

WALKABOUT RESOURCES LIMITED
ACN 119 670 370

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Shares for every 10 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.20 per Share to raise up to \$7,622,673 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is partially underwritten by various underwriters, who are existing shareholders for a total underwriting of \$3,630,000 being 18,150,000 Shares at an issue price of \$0.20 per Share. Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

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IMPORTANT NOTICE

This Prospectus is dated 28 May 2021 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

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

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

No Investment Advice

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

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

Forward-looking statements

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

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

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

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

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

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

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6298 7500 during office hours or by emailing the Company at admin@wkt.com.au.

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

Company Website

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

Financial forecasts

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

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

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

Electronic sub-registers mean that the Company will not be issuing

certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

Photographs and Diagrams

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

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

Privacy statement

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

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

You can access, correct and update the personal information that we hold about you. If you wish

to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 8 6298 7500.

CORPORATE DIRECTORY

Directors

Michael Elliott
Non-Executive Chair

Allan Mulligan
*Chief Operating Officer**

Andrew Cunningham
Chief Executive

Company Secretary

Shaun Menezes

Registered Office

Level 3 681 Murray Street
West Perth, WA 6005

Telephone: +61 8 6298 7500
Facsimile: +61 8 6298 7501

Email: admin@wkt.com.au
Website: www.wkt.com.au

Auditor*

HLB Mann Judd (WA) Partnership
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

GPO Box 2975
Melbourne VIC 3001

Phone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Email: www.investorcentre.com/contact
Web: www.computershare.com

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants

Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*Allan Mulligan will be retiring from the Board at a date to be determined.

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	28 May 2021
Lodgement of Prospectus and Appendix 3B with ASX	28 May 2021
Ex date	2 June 2021
Record Date for determining Entitlements	3 June 2021
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	8 June 2021
Last day to extend the Closing Date	22 June 2021
Closing Date as at 5:00pm*	25 June 2021
Announcement to Market on take up and results	28 June 2021
Securities quoted on a deferred settlement basis	28 June 2021
ASX and Underwriter notified of under subscriptions	29 June 2021
Announcement of results of issue	30 June 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	2 July 2021
Quotation of Shares issued under the Offer	3 July 2021
Underwriters subscribe for Shortfall under terms of Underwriting Agreement	13 July 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	14 July 2021
Quotation of Shares issued under the Offer**	15 July 2021

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

1.2 Key statistics of the Offer

Shares

	Minimum Subscription (\$3,630,000) ¹	Maximum Subscription (\$7,622,673) ²
Offer Price per Share	\$0.20	\$0.20
Entitlement Ratio (based on existing Shares)	1 to 10	1 to 10
Shares currently on issue	381,133,645	381,133,645
Shares to be issued under the Offer	18,150,000	38,113,364
Gross proceeds of the issue of Shares	\$3,630,000	\$7,622,673
Shares on issue Post-Offer	399,283,645	419,247,009

Notes:

1. Assuming the Minimum Subscription of \$3,630,000 is achieved under the Offer.

2. Assuming the Maximum Subscription of \$7,622,673 is achieved under the Offer.
3. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

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

Director	Shares	Options
Andrew Cunningham	1,240,188 ^{1,2}	3,000,000 ³
Michael Elliott	14,300,000 ^{4,5}	-
Allan Mulligan	5,474,656 ^{6,7}	4,000,000 ⁸

Notes:

1. 611,112 Shares held directly by Mr Cunningham.
2. 321,105 Shares held indirectly by Tusker Resources Pty Ltd (a Company in which Mr Cunningham is a director and Shareholder) and 307,971 Shares held indirectly by Mr Cunningham's wife, Ilse Cunningham.
3. 3,000,000 Options held directly by Mr Cunningham, exercisable at \$0.20 and expiring 11 December 2021.
4. 2,000,000 Shares held directly by Mr Elliott.
5. 2,000,000 Shares indirectly held by Mr Elliott's wife, Catherine Marie Elliott; 4,500,000 Shares indirectly held by Gerroa Services Pty Ltd (a Company in which Mr Elliott is a director and shareholder); and 5,800,000 Shares indirectly held by P&M Zuvic Pty Ltd ATF Elliott Family Super, in which Mr Elliott is a beneficiary.
6. 3,768,855 Shares held directly by Mr Mulligan.
7. 1,705,801 Shares indirectly held by Indigo Buffalo Investments Pty Ltd ATF Red Warthog Super Fund, in which Mr Mulligan is a beneficiary.
8. 4,000,000 unlisted options held directly by Mr Mulligan, exercisable at \$0.20 and expiring 11 December 2021

