

**CARAWINE RESOURCES LIMITED**  
**ACN 611 352 348**

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**ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata renounceable entitlement issue of 2 Shares for every 9 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.11 per Share to raise up to \$4,811,094 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**IMPORTANT NOTICE**

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

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



## IMPORTANT NOTICE

This Prospectus is dated 25 October 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares 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 Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance 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 Shares 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.

### 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 Shares.

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 [www.carawine.com.au](http://www.carawine.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 a resident of Australia, New Zealand, Singapore, or the United Kingdom and must only access this Prospectus from within Australia, New Zealand, Singapore, or the United Kingdom.

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 9209 2703 during office hours or by emailing the Company at [info@carawine.com.au](mailto:info@carawine.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 Shares 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 0.

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 Shares, 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 Offer or how to accept the Offer please call the

Company Secretary on +61 8 9209 2703.

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## CORPORATE DIRECTORY

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### Directors

Mr Paul Whimp  
(Non-Executive Chairman)

Mr David Boyd  
(Managing Director)

Mr Sam Smart  
(Non-Executive Director)

Mr Martin Lackner  
(Non-Executive Director)

### Company Secretary

Mr Martin Lackner

### Registered Office

Level 1, 18 Kings Park Road  
WEST PERTH WA 6005

Telephone: + 61 8 9209 2703

Email: [info@carawine.com.au](mailto:info@carawine.com.au)

Website: [www.carawine.com.au](http://www.carawine.com.au)

### Share Registry\*

Link Market Services  
Level 12, QV1 Building  
250 St Georges Terrace  
PERTH WA 6000

Telephone: +61 1300 554 474

### Legal advisers

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

### Auditors

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

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

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Announcement of Offer & Appendix 3B	Pre-market open Wednesday, 25 October 2023
Lodgement of Prospectus with ASIC & ASX	Pre-market open Wednesday, 25 October 2023
Ex date	Friday, 27 October 2023
Rights start trading	Friday, 27 October 2023
Record Date for determining Entitlements (5:00pm WST)	Monday, 30 October 2023
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	Thursday, 2 November 2023
Rights trading ends at close of trading	Monday, 6 November 2023
Securities quoted on a deferred settlement basis	Tuesday, 7 November 2023
Last day to extend the Closing Date (before noon Sydney time)	Wednesday, 8 November 2023
Closing Date (5:00pm WST)*	Monday, 13 November 2023
Announcement of results of issue	Wednesday, 15 November 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares (before noon Sydney time)	Monday, 20 November 2023
Quotation of Securities issued under the Offer	Tuesday, 21 November 2023

\*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 (\$3,700,000) <sup>1</sup>	Maximum Subscription (\$4,811,094) <sup>2</sup>
Offer Price per Share	\$0.11	\$0.11
Entitlement Ratio (based on existing Shares)	2:9	2:9
Shares currently on issue <sup>3</sup>	196,817,468	196,817,468
Shares to be issued under the Offer	33,636,364	43,737,216
Gross proceeds of the issue of Shares	\$3,700,000	\$4,811,094

**Shares on issue Post-Offer****230,453,832****240,554,684****Notes:**

1. Assuming the Minimum Subscription of \$3,700,000 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$4,811,094 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 Shares 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 Control effects of the Offer**

QGold currently has a shareholding in the Company of 88.94%. Assuming no Shareholders other than QGold take up their Entitlement, the maximum level of voting power in the Company of QGold following the Offer is 90.77%. If QGold reaches the 90% threshold, it will have the right (but not the obligation) to compulsorily acquire all of the remaining Shares in accordance with the statutory procedure set out in Part 6A.2 of the Corporations Act, otherwise known as the "general compulsory acquisition procedure".

The Company has been informed by QGold that it intends to exercise its right of compulsory acquisition if it is entitled to do so.

The potential effect that the issue of new Shares under the Offer will have on the control of the Company, including the consequences of that effect and QGold's intentions in relation to the Company, are set out further in Sections 1.6 to 1.10.

**1.5 Directors' Interests in Securities**

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

Director	Shares	Options	Share Entitlement	\$
Mr Paul Whimp	Nil	Nil	Nil	Nil
Mr David Boyd	Nil	3,250,000 <sup>1</sup>	Nil	Nil
Mr Sam Smart	Nil	750,000 <sup>2</sup>	Nil	Nil
Mr Martin Lackner	Nil	Nil	Nil	Nil

**Notes:**

1. Comprising:
  - (i) 1,250,000 unlisted Options each exercisable at \$0.40 on or before 23 December 2025;

- (ii) 1,250,000 unlisted Options each exercisable at \$0.60 on or before 23 December 2025; and
- (iii) 750,000 unlisted employee Options held indirectly through DKMASAH Nominees Pty Ltd ATF DKMASAH Super Fund A/C (an entity controlled by Mr Boyd) each exercisable at \$0.26 on or before 15 November 2023.

2. Exercisable at \$0.40 each on or before 14 December 2023.

The Board recommends all Shareholders take up their Entitlements.

