

Prospectus

Prospech Limited

ACN 602 043 265

For the offers of:

- (i) a pro-rata renounceable entitlement issue of 2 New Shares for every 7 Shares held by Eligible Shareholders at an issue price of \$0.015 per New Share, together with 1 attaching New Option, exercisable at \$0.04 each and expiring 3 years from issue, for every 2 New Shares issued, to raise up to approximately \$1,623,540 (before costs) (**Entitlement Offer**); and
- (ii) up to 3,247,080 Lead Manager Options, exercisable at \$0.04 each and expiring 3 years from issue (**Lead Manager Options**) to the Lead Manager (or its nominee/s) (**Lead Manager Options Offer**),

(together, the **Offers**).

ASX Code: PRS

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall.

The Offer is partially underwritten by Mahe Capital Pty Ltd (AFSL 517246) for \$600,000.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 1 September 2025 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus. This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period at www.prospech.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy

Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries

If you have any questions please call Prospech Limited's Company Secretary on +61 (02) 9300 3333 at any time between 8.30am and 5.00pm (Sydney time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

Table of Contents

1	TIMETABLE TO THE OFFER	4
2	KEY OFFER TERMS AND CAPITAL STRUCTURE	4
3	CHAIRMAN'S LETTER	6
4	INVESTMENT OVERVIEW AND KEY RISKS	9
5	PURPOSE AND EFFECT OF THE OFFERS	13
6	RISK FACTORS	15
7	ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS	20
8	DETAILS OF THE ENTITLEMENT OFFER	24
9	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES	31
10	ADDITIONAL INFORMATION	34
11	DIRECTORS' RESPONSIBILITY AND CONSENT	39
12	GLOSSARY	40
13	PRO FORMA STATEMENTS OF FINANCIAL POSITION	42

Corporate Directory

Directors

Mr Thomas Mann	Non Exec. Chairman
Mr Jason Beckton	Managing Director
Mr Peter Nightingale	Exec. Director and CFO
Mr John Levings	Exec. Director
Mr Stephen Gemell	Non Exec. Director

Registered Office

Level 2, 66 Hunter Street
 Sydney, NSW 2000
 Tel: +61 2 9300 3344
 Email: info@prospech.com.au

Auditor*

KPMG
 Level 11, Heritage Lanes
 80 Ann Street
 Brisbane, Queensland 4000

Lead Manager and Underwriter to the Offer

Mahe Capital Pty Ltd (AFSL 517246)

Company Secretary

Mr Richard Edwards

Website

www.prospech.com.au

Share Registry*

Computershare Investor Services Pty Limited
 Level 4, 44 Martin Place
 Sydney, NSW 2000
 Tel: +61 03 9415 4000

Solicitor to the Offer

Atkinson Corporate Lawyers

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

1 TIMETABLE TO THE OFFER

Ex date - Shares trade ex Entitlement (Ex Date)	3 September 2025
Rights trading commences	3 September 2025
Record date to determine Entitlement (Record Date)	7.00pm (Sydney time) 4 September 2025
Prospectus with Entitlement and Acceptance Form dispatched	9 September 2025
Offer opens for receipt of Applications (Opening Date)	9 September 2025
Rights trading ends	17 September 2025
Latest date to extend the Offer	19 September 2025
Closing date for acceptances (Closing Date)	5.00pm (Sydney time) 24 September 2025
Announce results of the Offer	1 October 2025
Issue of New Shares	1 October 2025
Normal trading of New Shares expected to commence	2 October 2025
Dispatch of shareholding statements	3 October 2025
Last date to issue Shortfall Shares (see section 8.6)	24 December 2025

Note: The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

	Underwritten Amount	Full Subscription
Shares		
Shares currently on issue	378,825,887	378,825,887
New Shares offered under the Entitlement Offer, on a 2 for 7 basis ¹	40,000,000	108,235,968
Issue price per New Share	\$0.015	\$0.015
Amount raised under this Prospectus (before costs) ¹	\$600,000	\$1,623,540
Total Shares on issue following the Entitlement Offer	418,825,887	487,061,855

¹ Assumes no further Shares are issued prior to the Record Date.

	Underwritten Amount	Full Subscription
Options		
Options currently on issue	8,000,000	8,000,000
New Options to be issued under the Entitlement Offer	20,000,000	54,117,984
New Options to be issued under the Lead Manager Options Offer	1,200,000	3,247,080
Total Options on issue following the Offers	29,200,000	65,365,063

The New Options issued under the Entitlement Offer and the Lead Manager Options Offer are exercisable at \$0.04 expiring 3 years from issue and are issued on the basis of 1 New Option for every 2 New Shares issued.

Refer to Section 9.2 for the terms of the New Options.

3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Directors of Prospech Limited, I am pleased to offer you the opportunity to participate in a 2 for 7 Entitlement Offer whereby you can continue to support the Company by subscribing for New Shares (with a 1 for 2 attaching Option exercisable at \$0.04 each on or before the date that is 3 years from the date of issue) at an issue price of \$0.015 per New Share. The Entitlement Offer is in a ratio proportionate to your existing shareholding and thus equitable to all Shareholders.

Application will be made for the New Options to be listed on ASX.