The Board recommends all Shareholders take up their Entitlement and advises that:

- (a) Michael Elliott (a Director) intends to take up his respective entire Entitlement in addition to the underwriting arrangements referred to in Section 1.6; and

- (b) Andrew Cunningham intends to take up part of his respective Entitlements; and
- (c) Allan Mulligan is yet to determine his intended take up of his respective Entitlements.

Details of Substantial Holders

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

Shareholder	Shares	%
Hong Kong Tiande Baorun Trade Co Limited	23,043,656	6.05

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

1.5 Lead Manager

Aitken Murray Capital Partners Pty Limited (AFSL 517935) (**Lead Manager**) has been appointed as the lead manager of the Offer (**Lead Manager Mandate**). Terms of the lead manager mandate and total fees payable are set out in Section 6.4.2 below.

1.6 Underwriting

The Company has entered into underwriting agreements with a number of existing shareholders for a total underwriting of \$3,630,000 being 18,150,000 Shares at an issue price of \$0.20 per Share (**Underwriting Agreements**).

The Offer is underwritten by:

Underwriter	Amount Underwritten	Underwritten Shares
Michael Anthony Elliott (a Director)	\$1,600,000	8,000,000
Marcolongo Nominees Pty Ltd	\$500,000	2,500,000
Nathan Alan John Ell	\$130,000	650,000
Oodachi Pty Ltd	\$300,000	1,500,000
EFCT Pty Limited	\$400,000	2,000,000
Robert Westlake	\$100,000	500,000
Pantai Investments Pty Ltd	\$200,000	1,000,000
Cathedral Front Pty Ltd	\$200,000	1,000,000
Ian David Penny	\$100,000	500,000
Deborah Henderson	\$100,000	500,000

(Together the **Underwriters**).

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These Underwriters include the Company's Director Mr Michael Elliott as permitted under ASX Listing Rule 10.12 (Exception 2). Refer to Section 6.4.1 for details of the terms of the underwriting.

None of the Underwriters will increase their shareholding to above 19.99% as a direct result of the issue of Shortfall Shares under the Offer.

Each of the Underwriter and their relevant interests, together with the post offer voting power based on the minimum subscription and maximum subscription are specifically set out in the table below.

Underwriter ⁵	Shares	Entitlement [†]	Amount Underwritten	Underwritten Shares	Total Shares ²	Minimum Subscription Post-Offer Voting Power ²	Maximum Subscription Post-Offer Voting Power ²
Michael Anthony Elliott (a Director) ³	14,300,000	1,430,000	\$1,600,000	8,000,000	23,730,000	5.94%	5.66%
Marcolongo Nominees Pty Ltd ⁴	14,955,481	1,495,548	\$500,000	2,500,000	17,455,481	4.37%	4.16%
Nathan Alan John Ell ⁴	2,700,000	270,000	\$130,000	650,000	3,350,000	0.84%	0.80%
Oodachi Pty Ltd ⁴	9,600,000	960,000	\$300,000	1,500,000	11,100,000	2.78%	2.65%
EFCT Pty Limited ⁴	50,000	5,000	\$400,000	2,000,000	2,050,000	0.51%	0.49%
Robert Westlake ⁴	5,413,824	541,382	\$100,000	500,000	5,913,824	1.48%	1.41%
Pantai Investments Pty Ltd ⁴	9,200,000	920,000	\$200,000	1,000,000	10,200,000	2.55%	2.43%
Cathedral Front Pty Ltd ⁴	7,418,694	741,869	\$200,000	1,000,000	8,418,694	2.11%	2.01%
Ian David Penny ⁴	5,419,675	541,968	\$100,000	500,000	5,919,675	1.48%	1.41%
Deborah Henderson ⁴	2,277,777	227,778	\$100,000	500,000	2,777,777	0.70%	0.66%

Notes:

- Including their associated entities.
- This table assumes that all Shares that are offered under this Prospectus are issued.
- Michael Elliott's (Director) total Shares include his shares currently held (14,300,000) plus his entitlement (1,430,000) plus his underwritten Shares (8,000,000) for a total of 23,730,000 Shares following the completion of the Offer
- The Shares referred to in the underwritten shares column include the Parties entitlement under the Offer.
- Refer to Section 6.4.1 for details of the terms of the underwriting.