## 1.6 Effect on Control and Voting Power in the Company

Based on the Company's records and its share register as at the date of this Prospectus, the Shareholder which (together with its associates) has a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	Voting Power (%)	Entitlement	\$
QGold Pty Ltd <sup>1</sup>	175,057,286	88.94%	38,901,620	4,279,178

### Notes:

1. QGold Pty Ltd (ACN 149 659 950) (QGold) is a private company that undertook an on-market unsolicited bid as announced on 22 February 2022.
2. The voting power in the above table is prior to completion of the Offer.
3. The above table is based on the Company's records and its share register as at the date of this Prospectus. The Company notes the voting power disclosure set out above may not be current and accurate.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company; and
- (b) in the more likely event that not all Eligible Shareholders take up their Entitlements under the Offer, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 1.8.

As set out above, the Company's majority Shareholder, QGold, holds 175,057,286 Shares, equivalent to a voting power of approximately 88.94% in the Company, as at the date of this Prospectus.

If the Offer is fully subscribed, QGold's voting power in the Company on completion of the Offer will remain at 88.94%. QGold has indicated that it intends to take up its full Entitlement under the Offer. Refer to Section 1.9 for more information on the potential changes to QGold's voting power as a result of the Offer.

## 1.7 General Compulsory Acquisition Procedure

In the event that QGold acquires Shares under the Offer which, when aggregated with existing holding, result in it beneficially owning 90% or more of the shares in the Company, it will have the right (but not the obligation) to compulsorily acquire all of the remaining Shares in accordance with the



statutory procedure set out in Part 6A.2 of the Corporations Act (otherwise known as the "general compulsory acquisition procedure").

If this procedure is enlivened, QGold will have six months from the date it becomes entitled to compulsorily acquire the remaining Shares (being the date that Shares are issued under the Offer) to lodge a notice with ASIC exercising this right (**Compulsory Acquisition Notice**). The Company has been informed by QGold that it intends to exercise its right of compulsory acquisition if it is entitled to do so.

If QGold elects to exercise the right of compulsory acquisition, it must:

- (a) offer a cash amount for the acquisition of the remaining Shares, which must be the same amount for each Share;
- (b) engage an independent expert nominated by ASIC to prepare a report which states whether, in the expert's opinion, the proposed price gives fair value for the Shares being acquired; and
- (c) provide Shareholders with a copy of the Compulsory Acquisition Notice, the expert's report and an objection form.

Shareholders will have a right to object to the compulsory acquisition of their Shares by QGold by returning the objection form to the Company within the objection period specified in the Compulsory Acquisition Notice (which must be at least one month).

If Shareholders holding at least 10% of the Shares covered by the Compulsory Acquisition Notice object to compulsory acquisition by the relevant deadline, QGold will need to apply for Court approval if it wishes to proceed with the compulsory acquisition, and the costs of such court proceedings will be borne by QGold unless the court finds that the objector(s) have acted improperly, vexatiously or otherwise unreasonably.

If QGold establishes that the compulsory acquisition terms represent fair value, the Court will be required to approve the compulsory acquisition on those terms. Otherwise, the court must confirm that the acquisition will not take place.

## 1.8 Potential dilution of non-participating Shareholders

In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 18.18% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

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

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	5.08%	2,222,223	10,000,000	4.16%
Shareholder 2	5,000,000	2.54%	1,111,112	5,000,000	2.08%
Shareholder 3	1,500,000	0.76%	333,334	1,500,000	0.62%
Shareholder 4	400,000	0.20%	88,889	400,000	0.17%

Shareholder 5	50,000	0.03%	11,112	50,000	0.02%
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**Notes:**

1. Assumes the Maximum Subscription of 43,737,216 Shares.
2. This is based on a share capital of 196,817,468 Shares as at the date of the Prospectus and assumes no other Shares are issued including as a result of Options exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that all Entitlements are accepted by Eligible Shareholders. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

## 1.9 Effect of the Offer on Voting Power in and Control of the Company

Given that QGold intends to take up its full Entitlement under the Offer, if some or all Shareholders do not take up some or all of their Entitlements under the Offer, then QGold's voting power and control position in the Company will increase as permitted by section 611 (item 10) of the Corporations Act. It is noted that the Company's Board currently comprises four Directors, two of whom (Mr Martin Lackner and Mr Paul Whimp) were appointed to the Board as nominees of QGold.

As there may be a potential change in the level of control of the Company, there is a requirement to disclose the effect on the Company which may result from the Offer. It is noted that there will be no change where 100% of Shareholders take up their Entitlements. If Eligible Shareholders apply for all their Entitlements, this will reduce the change in the percentage holding of QGold. An analysis of the changes in the voting power in the Company for QGold under various scenarios has been undertaken to indicate its potential effect on the Company.

QGold and its associates' voting power and changes under several scenarios are set out in the table below.

