition. DGO will not be participating in any Shortfall. The potential effect on DGO's voting power if it takes up all of its Entitlement is set out in various scenarios in Section 3.4

as well as the future intention of DGO. The maximum voting power of DGO in the scenarios outlined is 22.18%.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company. The Company has structured the Rights Issue with this in mind.

### 3.4 Voting power of DGO and the future intention of DGO

At the date of this Prospectus, DGO has a voting power of 19.64% (19,987,550 Shares).

DGO may wish to take up some or all of its Entitlement.

The effect of the Offer on the voting power of DGO is reliant on the take up of Entitlement by other Shareholders and the subsequent placing of any Shortfall. If all Eligible Shareholders (including DGO) take up their Entitlement in full then there will be no change in DGO's voting power by reason of the Rights Issue. However, if DGO takes up all (or in certain circumstances part) of its Entitlement and not all other Eligible Shareholders take up their Entitlement, then the voting power of DGO will increase.

Below is a table detailing various scenarios based on DGO taking all of its Entitlement with there being various Entitlement take up scenarios for other Eligible Shareholders. In each scenario, the assumption is no Shortfall is placed, which would dilute the voting power of DGO. The table discloses the maximum voting power of DGO.

Voting power of DGO					
At date of this Prospectus	At completion of the Offer				
	100% take up (Full Subscription)	75% take up by Eligible Shareholders other than DGO	50% take up by Eligible Shareholders other than DGO	25% take up by Eligible Shareholders other than DGO	0% take up by Eligible Shareholders other than DGO
19.64%	19.64%	20.22%	20.83%	21.49%	22.18%

In this table:

- "100% take up" assumes that DGO together with all other Eligible Shareholders take up 100% of their Entitlement. This is the Full Subscription scenario.
- "75% take up" assumes that DGO takes up 100% of its Entitlement and all other Eligible Shareholders take up 75% of their Entitlement.
- "50% take up" assumes that DGO takes up 100% of its Entitlement and all other Eligible Shareholders take up 50% of their Entitlement.
- "25% take up" assumes that DGO takes up 100% of its Entitlement and all other Eligible Shareholders take up 25% of their Entitlement.
- "0% take up" assumes that DGO takes up 100% of its Entitlement and all other Eligible Shareholders take up none of their Entitlement.



As demonstrated in the table above, DGO may by the Offer increase their voting power beyond the 20% takeover threshold in the Company by reason of the Rights Issue. DGO has informed the Company that it is supportive of the current direction of the Company and it does not currently intend to make any major changes to the direction and objectives of the Company, and:

- does not currently intend to make any significant changes to the existing business;
- does not currently intend to inject further capital into the Company other than in the event of taking up all or part of its Entitlement. However, if the Company requires additional funding in the future, it will assess such requirement and decide whether to provide such funding based on the prevailing circumstances at the time;
- intends to support the Company's decisions regarding the future employment of present employees and contemplate that they will continue in the ordinary course of business;
- does not currently intend for any property to be transferred between the Company and DGO or any person or entity associated with it;
- does not currently intend to redeploy any fixed assets; and
- does not currently intend to change the Company's existing financial or dividend policies.

DGO has indicated that its intentions detailed above are based on the facts and information presently known to it regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by it based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, its intentions may change accordingly.

## **4. RISK FACTORS**

---

### **4.1 Introduction**

An investment in the New Securities the subject of this Prospectus 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.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for New Securities offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company's control and cannot be mitigated. You should also consider consulting with your professional advisers before deciding whether or not to apply for New Securities.

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.

### **4.2 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 and development 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 2.2.

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. 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 had a significant adverse impact on world economic conditions. Companies in Australia have not been isolated from this impact and these unstable economic conditions may continue for the foreseeable future.

Various national and state governments have imposed restrictions on the movement of people and goods in an attempt to slow down and contain the spread of the COVID-19 virus. Social distancing measures have been implemented in many places. Various other restrictions (such as lockdowns) have been and could continue to be implemented.

There has been no known COVID-19 cases across the Company's workforce and minimal disruption to operations to date. However, the Company's activities may be delayed or curtailed as a result of the COVID-19 pandemic or measures taken 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 Prospectus, 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.

### **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.

## **4.3 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.

## 5. DETAILS OF THE OFFER

---

### 5.1 The Offer

#### (a) Overview

All Eligible Shareholders (being all Shareholders at the Record Date) are entitled to participate in the Rights Issue. The Record Date is 5:00pm WST, 25 November 2021.