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1.7 Effect on Control

As at the date of this Prospectus, various Underwriters hold a relevant interest in any of the Company's securities and accordingly, does hold voting power in the Company. Shareholders should be aware that the extent to which Shares are issued pursuant to the Underwriting Agreements could result in the Underwriters acquiring a voting power in the Company.

The Underwriters, other than Michael Elliott, are not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and for the purpose of this table it is assumed that the Underwriter must subscribe for all the Underwritten Shares.

Event	Shares held by Underwriters	Voting power of Underwriters
Date of Prospectus	71,335,451	18.72%
Fully subscribed	78,468,996	18.72%
75% subscribed	80,863,792	19.74%
50% subscribed	90,392,133	22.59%
0% subscribed (being the Underwriters full commitment).	90,915,451	22.77%

The number of Shares held by the Underwriters and its voting power in the table above show the potential effect **of the underwriting** of the Offer. However, it is unlikely that no shareholders, will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of entitlements under the Offer taken up by the other shareholders and the amount taken up by the sub-underwriters.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 9.09% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

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

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	7,622,673	2%	762,267	7,622,673	1.82%
Shareholder 2	3,811,336	1%	381,134	3,811,336	0.91%
Shareholder 3	1,143,401	0.30%	114,340	1,143,401	0.27%
Shareholder 4	304,907	0.08%	30,491	304,907	0.07%
Shareholder 5	38,113	0.01%	3,811	38,113	0.009%
Total	381,133,645		38,113,365		419,247,010

Notes:

1. This is based on a share capital of 381,133,645 Shares as at the date of the Prospectus and assumes no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 10 Shares held by Shareholders registered at the Record Date at an issue price of \$0.20 per Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 38,113,364 Shares may be issued under the Offer to raise up to \$7,622,673.

This Offer is partially underwritten by various underwriters, who are existing shareholders for a total underwriting of \$3,630,000 being 18,150,000 Shares at an issue price of \$0.20 per Share. Refer to Section 6.4.1 for details regarding the terms of the underwriting.

As at the date of this Prospectus the Company has 7,000,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

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

Further details on the Entitlement Offer can be found at: <https://WalkaboutOffer2021.thereachagency.com>

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus / which can be accessed at <https://WalkaboutOffer2021.thereachagency.com>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus / which can be accessed at https://WalkaboutOffer2021.thereachagency.com. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY, you do	Section 2.3 and Section 2.4.

Option	Key Considerations	For more information
	not need to return the Entitlement and Acceptance Form.	
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus / which can be accessed at https://WalkaboutOffer2021.thereachagency.com Please read the instructions carefully. Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 2.3, 2.4 and 2.6.
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus/ which can be accessed at https://WalkaboutOffer2021.thereachagency.com for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. 	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the 	N/A

Option	Key Considerations	For more information
	Offer to you will lapse.	

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

2.3 Payment options

(a) By BPAY®

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

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

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

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

(b) By Electronic Funds Transfer (overseas applicants)

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

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

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

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

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

2.5 Minimum subscription

The minimum subscription in respect of the Offer is \$3,630,000, being the partially underwritten amount of the Offer.

No Securities will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer, after the Underwriters have satisfied their Underwriting, will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.20 being the price at which Shares have been offered under the Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available

where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

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

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

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

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

2.8 Issue of Securities

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

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

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

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

2.9 Overseas shareholders

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

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

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

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

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

Securing a US\$20m debt funding facility from CRDB Bank of Tanzania for the high-grade, large flake Lindi Jumbo graphite project in April 2021 was a critical milestone in the company's advancement to construction, as was the company completing the first stage of its companion equity contribution of USD4m in May 2021.