Event	Number of Shares held by QGold	Voting Power of QGold in the Company
As on the date of the Prospectus	175,057,286	88.94%
After issue of Shares to QGold and assuming 100% of Shareholders take up all their Entitlement	213,958,906	88.94%
After issue of Shares to QGold and assuming 90% of other Shareholders' Entitlements are taken up	213,958,906	89.12%
After issue of Shares to QGold and assuming 80% of other Shareholders' Entitlements are taken up	213,958,906	89.30%
After issue of Shares to QGold and assuming 70% of other Shareholders' Entitlements are taken up	213,958,906	89.48%
After issue of Shares to QGold and assuming 60% of other Shareholders' Entitlements are taken up	213,958,906	89.66%
After issue of Shares to QGold and assuming 50% of other Shareholders' Entitlements are taken up	213,958,906	89.85%
After issue of Shares to QGold and assuming 40% of other Shareholders' Entitlements are taken up	213,958,906	90.03%
After issue of Shares to QGold and assuming no other Shareholders take up their Entitlement	213,958,906	90.77%

Note for each scenario, the assumption has been made that the Company's current capital structure does not change.

The shareholding and voting power details of the QGold under the various scenarios in the table above show the potential for QGold to increase its level of control by participating in the Offer.

The percentage interests of any Shareholders that do not take up some or all of their entitlement under the Offer will decrease.

The maximum level of voting power in the Company of QGold following the Offer is 90.77%. This will only occur if no other Shareholders take up their Entitlement under Offer and the Directors consider this outcome to be unlikely.

It is possible that the voting power in the Company of QGold will increase above 90% as a result of the Offer if less than approximately 41% of other Shareholders do not take up their Entitlement under the Offer.

The Directors of the Company note that there is a risk for significant dilution should Eligible Shareholders not take up their Entitlements. The Directors formed a funding committee comprising Board members independent of QGold (**Funding Committee**) to consider the requirement for capital, the quantum required and various capital raising alternatives including the Offer. Based on the recommendations of the Funding Committee, the Directors formed the view that proceeding with this form of capital raising was in the best interests of Shareholders, given the Company's requirement for capital.

#### 1.10 Intentions of QGold

QGold has indicated it intends to take up its full Entitlement under the Offer. Given the potential increase in the voting power in the Company of QGold, there is also a requirement to provide details of QGold's current intentions for the Company.

##### (a) Compulsory Acquisition

In the event that QGold acquires Shares under the Offer which, when aggregated with existing holding, result in it beneficially owning 90% or more of the shares in the Company, QGold intends to proceed with compulsory acquisition of all remaining Shares under Part 6A.2 of the Corporations Act.

This intention is subject to, in QGold's opinion, there being no material adverse change to the business, assets, liabilities, financial position or prospects of the Company during the period from the date of this disclosure up until the date of the compulsory acquisition.

Note that in order to proceed with compulsory acquisition under the Corporations Act, QGold will be required to obtain an independent expert's report, prepared by an expert nominated by ASIC on whether the proposed compulsory acquisition price represents fair value for the Shares. If the independent expert concludes that the proposed price does not represent fair value for the securities, QGold could either (i) elect to proceed with compulsory acquisition at the proposed price, (ii) elect to increase its proposed compulsory acquisition price, or (iii) elect not to proceed with compulsory acquisition.

For personal use only

If QGold does proceed to compulsory acquisition, and persons holding at least 10% of Shares covered by the compulsory acquisition notice object to the acquisition before the end of the relevant objection period, the compulsory acquisition can only occur if it is approved by the Court. If the 90% holder (QGold) establishes that the terms set out in the compulsory acquisition notice give a 'fair value' for the Shares, the Court must approve the acquisition of the Shares on those terms. Otherwise, it must confirm that the acquisition will not take place. Further detail about the general compulsory acquisition procedure is set out in Section 1.7 of this Prospectus.

(b) **ASX Listing**

At the conclusion of the compulsory acquisition process, QGold intends to arrange for the Company to be removed from the official list of ASX (subject to any required approvals on the part of ASX), thereby eliminating the corporate administration costs associated with maintaining Carawine as a listed company.

(c) **Directors**

If the Company becomes wholly owned by QGold, QGold intends (subject to the Corporations Act and the Company's Constitution) to seek to re-constitute the Board such that it is comprised of nominees of QGold.

No decision has been made as to the composition of the Board or who QGold's nominees would be, as their identity will depend on the size of QGold's stake in the Company and the relevant circumstances at the time.

(d) **Operations, Assets, Structure and Employees**

If the Company becomes wholly owned by QGold, QGold intends to maintain the Company's operations, assets, structure and employees.

Any future decisions by QGold will be based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, QGold's intentions could change.

QGold has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's proposed use of funds raised under the Offer. QGold has indicated that it is presently willing to consider any proposals the Company's Board and management may put forward as to how QGold could support and assist the Company towards reaching its objectives.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligations of the Directors at the time, including any nominees of QGold, to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of all Shareholders.

The implementation of the QGold's current intentions of its ownership of the Company will be subject to the law (including the Corporations Act) and the Company's Constitution. In particular, the requirements of the Corporations Act

in relation to conflicts of interest and "related party" transactions will apply as QGold is a related party of the Company.