As an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 6 Shares held on the Record Date at the Issue Price of 40 cents per New Share. You are also entitled to 1 free attaching New Option for every 2 New Shares subscribed for. When calculating your Entitlement, we will round fractions up to the nearest whole number.

We must receive your Entitlement and Acceptance Form by the Closing Date (being 5:00pm WST on 16 December 2021).

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

#### (b) Minimum Subscription

The Minimum Subscription is \$1.

By this Offer the Company is seeking to raise funds to primarily be used to accelerate exploration upon the Company's Projects.

No New Shares or New Options will be issued until the Minimum Subscription is reached. If the Minimum Subscription is not reached within 4 months after the date of this Prospectus, the Company will refund all application moneys without interest in accordance with the Corporations Act.

#### (c) Offer is not underwritten

The Offer is not underwritten.

#### (d) Lead Manager arrangements

The Lead Manager has been engaged to seek to place any Shortfall on a best endeavours basis. The Lead Manager arrangements are set out in Section 3.1.

#### (e) Rights attaching to New Shares and terms of New Options

A summary of the rights attaching to the New Shares and the terms of the New Options are set out in Sections 6.1 and 6.2.

### 5.2 How to accept the Rights Issue

#### (a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying the Prospectus sent to you.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.



You may pay by BPAY in accordance with the instructions on the Entitlement and Acceptance Form. Given COVID-19, payments in cash will not be accepted.

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

We must receive your payment by the Closing Date. If we receive your payment after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you make a payment, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares and New Options represented by the payment.

We will hold your Application Money on trust until we issue the New Shares and New Options in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Shares and New Options are issued to you.

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your professional adviser for assistance.

(b) **Overseas Shareholders**

The 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 Offer is being made to Eligible Shareholders being all Shareholders at the Record Date. This includes Shareholders with a registered address in Australia, New Zealand, United Kingdom, Singapore and Thailand. At the date of this Prospectus the Company has one registered Shareholder only in each of the United Kingdom, Singapore and Thailand.

Information about the offer restrictions in New Zealand, United Kingdom, Singapore and Thailand are set out below.

*New Zealand offer restrictions*

The New Shares and New Options 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 Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus 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.

### *United Kingdom offer restrictions*

Neither this document nor any other document 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 or New Options.

The New Shares and New Options may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances not that not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document 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 and New Options 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 document 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 document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

### *Singapore offer restrictions*

This document and any other materials relating to the New Shares and New Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore.

Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares and New Options, may not be issued, circulated or distributed, nor may the securities 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) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA).

You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the securities being subsequently offered to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire securities. As such, investors are advised to acquaint

themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### *Thailand offer restrictions*

This document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the New Shares and New Options may not be circulated or distributed, nor may the New Shares and New Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand. This document may be distributed in Thailand only to existing shareholders of the Company.

#### *Nominees and custodians*

Eligible Shareholders holding Shares as a nominee, custodian or trustee are responsible for ensuring that any dealing with their Entitlement and any New Shares and New Options issued do not breach the laws and regulations in the relevant jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The making of an Application (whether by 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.

### (c) **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and New Options. 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 and New Options.

## **5.3 Issue and quotation**

### (a) **Issue of New Shares and New Options**

The New Shares and New Options under the Rights Issue will be issued as soon as practicable after the Closing Date. We will issue the New Shares and New Options on the basis of your Entitlement.

Pending the issue of New Shares and New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

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

### (b) **Quotation of New Shares by ASX**

We intend to apply to ASX for quotation of the New Shares within 7 days of the date

of this Prospectus. If the ASX accepts our application, quotation of the New Shares will commence after the issue of the New Shares.

If any New Shares are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and associated New Options and the Application Money in respect of those New Shares will be refunded to you without interest within the time prescribed by the Corporations Act.

No application will be made for quotation of the New Options.

(c) **Holding Statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares and New Options issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

## **5.4 Shortfall**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. The Offer to issue Shortfall is a separate offer under the Prospectus.

Eligible Shareholders who are not related parties and who have subscribed for their full Entitlement may apply for any Shortfall by following the instructions in the Shortfall section in the Entitlement and Acceptance Form and making payment by BPAY on the same terms as in Section 5.2. DGO will not participate in any Shortfall.

The Shortfall will be allocated at the discretion of the Directors in consultation with the Lead Manager.