The second tranche of a three-stage development capital raise is the subject of the Offer to raise up to \$7,622,673 before costs. Up to USD4m will be contributed by the company to the second stage of its companion equity contribution.

Alternatives for the final and third tranche are currently being assessed by the Board with an announcement expected before the end of the quarter.

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

Proceeds of the Offer	Minimum Subscription (\$)	%	Full Subscription (\$)	%
Development of the Lindi Jumbo Graphite Project	3,530,928	97%	5,194,805 ²	68%
Exploration on other Projects	Nil	Nil	1,250,000	16%
Working capital	Nil	Nil	953,796	13%
Expenses of the Offer ¹	99,072	3%	224,072	3%
Total	3,630,000	100%	7,622,673	100%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.
2. Representing USD4,000,000 equity contribution to the Lindi Jumbo Graphite Project.

If only the Minimum Subscription / Underwritten Amount (\$3,630,000) is raised under the Offer, then the Company will reduce the amount of funds allocated to the Development of the Lindi Jumbo Graphite Project.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the

manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

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

- (a) increase the cash reserves by \$7,622,673 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 381,133,645 as at the date of this Prospectus to 419,247,009 Shares.

3.3 Effect on capital structure

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

Shares

	Number
Shares currently on issue	381,133,645
Shares offered pursuant to the Offer	38,113,364
Total Shares on issue after completion of the Offer	419,247,009

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

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2020 and the unaudited pro-forma balance sheet as at 31 December 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

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	UNAUDITED 31 Dec 20	Post reporting date transactions	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	\$	\$	\$	\$
CURRENT ASSETS				
Cash	970,866	5,977,600	10,479,394	14,347,067
Trade and other receivables	221,494	-	221,494	221,494
TOTAL CURRENT ASSETS	1,192,360	5,977,600	10,700,888	14,568,561
NON-CURRENT ASSETS				
Trade and other receivables	9,780	-	9,780	9,780
Property, Plant and equipment	26,962	-	26,962	26,962
Mine properties	4,016,495	-	4,016,495	4,016,495
Deferred exploration and evaluation expenditure	12,796,789	-	12,796,789	12,796,789
TOTAL NON-CURRENT ASSETS	16,850,026	5,977,600	16,850,026	16,850,026
TOTAL ASSETS	18,042,386	5,977,600	27,550,914	31,418,587
CURRENT LIABILITIES				
Trade and other payables	886,432	-	886,432	886,432
Provisions	165,335	-	165,335	165,335
TOTAL CURRENT LIABILITIES	1,051,767	-	1,051,767	1,051,767
TOTAL LIABILITIES	1,051,767	-	1,051,767	1,051,767
NET ASSETS	16,990,619	-	26,499,147	30,366,820
EQUITY				

	UNAUDITED 31 Dec 20	Post reporting date transactions	PROFORMA Minimum Raise	PROFORMA Maximum Raise
	\$	\$	\$	\$
Issued capital	76,323,619	5,977,600	85,832,147	89,699,820
Reserves	45,386	-	45,386	45,386
Accumulated losses	(59,327,208)	-	(59,327,208)	(59,327,208)
Equity attributable to owners of the parent	17,041,797	5,977,600	26,550,325	30,417,998
Non-controlling interest	(51,178)	-	(51,178)	(51,178)
TOTAL EQUITY	16,990,619	5,977,600	26,499,147	30,366,820

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

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

(b) **Voting rights**

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

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

(c) **Dividend rights**

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

5. RISK FACTORS

5.1 Introduction

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

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

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

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

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

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

5.2 Company specific

(a) Future capital requirements

The Company is in the Project Development phase for the Lindi Jumbo Graphite Project which includes additional equity together with debt funding as previously announced. The amount of US\$20 million in debt funding has been secured from the Tanzanian Bank CRDB, but this facility is subject to certain conditions precedent as described in the ASX release of 13 April 2021 that include an equity contribution by the Company of US\$12 million.

There can be no guarantee that all equity funds will be raised through the Offer or the proposed additional equity raise and this is a risk to the debt facility being drawn.