## 2. DETAILS OF THE OFFER

### 2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of two (2) Shares for every nine (9) Shares held by Shareholders registered at the Record Date at an issue price of \$0.11 per Share. Fractional entitlements will be rounded up to the nearest whole number.

The issue price of \$0.11 per Share under the Offer represents a 20.4% discount to the 30-day VWAP, and a 14.9% discount to the 15-day VWAP of Shares traded on ASX prior to the date of this Prospectus. Given the low liquidity in trading of the Shares, the VWAP values were considered to be the most appropriate to use in setting the issue price under the Offer. Although the last price at which the Shares traded on ASX prior to the date of this Prospectus was \$0.11, the value of the Shares traded at that price represents only 2.6% of the total value of Shares traded over the 30-day VWAP period.

All Shareholders will be able to participate in the Offer, being Shareholders with a registered address as at the Record Date in Australia, New Zealand, Singapore and the United Kingdom (**Eligible Shareholders**). The Company notes that the Offer has been extended to all jurisdictions in which Shareholders of the Company reside and as such there are no Shareholders who are ineligible to participate in the Offer.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of Options on issue) approximately 43,737,216 Shares may be issued under the Offer to raise up to \$4,811,094.

As at the date of this Prospectus the Company has 6,750,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options on issue.

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

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

### 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. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement</b>	<ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance</li></ul>	Section 2.3 and Section 2.4.

Option	Key Considerations	For more information
	<p>Form. Please read the instructions carefully.</p> <ul style="list-style-type: none"> <li>Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	
<b>Sell all of your Entitlement on ASX</b>	<ul style="list-style-type: none"> <li>The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX.</li> <li>If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Friday, 27 October 2023 and will cease on Monday, 6 November 2023.</li> <li>There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.</li> </ul>	N/A
<b>Take up a proportion of your Entitlement and sell the balance on ASX</b>	<ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form 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 or EFT, you do not need to return the Entitlement and Acceptance Form.</li> <li>Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.</li> </ul>	Section 2.3 and Section 2.4
<b>Take up a proportion of your Entitlement and allow the balance to lapse</b>	<ul style="list-style-type: none"> <li>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form 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 or EFT, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	Section 2.3 and Section 2.4
<b>Sell all or a proportion of</b>	<ul style="list-style-type: none"> <li>You may elect to transfer all or a proportion of your Entitlement to another person other</li> </ul>	N/A

Option	Key Considerations	For more information
<b>your Entitlement other than on ASX</b>	<p>than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.</p> <ul style="list-style-type: none"> <li>If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Carawine Resources Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address:  By Post    PO Box 543                  West Perth WA 6872</li> <li>If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry.</li> </ul>	
<b>Allow all or part of your Entitlement to lapse</b>	<ul style="list-style-type: none"> <li>Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise.</li> <li>If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.</li> </ul>	N/A



## 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; and
- (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.

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:

- (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; and
- (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.

### (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; and
- (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 \$3,700,000.

No Shares 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**

The Company will not place any Entitlements not taken up pursuant to the Offer via a shortfall offer. Accordingly Eligible Shareholders cannot subscribe for Shares in excess of their Entitlement.

## **2.7 ASX listing**

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

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 Shares**

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

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

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares.

## **2.9 Overseas shareholders**

The Offer is being extended to all Shareholders with a registered address within Australia, New Zealand, Singapore, and the United Kingdom, which are all of the jurisdictions in which Shareholders of the Company reside and as such there are no Shareholders who are ineligible to participate in the Offer. The Company confirms that it has the capacity to extend the Offer to Australia, New Zealand, Singapore, and the United Kingdom.

### **New Zealand**

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

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

### **Singapore**

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

This document has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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

### **United Kingdom**

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

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

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

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

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

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Singapore and the United Kingdom 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

The purpose of the Offer is to raise up to \$4,811,094 before costs.

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

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Maximum Subscription (\$)	%
1.	<b>Tropicana North Gold Project:</b> targeted geophysical survey programs; regional-scale AC drilling to generate new targets (Neale tenement); follow-up prospect scale diamond drilling at Hercules and Big Freeze Prospects (Neale tenement); heritage survey and land access costs; additional target generation and early-stage exploration activities	\$710,000	19.2%	\$1,400,000	29.1%
2.	<b>Paterson Project:</b> airborne geophysical survey and scout AC drilling on the Cable tenement; additional target generation and early-stage exploration activities <sup>1</sup>	\$720,000	19.5%	\$920,000	19.1%
3.	<b>Fraser Range Nickel Project:</b> ground geophysical surveys (gravity & moving loop electromagnetic ("MLEM")) at Bindii & Big Bang; additional target generation and early-stage exploration activities	\$60,000	1.6%	\$231,094	4.8%
4.	<b>Oakover Project:</b> target generation and early-stage exploration activities (e.g. mapping, surface sampling)	\$20,000	0.5%	\$20,000	0.4%
5.	<b>Jamieson Project:</b> Hill 800 Resource estimate;	\$30,000	0.8%	\$80,000	1.7%

	mapping & sampling; target reviews				
6.	<b>Fraser Range Joint Venture:</b> contribution to work program and budget to maintain JV interest <sup>2</sup>	\$40,000	1.1%	\$40,000	0.8%
7.	<b>Carawine Joint Venture, Oakover Project:</b> provision to contribute to work program and budget to maintain JV interest <sup>1,3</sup>	\$250,000	6.8%	\$250,000	5.2%
8.	Working capital	\$1,800,000	48.6%	\$1,800,000	37.4%
9.	Expenses of the Offer <sup>4</sup>	\$70,000	1.9%	\$70,000	1.5%
	<b>Total</b>	<b>\$3,700,000</b>	<b>100%</b>	<b>\$4,811,094</b>	<b>100%</b>