Application for Shortfall by Eligible Shareholders with moneys does not guarantee any allotment of any Shortfall. All application moneys in relation to which Shortfall are not allocated will be returned without interest.

The Company will not issue Shortfall so that any party's voting power in the Company will exceed 20%.

Any Shortfall will be issued within 3 months of the Closing Date. Any issue of Shortfall will be at the same price as the offer under the Rights Issue.

Directors cannot be issued Shortfall without prior Shareholder approval.

## **6. ADDITIONAL INFORMATION**

---

### **6.1 Rights attaching to New Shares**

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

#### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

#### **Dividends**

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

#### **Future Issues of Securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

#### **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

#### **Meetings and Notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

## **Election of Directors**

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.

## **Indemnities**

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

## **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide the assets of the Company among the members in kind;
- for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

## **Shareholder Liability**

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

## **Alteration to the Constitution**

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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## **Listing Rules**

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## **6.2 Terms of New Options**

The terms of the issue of the New Options are:

- (a) Each Option entitles the holder to one Share.
- (b) The exercise price of the Options is 65 cents each.
- (c) The Options may be exercised at any time prior to 5:00pm Western Standard Time on 31 December 2022 ("Expiry Date").
- (d) The Options are freely tradeable. No application will be made for the Options to be quoted.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue 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 such issues.
- (h) If on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company, then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the bonus issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, all rights of the Option holder are to be changed in a manner consistent with the Listing Rules.

### **6.3 Transaction specific prospectus and continuous disclosure obligations**

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects.

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:
  - (i) the annual financial report most recently lodged by the Company with ASIC;
  - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

The Company officially listed on ASX on 14 December 2018. We lodged our latest annual report (being the annual report for the year ended 30 June 2021) with ASX on 24 September 2021. Since then, the following announcements have been made to ASX, shown in the table below.

<b>Date</b>	<b>Description of Announcement</b>
28/09/2021	High-Grades Intersected – Gordons Gold Project
29/09/2021	Change of Director's Interest Notice – Kennedy
13/10/2021	Change of Director's Interest Notice – Hughes
13/10/2021	Notification of cessation of securities – YRL
13/10/2021	Notification regarding unquoted securities – YRL
15/10/2021	Notice of Annual General Meeting/Proxy Form
21/10/2021	September 2021 Quarterly Activities and Cashflow Report
25/10/2021	Application for quotation of securities - YRL
25/10/2021	Cleansing Notice
26/10/2021	Application for quotation of securities – YRL
03/11/2021	Investor Presentation NewGenGold Conference
11/11/2021	New Acquisition and Results – Gordons Gold Project
11/11/2021	MOH: Moho Increases Nickel Exposure At Silver Swan North



Date	Description of Announcement
11/11/2021	MOH: MOH Increases Nickel Exposure at Silver Swan N – Amended
11/11/2021	New Acquisitions and Results – Gordons Gold Project Amended
15/11/2021	Annual General Meeting Update
17/11/2021	Newport Gold Anomaly Underscores Yandal Belt Potential

#### 6.4 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 and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	56 cents	6 September 2021
Lowest	40.5 cents	26 October 2021
Latest	44 cents	18 November 2021

#### 6.5 Directors' Interests

##### (a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

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

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

##### (b) Interests in Securities as at the date of this Prospectus

The Directors (and their respective associates) have relevant interests in the securities of the Company as set out in the table below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New Shares and New Options that the Directors may subscribe for under the Offer.

<b>Director</b>	<b>Number of Shares</b>	<b>Number of Options</b>	<b>Number of Performance Rights</b>
Tim Kennedy	40,000	0	450,000 <sup>1</sup>
Lorry Hughes	4,604,563	0	1,200,000 <sup>1</sup>
Katina Law	597,500	1,000,000 <sup>2</sup>	450,000 <sup>1</sup>

Notes:

1. The terms of the Performance Rights are set out in the ASX announcement of 15 October 2021 and it is assumed that these Performance Rights will be issued subsequent to Shareholder approval at the Company's annual general meeting on 19 November 2021. In the event of conversion, the Performance Rights convert into Shares on the basis of one Share for each one Performance Right.
2. The Options have an exercise price of 25 cents and an expiry date of 31 December 2021.

(c) **Remuneration of Directors**

Mr Tim Kennedy is paid a Director's fee of \$65,000 per annum plus statutory superannuation as non-executive Chair. In the 2 years prior to the date of this Prospectus, Mr Kennedy has received cash remuneration totalling \$40,300 plus statutory superannuation.