If the Company is unable to access the debt or equity to fund the project development then the development will be delayed and there can be no assurance that the Company will then have sufficient capital resources for that purpose, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any alternative debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) Sovereign Risk

The Company has projects located in Northern Ireland, Scotland, Tanzania and Namibia some of which are developing countries. The Lindi Jumbo Graphite Project is located in Tanzania. Due to the location of the Company's projects, the Company will be exposed to the political, security and social risks of each of these countries.

There can be no assurance that the current systems of government in any country will remain stable and conducive to foreign investment. Any changes in government policy may result in changes in laws affecting various factors including the ownership of exploration assets, taxation regime, environmental protection, labour relations, and repatriation of income, amount of royalty and return of capital. A change in these factors may in turn affect the Company's ability to undertake exploration and development activities in the manner currently contemplated.

The Lindi Jumbo Graphite Project is located in Tanzania and as such subject to emerging legal and political systems compared with the systems in place in Australia. In recent years, Tanzania enacted substantive changes in its mining laws and the full impact of these is yet to be demonstrated in practice. Sovereign risks associated with operating in Tanzania include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

(c) Exploration and development risks

The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Company's projects undergoing an exploration and development program depends on

successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(d) Trading price of the Company Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. In addition, the price of the Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(e) Title Risk

Interests in mineral licences in Tanzania are governed by the respective relevant legislation in Tanzania and are evidenced by the granting of licenses or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, its mineral licences if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. If any of the prospecting licences are not renewed, the

Company may suffer damage through loss of opportunity to discover and develop any mineral resources to which it otherwise would have had a right to do so.

There is also a risk that mineral licences applications in which the Company acquires an interest in the future may not be able to be transferred to the Company and mineral licences applications may not be approved, or tenement terms renewed.

(f) Potential for dilution

Assuming all Entitlements are accepted, the number of Shares in the Company will increase from 381,133,645 Shares (being the number of Shares on issue at the date of the Prospectus) to 419,247,009 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company. However, a Shareholder can retain their percentage interest in the Company by taking up their Entitlement.

(g) Foreign Exchange Rate Risk

The Company currently has interests in tenures located in Northern Ireland, Scotland, Tanzania, Namibia and Botswana. Expenditure in Tanzania is required in both United States dollars and the local currency, the Tanzanian schilling.

Furthermore, international prices of various commodities are denominated in the United States dollar, whereas the income and expenditure of the Company will be taken into account in Australian currency, which will expose 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.

To comply with Australian reporting requirements, the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and the volatility of the rate of exchange between other currencies and the Australian dollar, as determined by international markets.

In addition, at this stage, the Company has decided not to put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange risk, which may have an adverse impact on the profitability and/or financial position of the Company.

(h) Licence applications and renewal risk

The licences constituting the Company's projects are subject to applications for renewal or grant (as the case may be). The Company currently has a Mining Licence approved and valid until 3 October 2028 and Prospecting Licence Applications pending at the Tanzanian Ministry of Minerals. The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

(i) Commodity Price Volatility

In the event of exploration and development success, any future revenue derived through any future sales of graphite exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

(j) Litigation risk

There is a risk that where formal proceedings are commenced against the Company and the Company is unable to successfully negotiate a resolution or defend a matter, or any other proceedings that have been threatened or brought against the Company, an adverse damages order may be made against the Company which may impact on the Company's financial position. The outcome of such proceedings would be subject to the determination of the relevant Court.

(k) Compliance risk

The Company operates in a highly regulated industry and could be exposed to significant compliance costs, which may increase if regulations change.

(l) Competitor risk

The Company competes with various other resource companies in relation to the identification and capture of suitable exploration and production properties. Competition with other companies may also have an impact on recruitment and retention of suitably qualified employees.

(m) Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential

impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(n) Coronavirus (COVID-19)

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on any adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

5.3 Industry specific

(a) Exploration Success

The prospecting licences in which the Company has an interest are at various stages of exploration and development, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that further exploration of the Company's prospecting licences, or any other licenses that may be acquired in the future will be successful.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its prospecting licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of

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the prospecting licences, a reduction in the case reserves of the Company and possible relinquishment of the prospecting licences

(b) Environmental Risk

The Company's projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Company's project is expected to have a variety of environmental impacts should development proceed. Development of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

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 that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

(c) Operating Risk

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions including mineral variability;
- (ii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iii) mechanical failure of operating plant and equipment;
- (iv) industrial and environmental accidents, industrial disputes and other force majeure events;
- (v) inability to recruit and retain operating staff with specialist rare earth processing experience;
- (vi) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (vii) inability to obtain necessary consent or approvals.