**Notes:**

1. Refer to Section 5.2 for a description of certain risks specific to the use of the proceeds of the Offer related to the Carawine Joint Venture and Paterson Project.
2. The Company's share of the current approved work program and budget to 30 June 2024.
3. The Carawine Joint Venture parties are yet to approve a work program and budget for 2024. A nominal budget of \$1,000,000 (the Company's share \$250,000) has been reasonably assumed for 2024, and it is considered prudent to include this as a potential use of funds despite the degree of uncertainty as to its quantum. If no work program and budget is approved by the joint venture parties for 2024, then it is more likely than not that a tenement maintenance work program and budget in the order of \$400,000 (the Company's share \$100,000) will eventuate. In such case the Company intends to deploy surplus funds to its other exploration projects. If a work program and budget of more than \$1,000,000 is approved, then the Company may look to divert funds from its other projects.
4. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

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.

If only the Minimum Subscription (\$3,700,000) is raised under the Offer, then operational objectives are likely to be modified, which may result in delays or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) the Company will postpone or reduce the size of its exploration programs and prioritise funds available for its Tropicana, and Paterson Projects and its joint venture obligations.

If less than the Maximum Subscription and more than the Minimum Subscription is raised, then operational objectives are likely to be modified, which may result in delays or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs and dependent on the actual amount raised) funds will be scaled back in the following order:

- (a) Jamieson Project;
- (b) Fraser Range Nickel Project;

- (c) Paterson Project; and
- (d) Tropicana North Gold Project.

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 \$4,741,094 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 196,817,468 as at the date of this Prospectus to 240,554,684 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<sup>1</sup>

	Number
Shares currently on issue	196,817,468
Shares offered pursuant to the Offer <sup>2</sup>	43,737,216
<b>Total Shares on issue after completion of the Offer</b>	<b>240,554,684</b>

#### Notes:

- Refer to Section 4.1 for the terms of the Shares.
- Assuming the Maximum Subscription is achieved under the Offer.

#### Options

	Number
Options currently on issue	
Unquoted Options exercisable at \$0.40 on or before 14 December 2023	750,000
Unquoted Options exercisable at \$0.26 on or before 15 November 2023	750,000
Unquoted Options exercisable at \$0.40 on or before 23	3,000,000

	Number
December 2025	
Unquoted Options exercisable at \$0.60 on or before 23 December 2025	2,250,000
<b>Total Options currently on issue</b>	<b>6,750,000</b>
<b>Total Options on issue after completion of the Offer</b>	<b>6,000,000</b>

**Notes:**

1. 750,000 Options will expire after the Record Date and prior to completion of the Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 203,567,468 Shares and on completion 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) would be 246,554,684 Shares.

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

### 3.4 Pro-forma balance sheet

The audited balance sheet as at 30 June 2023 and the unaudited pro-forma balance sheet as at 30 June 2023 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.

	AUDITED 30 June 2023 \$	UNAUDITED Proforma Adjustments (\$)	PROFORMA Minimum Raise \$	UNAUDITED Proforma Adjustments (\$)	PROFORMA Maximum Raise \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	3,814,465	3,630,000	7,444,465	4,741,094	8,555,559
Other current assets	160,877	-	160,877	-	160,877
<b>TOTAL CURRENT ASSETS</b>	<b>3,975,342</b>	<b>3,630,000</b>	<b>7,605,342</b>	<b>4,741,094</b>	<b>8,716,436</b>
<b>NON-CURRENT ASSETS</b>					