Mr Lorry Hughes as managing director is paid cash remuneration of \$295,900 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mr Hughes has received cash remuneration totalling approximately \$544,663 plus statutory superannuation.

Ms Katina Law is paid a Director's fee of \$55,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Ms Law has received cash remuneration totalling \$96,617 plus statutory superannuation.

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

## 6.6 Interests of Experts and Advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

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

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$25,000 (plus GST) for these services. In the past two years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$30,125 by the Company.

Panthea Capital Pty Ltd is the Lead Manager to the Offer. We will pay a fixed fee of \$20,000 plus GST plus a 5% fee (plus GST) on the amount of any Shortfall that is placed by the Lead Manager. In the past two years, Panthea Capital Pty Ltd has been paid fees of approximately \$23,700 by the Company.

## 6.7 Costs of the Offer

The cash costs connected to the Rights Issue payable by the Company are estimated at approximately \$75,000 exclusive of GST at Full Subscription. These expenses are expected to be applied to the items set out in the table below.

Item of Expenditure	Full Subscription
Legal fees	\$25,000
Fixed fee to Lead Manager	\$20,000
ASIC lodgement fee for Prospectus	\$3,206
ASX fee for New Shares	\$17,205
Printing, share registry, miscellaneous	\$9,589
<b>Total</b>	<b>\$75,000</b>

Note:

1. The fee to the Lead Manager above, does not include a fee of 5% plus GST to the Lead Manager in respect of the placement of any Shortfall by the Lead Manager (see Section 3.1).

## 6.8 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Panthea Capital Pty Ltd has consented to being named as the Lead Manager to the Offer and the inclusion in the Prospectus of all statements referring to it.

DGO Gold Limited has consented to the inclusion in the Prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

## **7. DIRECTORS' AUTHORISATION AND CONSENT**

---

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 19 November 2021

A handwritten signature in black ink, appearing to read 'L. Hughes', written in a cursive style.

Signed for and on behalf of Yandal Resources Limited  
By Mr Lorry Hughes  
Managing Director

## 8. GLOSSARY

---

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

<b>Applicant</b>	A person who submits and Entitlement and Acceptance Form.
<b>Application</b>	An application for New Shares and New Options under the Rights Issue.
<b>Application Money</b>	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
<b>Board</b>	The Board of Directors.
<b>Closing Date</b>	The time and date at which the Offer expires, being 5.00pm WST, 16 December 2021, subject to the Company varying this date in accordance with the Listing Rules.
<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>DGO</b>	DGO Gold Limited (ACN 124 562 849)
<b>Director</b>	A director of the Company for the time being.
<b>Eligible Shareholders</b>	All Shareholders at the Record Date including Shareholders with a registered address in Australia, New Zealand, United Kingdom, Singapore and Thailand.
<b>Entitlement</b>	The entitlement to subscribe for New Shares and New Options under the Rights Issue.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being \$6,785,876.
<b>JORC Code</b>	2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

<b>Issue Price</b>	40 cents per New Share, being the price payable to subscribe for each New Share.
<b>Lead Manager</b>	Panthea Capital Pty Ltd (ACN 620 836 722).
<b>Listing Rules</b>	The listing rules of ASX.
<b>Minimum Subscription</b>	The minimum amount to be raised under the Offer being \$1.
<b>New Options</b>	The Options offered under the Rights Issue.
<b>New Securities</b>	The New Shares and New Options.
<b>New Shares</b>	The Shares offered under the Rights Issue.
<b>Offer</b>	The offer to Eligible Shareholders of New Shares and New Options under the Rights Issue.
<b>Option</b>	An option to acquire a Share.
<b>Performance Rights</b>	A right which entitles the holder to be issued with one Share subject to the satisfaction of any service and performance conditions.
<b>Project</b>	A project of the Company.
<b>Prospectus</b>	This Prospectus dated 19 November 2021.
<b>Record Date</b>	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5:00pm WST, 25 November 2021.
<b>Rights Issue</b>	The pro-rata non-renounceable offer to Eligible Shareholders of 1 New Share for every 6 Shares held by Eligible Shareholders on the Record Date with 1 free New Option for every 2 New Shares subscribed for.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company.
<b>Shareholder</b>	Registered holder of Shares.
<b>Shortfall</b>	New Shares and New Options not subscribed for under the Offer before the Closing Date.
<b>WST</b>	Western Standard Time.
<b>\$</b>	Australian dollars unless otherwise stated.