(d) Resource Estimates

Resource and other estimates of mineral occurrences are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates, including that minerals mined may be of a different quality, tonnage or strip ratio from the estimates. Resource and revenue estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to the estimates of

mineral reserves could affect the proposed development and mining plans.

(e) Technological

This risk relates mainly to the threat of substitution of minerals such as lithium and graphite by other materials in the manufacture of batteries and other applications.

(f) Contractual

The ability of the Company to achieve its objectives will depend on the performance by the other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its obligations it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.

5.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

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

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

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will

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dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

5.5 Speculative investment

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

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

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
26/05/2021	Walkabout Joins European Raw Materials Alliance
19/05/2021	Cleansing Notice
19/05/2021	Appendix 2A

Date	Description of Announcement
12/05/2021	Reinstatement to Official Quotation
12/05/2021	Proposed issue of Securities - WKT
12/05/2021	Proposed issue of Securities - WKT
12/05/2021	Walkabout Completes First Tranche Equity Raise of A\$6.4m
10/05/2021	Voluntary Suspension Extension Request
06/05/2021	Suspension from Official Quotation
03/05/2021	Trading Halt
30/04/2021	Quarterly Cashflow Report
30/04/2021	Quarterly Activities Report
21/04/2021	Board and Management Changes
13/04/2021	Lindi Jumbo US\$20m Project Finance Facility Secured
09/04/2021	Trading Halt
15/03/2021	Half Yearly Report and Accounts
29/01/2021	Quarterly Activities Report
29/01/2021	Quarterly Cashflow Report
19/05/2021	Cleansing Notice
19/05/2021	Appendix 2A
12/05/2021	Reinstatement to Official Quotation
12/05/2021	Proposed issue of Securities - WKT
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03/05/2021	Trading Halt
30/04/2021	Quarterly Cashflow Report
30/04/2021	Quarterly Activities Report
21/04/2021	Board and Management Changes
13/04/2021	Lindi Jumbo US\$20m Project Finance Facility Secured
09/04/2021	Trading Halt
15/03/2021	Half Yearly Report and Accounts
29/01/2021	Quarterly Activities Report
29/01/2021	Quarterly Cashflow Report

Date	Description of Announcement
30/11/2020	Results of Meeting
30/11/2020	AGM Presentation
27/11/2020	Advancing Lindi Jumbo Debt Approvals
16/11/2020	Amani Hard Rock Gold Project Update
09/11/2020	Change of Company Secretary
04/11/2020	Corporate Presentation
29/10/2020	Quarterly Cash Flow Report - Revised
29/10/2020	Letter to Shareholders
29/10/2020	Notice of Annual General Meeting/Proxy Form
28/10/2020	Quarterly Activities Report
28/10/2020	Quarterly Cashflow Report
19/10/2020	Final Director's Interest Notice
19/10/2020	Director Resignation
29/09/2020	Appendix 4G & Corporate Governance Statement
29/09/2020	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://www.wkt.com.au/>.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.38	20 April 2021
Lowest	\$0.14	2, 3, 8, 10, 11, 12, 15, 16 March 2021
Last	\$0.175	27 May 2021

6.4 Material Contracts

6.4.1 Underwriting Agreement

A summary of the terms of the Underwriting Agreements is set out in Annexure A.

6.4.2 Lead Manager Agreement

A summary of the terms of the Lead Manager Agreement is set out in Annexure A.

6.5 Interests of Directors

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

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

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

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

Security holdings

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

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2020 Annual Report.

Director	FY ending 2020	FY ending 2021
Allan Mulligan	\$273,746	\$273,746
Michael Elliott	\$20,000	\$20,000
Andrew Cunningham	\$234,200	\$250,200

Notes:

6.6 Interests of experts and advisers

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

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

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

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

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

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

The Underwriters have acted as the underwriter of the Offer. The Company will not pay the Underwriters for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriters have not received any fees from the Company for underwriting services.