Other assets	34,283	-	34,283	-	34,283
Plant and equipment	214,105	-	214,105	-	214,105
Deferred exploration expenditure	18,189,808	-	18,189,808	-	18,189,808
Right-of-use asset	91,929	-	91,929	-	91,929
<b>TOTAL NON-CURRENT ASSETS</b>	<b>18,530,125</b>	<b>-</b>	<b>18,530,125</b>	<b>-</b>	<b>18,530,125</b>
<b>TOTAL ASSETS</b>	<b>22,505,467</b>	<b>3,630,000</b>	<b>26,135,467</b>	<b>4,741,094</b>	<b>27,246,561</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	314,922	-	314,922	-	314,922
Employee benefits	192,070	-	192,070	-	192,070
Provision	260,000	-	260,000	-	260,000
Lease Liability	56,997	-	56,997	-	56,997
<b>TOTAL CURRENT LIABILITIES</b>	<b>823,989</b>	<b>-</b>	<b>823,989</b>	<b>-</b>	<b>823,989</b>
<b>NON-CURRENT LIABILITIES</b>					
Lease Liability	37,133	-	37,133	-	37,133
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>37,133</b>	<b>-</b>	<b>37,133</b>	<b>-</b>	<b>37,133</b>
<b>TOTAL LIABILITIES</b>	<b>861,122</b>	<b>-</b>	<b>861,122</b>	<b>-</b>	<b>861,122</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>21,644,345</b>	<b>3,630,000</b>	<b>25,274,345</b>	<b>4,741,094</b>	<b>26,385,439</b>
<b>EQUITY</b>					
Issued capital	27,929,222	3,630,000	31,559,222	4,741,094	32,670,316
Reserves	725,966	-	725,966	-	725,966
Accumulated loss	(7,010,843)	-	(7,010,843)	-	(7,010,843)
<b>TOTAL EQUITY</b>	<b>21,644,345</b>	<b>3,630,000</b>	<b>25,274,345</b>	<b>4,741,094</b>	<b>26,385,439</b>

**Notes:**

1. The Statement of Financial Position at 30 June 2023 has been extracted from the audited financial statements of the Company for the financial year ended 30 June 2023 as released on the ASX on 20 September 2023.
2. The pro forma for the maximum raise reflects the proposed Offer assuming full take up of the Offer, being the issue of 43,737,216 Shares at \$0.11 per share, less costs of \$70,000.
3. The pro forma for the minimum raise reflects the proposed Offer assuming the issue of 33,636,364 Shares at \$0.11 per Share, less costs of \$70,000.

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

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

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

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

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

### 5.2 Company specific

Risk Category	Risk
<b>Control risk</b>	<p>QGold is currently the largest Shareholder of the Company and has a relevant interest in approximately 88.94% of the Shares in the Company. Assuming QGold takes up its full Entitlement and no other Shareholders accept their entitlements, QGold's voting power in the Company could be as high as 90.77%.</p> <p>QGold's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>QGold holds a relevant interest in more than 25% of the Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is</p>

Risk Category	Risk
	divided into different classes of Shares, approving the variation of the rights attached to any such class.
<b>Compulsory acquisition</b>	<p>QGold currently has a shareholding in the Company of 88.94%. If, immediately after completion of the Offer, QGold has full beneficial interest in 90% or more of all Shares, it will have the right (but not the obligation) to compulsorily acquire all of the remaining Shares in accordance with the statutory procedure set out in Part 6A.2 of the Corporations Act.</p> <p>The Company has been informed by QGold that it intends to exercise its right of compulsory acquisition if it is entitled to do so. QGold has not yet determined the offer price at which it would proceed to make a compulsory acquisition offer. This intention is subject to, in QGold's opinion, there being no material adverse change to the business, assets, liabilities, financial position or prospects of the Company during the period from the date of this disclosure up until the date of the compulsory acquisition.</p> <p>If QGold elects to exercise the right of compulsory acquisition, it must:</p> <ul style="list-style-type: none"> <li>(a) offer a cash amount for the acquisition of the remaining Shares, which must be the same amount for each Share;</li> <li>(b) engage an independent expert nominated by ASIC to prepare a report which states whether, in the expert's opinion, the proposed price gives fair value for the Shares being acquired; and</li> <li>(c) provide shareholders with a copy of the Compulsory Acquisition Notice, the expert's report and an objection form.</li> </ul> <p>QGold's present intentions with respect to the Company in the event that it acquires a voting power in the Company in excess of 90% are set out in section 1.10 of this Prospectus.</p>
<b>Potential for dilution</b>	<p>In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 18.18% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>It is not possible to predict what the value of a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.11 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>
<b>Additional requirements for</b>	The Company's capital requirements depend on numerous factors. Depending on the Company's ability

Risk Category	Risk
<b>Capital</b>	to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
<b>Going Concern</b>	<p>The Company's 2023 Annual Report to Shareholders (<b>Financial Report</b>) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. The Company's cash position as at 30 June 2023 was \$3,814,465 and the Company's current unaudited cash position as at 24 October 2023 is \$1,771,272.</p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. If the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
<b>Climate Risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> <li>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</li> <li>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as</li> </ul>



Risk Category	Risk
	<p>increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
<p><b>Funding risk</b></p>	<p>The operations of the Company will require involvement of related parties and other third parties. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> <li>(a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or</li> <li>(b) insolvency, default on performance or delivery by any operators, contractors or service providers.</li> </ul> <p>Further, as the Company's majority Shareholder, if QGold were to withdraw its continued funding of the Company, it is unlikely that the Company would be able to raise sufficient funds to carry out its exploration activities as currently planned.</p>
<p><b>Joint Venture</b></p>	<p>The Company is subject to the risk that changes in the status of any of the Company's joint ventures may adversely affect the operations and performance of the Company.</p> <p>There is also a risk of financial failure or default under the joint venture arrangements by a participant in any joint venture to which the Company is, or may become, a party. Any withdrawal by a joint venture party or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising with the Company's joint venture partners, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.</p> <p>As previously disclosed by the Company (in the Company's September 2023 quarterly activities report dated 25 October 2023 (<b>September 2023 Quarterly Report</b>)) the Carawine Joint Venture parties are yet to approve a work program and budget, beyond an obligation to maintain the joint venture tenements in good standing. Under the terms of the relevant joint venture agreement, work programs and budgets require unanimous approval of both parties. There is currently disagreement between the parties on the work program scope in relation to the Flanagan Bore manganese project and the proposed exclusion of further High Purity Manganese Sulphate Monohydrate (<b>HPMSM</b>) test work. Discussions between the parties are ongoing, however there can be no guarantee that this matter will be</p>

Risk Category	Risk
	<p>resolved in the timeframe presented, or that HPMSM will be developed by the Carawine Joint Venture.</p> <p>The Company intends to maintain its 25% interest in the Carawine Joint Venture. A nominal budget of \$1,000,000 for the joint venture has been reasonably assumed for 2024 (the Company's share is \$250,000). There is therefore a risk that no work program and budget will be approved for 2024. If this were to occur, it is more likely than not that a tenement maintenance work program and budget, in the order of \$400,000 (Carawine share of which would be \$100,000) will eventuate. In this case, Carawine will deploy surplus funds to its other exploration Projects. If a work program and budget of more than \$1,000,000 is approved, then Carawine may look to divert funds from its other Projects.</p> <p>As disclosed by the Company in its September 2023 Quarterly Report, Rio Tinto Exploration Pty Ltd (<b>RTX</b>) has advised that it expects to provide notice to the Company before 31 December 2023 that it has reached the \$5.5 million expenditure milestone required to earn a 70% interest in the West Paterson JV tenements, which are part of the Company's Paterson Project in Western Australia.</p> <p>Subject to RTX reaching this milestone and providing notice to the Company, RTX may then elect to continue sole-funding exploration to a prescribed milestone to earn an additional 10% interest (<b>Sole Fund Election</b>). If RTX does not make the Sole Fund Election, then the Company may elect to contribute to further exploration expenditure according to its 30% interest, or not contribute and dilute its interest, according to a 12-month exploration work program and budget to be proposed at the time.</p> <p>The Company cannot predict the intentions of RTX, or the quantum of any proposed 12-month exploration work program and budget. There is a risk therefore that the Company will elect to contribute to a West Paterson JV work program and budget. No provision for this has been made in the proposed use of funds from the Offer, and if the Company so elects, it may source the required funds from funds it has proposed to use for its other exploration Projects.</p>

### 5.3 Mining industry specific

Risk Category	Risk
Title	<p>The exploration licences in which the Company has now, or may, in the future, acquire an interest, including its applications for exploration licences, are subject to the applicable local laws and regulations.</p> <p>All of the tenements in which the Company has an interest will be subject to application for licences renewal</p>

Risk Category	Risk
	<p>from time to time. Renewal of the term of each licence is subject to applicable legislation. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.</p>
<b>Exploration and development risks</b>	<p>Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Company's tenements will result in the discovery of an economic resource deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be permitted or economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. To mitigate the potential impact of these risks, the Company undertakes systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Company will then progressively undertake a number of technical and economic and environmental studies with respect to any mineral discovery and resulting mineral resource and reserve on its projects, prior to making a decision to mine. In the event these exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of the tenements.</p>
<b>Operating risk</b>	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenements, or any other</p>

Risk Category	Risk
	<p>tenements that may be acquired by the Company in the future. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
<b>Metallurgy</b>	<p>Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:</p> <ul style="list-style-type: none"> <li>(a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;</li> <li>(b) developing an economic process route to produce a metal and/or concentrate; and</li> <li>(c) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.</li> </ul>
<b>Payment obligations</b>	<p>The Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Projects. Failure to meet these work commitments may render the Projects subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects.</p>
<b>Metals and currency price volatility</b>	<p>The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.</p> <p>The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for gold and base metals that may be mined commercially in the future from the Company's project areas, forward selling by producers and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Metals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained</p>

Risk Category	Risk
	<p>fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.</p>
<b>Competition risk</b>	<p>The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
<b>Land access risk</b>	<p>Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.</p> <p>The Company's projects are within land which is subject to various stakeholder interests, including pastoral leases, exclusive and non-exclusive Native Title determinations, and Native Title claims. Where appropriate the Company actively seeks to reach agreement with the various stakeholders in respect of land access, including with Native Title groups to manage and protect Aboriginal cultural heritage. There can be no guarantees that the Company will be able to reach agreement with its stakeholders in all cases, negotiation of these agreements may affect the timely grant of exploration tenure, or these agreements may be prohibitively expensive and result in a decision not to take a tenement to grant. Furthermore, exploration programs are often subject to the completion of Aboriginal cultural heritage surveys, and the outcome of those surveys. There can be no guarantees that heritage surveys will be conducted in a timely manner, or that the outcomes of heritage surveys will clear areas for exploration in every case.</p>
<b>Third party risks</b>	<p>The Company acknowledges that exploration success may result in extended work programs on the Tenements that may require further third party consents and/or compliance with compensation obligations with respect to the private landholders, underlying petroleum tenure, native title processes and pastoralist activities. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists and other third parties will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors acknowledge that delays may be caused to</p>