Aiken Murray Capital Partners Pty Ltd has acted as the lead manager of the Offer. The Company estimates it will pay the Lead Manager 5% of the money raised under the Shortfall Offer (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the

ASIC, the Lead Manager has received \$192,000 (excluding GST) in fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$138,519.50 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

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

Each of the parties referred to in this Section:

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

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

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$99,072 (excluding GST) and are expected to be applied towards the items set out in the table below:

	All Entitlements accepted \$
ASIC fees	3,206
ASX fees	18,866
Legal fees	15,000
Share registry fees	32,000
Printing and distribution	15,000

Miscellaneous	15,000
Total	99,072

Notes:

1. In the event that all Entitlements are not accepted and there is a shortfall above the Underwritten Amount the Lead Manager will be paid a fee of 5% of amounts raised directly by them.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



**M ELLIOTT
CHAIRMAN**

8. GLOSSARY

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

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Walkabout Resources Limited (ACN 119 670 370).

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

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

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

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

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

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

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

Shareholder means a holder of a Share.

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

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

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

Underwriter means the underwriters set out at Section 1.5.

Underwritten Amount means \$3,630,000.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – MATERIAL CONTRACTS

1. Underwriting Agreements

By Agreements between the Underwriters and the Company (**Underwriting Agreements**), the Underwriters have agreed to underwrite the Offer for a combined total of 18,150,000 Shares (**Underwritten Shares**).

There are no fees payable to the Underwriters under the Underwriting Agreements.

The obligation of the Underwriters to underwrite the Offer is subject to certain events of termination. The Underwriters may terminate their obligations under the Underwriting Agreements if:

- (a) **Indices fall:** the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) **Prospectus:** the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
- (c) **Supplementary prospectus:**
 - (i) the Underwriter(s), form the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter(s) may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of the Underwriter(s); or
- (d) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (iv) the rights and liabilities attaching to the Underwritten Shares; or
- (e) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (f) **Proceedings:** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action

or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so;

- (g) **Unable to Issue Securities:** the Company is prevented from issuing the Underwritten Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (h) **Future matters:** any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter(s), unlikely to be met in the projected timeframe;
- (i) **Withdrawal of consent to Prospectus:** any person (other than the Underwriter(s)) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (j) **No Quotation Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX within 7 days of the Lodgement Date; or
- (k) **ASIC application:** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or
- (l) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (m) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect; or
- (n) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
- (o) **Indictable offence:** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (p) **Termination Events:** any of the following events occurs:
- (i) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya,

Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the Agreement;

- (ii) **Default:** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (iii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (iv) **Contravention of constitution or Act:** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results or any part of the Verification Material was, misleading or deceptive, materially false or that there was a material omission from them;
- (vii) **Significant change:** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in the Underwriting Agreements;
- (xi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or

- any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xii) **Prescribed Occurrence:** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
 - (xiii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
 - (xiv) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Relevant Company;
 - (xv) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$500,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
 - (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
 - (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
 - (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
 - (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
 - (xx) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
 - (xxi) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
 - (xxii) **Capital Structure:** any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of the Underwriting Agreement;
 - (xxiii) **Breach of Material Contracts:** any of the Contracts is terminated or substantially modified; or

- (xxiv) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreements otherwise contain terms and conditions considered standard for agreements of this nature.

2. Lead Manager Agreement

The Company has signed a mandate letter to engage Aitken Murray Capital Partners Pty Limited (AFSL 517935) (**Lead Manager**) to act as lead manager of the Offer, the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement, the Company will pay the Lead Manager:</p> <ul style="list-style-type: none">(a) a management fee of 5% of any funds raised by investors introduced through the Lead Manager specifically to take up the Shortfall Offer; and(b) any reasonable disbursements and out of pocket expenses, which will be agreed upon between the Lead Manager and the Company prior to their incursion.
Termination Events	<p>Either party may terminate the Lead Manager Mandate with or without cause by giving written notice to the other party, at any time prior to any offers are made to any investor to participate in the Shortfall Offer</p>

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