Risk Category	Risk
	commencement of exploration programs.
<b>Environmental risk</b>	<p>As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.</p> <p>The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The costs and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.</p> <p>Activities on the Company's tenements must comply with the conditions of their respective environmental authorities. The Company may be required to obtain further approvals from the relevant authorities before it can undertake particular activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.</p> <p>Environmental issues may compromise the exploration and development of the Company's tenements.</p>
<b>Licences, permits and approvals</b>	<p>The Company holds all material authorisations required to undertake the current exploration programs of the Company. However, many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.</p>
<b>Conflicts of interest</b>	<p>Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.</p>

#### 5.4 General risks

Risk Category	Risk
<b>Economic</b>	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its</p>



Risk Category	Risk
	ability to fund those activities.
<b>Market conditions</b>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<b>Litigation risks</b>	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
<b>Dividends</b>	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
<b>Taxation</b>	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>

Risk Category	Risk
<b>Reliance on key personnel</b>	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.
<b>Global conflict</b>	<p>The current conflict between Ukraine and Russia and Israel and Hamas, (<b>Ukraine and Gaza Conflicts</b>) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine and Gaza Conflicts may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine and Gaza Conflicts and the wider effect the conflict has on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine and Gaza Conflicts, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries, may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>

## 5.5 Speculative investment

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

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

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

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



## 6. ADDITIONAL INFORMATION

### 6.1 Litigation

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

### 6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
25 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
17 October 2023	Notice of Annual General Meeting/Proxy Form
17 October 2023	Letter to Shareholders - Annual General Meeting
12 October 2023	Final Director's Interest Notice

Date	Description of Announcement
12 October 2023	Initial Director's Interest Notice
12 October 2023	Board Changes
21 September 2023	Listing Rule 3.13.1
20 September 2023	Appendix 4G and Corporate Governance Statement

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

The announcements are also available through the Company's website [www.carawine.com.au](http://www.carawine.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	\$0.15	7 to 8 August 2023 and 28 September 2023 to 2 October 2023
Lowest	\$0.11	18 and 24 October 2023
Last	\$0.11	24 October 2023

### 6.4 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 \$250,000 per annum.

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

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2023 Annual Report and proposed remuneration for 2024.

Director	Remuneration for the financial year ended 30 June 2023	Proposed remuneration for the financial year ending 30 June 2024
Mr David Boyd	\$298,350	\$299,700 <sup>1</sup>
Mr Martin Lackner	\$60,775	\$61,050 <sup>2</sup>
Mr Sam Smart	\$12,892	\$77,700 <sup>3</sup>
Mr Paul Whimp <sup>4</sup>	Nil	\$49,790 <sup>5</sup>

**Note:**

1. Comprising salary and fees of \$270,000 and superannuation of \$29,700. In the financial year ended 30 June 2022, the board approved and accrued \$175,000, plus superannuation, for Mr Boyd's retention bonus, payable in cash, subject to continuous employment up to 30 November 2022 and 30 November 2023. \$25,000 of this bonus was paid in 2023 financial year and the remainder will be due for payment in the 2024 financial year subject to Mr Boyd satisfying the conditions of the bonus. This amount is in addition to the figure for proposed remuneration for the financial year ending 30 June 2024.
2. Comprising salary and fees of \$55,000 and superannuation of \$6,050.
3. Comprising salary and fees of \$70,000 and superannuation of \$7,700.
4. Appointed as a Director on 11 October 2023.
5. Comprising salary and fees of \$44,856 and superannuation of \$4,934.

## 6.5 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,

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:

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

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (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 \$180,006 (excluding GST and disbursements) for legal services provided to the Company.

HLB Mann Judd has been paid \$24,000 (excluding GST) for auditing the Company's 30 June 2023 financial report. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd has received \$67,750 (excluding GST) in fees from the Company.

## 6.6 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 legal advisers to the Company in this Prospectus.

HLB Mann Judd has given its written consent to being named as the auditor to the Company in this Prospectus and to the inclusion of the 30 June 2023 audited accounts.

## 6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$70,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	15,147
Legal fees	22,000
Share Registry fees	20,000
Accountant fees	3,000
Printing and distribution	2,000
Miscellaneous	4,647
<b>Total</b>	<b>70,000</b>

## 6.8 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.

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## GLOSSARY

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

**Application Form** means an Entitlement and Acceptance Form.

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** means the listing rules of the ASX.

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

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

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

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

**Company** means Carawine Resources Limited (ACN 611 352 348).

**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, New Zealand, Singapore, or the United Kingdom.

**Offer** means the 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.

**QGold** means QGold Pty Ltd (ACN 149 659 950).

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

**Section** means a section of this Prospectus.

**Securities** means Shares as the context requires.

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

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

**VWAP** means volume weighted average price.

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