From the beginning of 2024, the Korsnäs rare earth elements (REE) project in Finland has been significantly advanced. Frustratingly, the Company's market capitalisation has not reflected the Company's progress. For context, a selection of ASX announcements, which are available from www.asx.com.au, is set out below:

- 13 February 2024 - Korsnäs tailings storage facility (TSF) - drilling commenced
- 13 March 2024 - Korsnäs TSF - drilling completed
- 13 May 2024 - Excellent Korsnäs TSF assays (~29% NdPr¹:TREO² ratio enrichment)
- 20 June 2024 - Korsnäs TSF Exploration Target
- 2 July 2024 - Concentrate stockpile sampling
- 4 July 2024 - Further high grade REE hard rock assays
- 12 August 2024 - Korsnäs diamond core drilling commenced
- 10 September 2024 - EU REMHub funding granted for Korsnäs
- 11 September 2024 - Stockpile assays (~31% NdPr)
- 19 September 2024 - Drilling and metallurgy update
- 30 September 2024 - Drilling returns 15 metres @ 1.8% TREO
- 16 October 2024 - Drilling returns 5.1% TREO intercept
- 4 December 2024 - Korsnäs maiden REE Inferred Resource Estimate
- 7, 20 & 27 February 2025 - High grade assay results from Korsnäs
- 22 April 2025 - 90% increase in Korsnäs REE Resource
- 7 May 2025 - Korsnäs metallurgical update
- 3 & 28 July 2025 - Metallurgical test work program with CORE Resources
- 15 August 2025 - Metallurgical test work program with ANSTO Minerals

This selection of announcements gives an insight into the significant advancement of the Korsnäs project which is now one of the most developed REE projects in the European Union (EU).

KEY RECENT ACHIEVEMENTS

Resource and Targets

In December 2024, we delivered a maiden Korsnäs JORC (2012) Inferred Resource Estimate (MRE), followed in April 2025 with a 90% increase in the MRE which now stands at 13.5 million tonnes (Mt) at 1.02% TREO (0.5% cut-off).

¹ NdPr = neodymium-praseodymium which are valuable strong magnet REEs.

² TREO = Total Rare Earth Oxides which is the sum of La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃ and Y₂O₃.

On top of the MRE, the Company reported a hard rock Exploration Target of 9 Mt to 11 Mt at 0.9% to 1.1% TREO to guide further growth drilling.

For compliance purposes, it has to be noted that the potential quantity and grade of this Exploration Target is conceptual in nature. There has been insufficient exploration and metallurgical test work to estimate a Mineral Resource, and it is uncertain whether further exploration will result in the estimation of a Mineral Resource.

The Company confirms that it is not aware of any new information or data that materially affects the exploration results or reported MRE as set out above, and that that all material assumptions and technical parameters underpinning the MRE continue to apply and have not materially changed.

Drilling and Geology

Since August 2024, hard rock diamond core drilling has confirmed geological continuity and returned multiple high grade REE intercepts.

In early 2025 work we have completed highlighted zones with elevated heavy rare earths, notably dysprosium and terbium, strengthening the case for a balanced product mix alongside light REEs.

TSF and Historic Materials

TSF drilling was completed in March 2024, with assays indicating strong magnet REE enrichment ratio of ~29% NdPr:TREO and supporting the publication of a TSF Exploration Target in June 2024. Work on historic materials, including the lanthanide concentrate stockpile (**LnCS**), returned ~31% NdPr:TREO enrichment, providing optionality for near term test work and flowsheet development.

Metallurgy

Bulk samples have been secured, and flotation optimisation is commencing with Core Resources in Australia to produce upgraded concentrates for downstream testing. A complementary hydrometallurgical program has also been prepared with ANSTO Minerals (the Minerals business of the Australian Nuclear Science and Technology Organisation a nationally recognised, government backed Australian research organisation). The initial scope covers pre-leach screening, acid-bake variability and leach optimisation, along with waste characterisation.

Funding and Project Portfolio

External financial and technical support through the European Union funded REMHub initiative has helped accelerate metallurgical and study activities.

We expanded the Jokikangas project tenement package in January 2025 and have identified additional prospectivity in Slovakia, where historic core observations and follow up concepts point to further copper-gold mineralisation opportunities.

It would be remiss of me not to mention that your Company also holds 100% of a suite of exploration projects in Slovakia which remain highly prospective and, by any means, are very underexplored by modern methods.

JURISDICTION, LOCATION, INFRASTRUCTURE and WORKFORCE ADVANTAGES

Finland is currently rated by the Fraser Institute Annual Survey of Mining Companies as the #1 jurisdiction in the world for investment based on the Investment Attractiveness Index.

Prospech benefits from strong national and local government settings. The Korsnäs municipality has formally supported our exploration activities to date.

Korsnäs sits within the established industrial region around Vaasa on Finland's west coast (approximately 50 kilometres by road). The project benefits from sealed road access, regional air services via Vaasa airport and nearby seaports. The Port of Vaasa handles general cargo and the sheltered deep sea Port of Kaskinen specialises in bulk and chemical cargo.

Power and people are strengths of the region. Finland's electricity mix is diversified and increasingly low-carbon, with high shares of renewables alongside nuclear. The Vaasa area hosts the largest energy-technology cluster in the Nordics (Energy Vaasa), supported by multiple universities and applied sciences institutions that supply engineering and technical talent.

Downstream optionality exists within Europe's supply chain. Within the EU, commercial rare earth separation and refining facilities operate at Sillamäe in Estonia, providing a potential processing pathway accessible from Korsnäs via existing road and sea routes.

NEXT STEPS

We encourage Eligible Shareholders to support your Company and participate in the Entitlement Issue which has been structured in a way that is most equitable. The Offer to Eligible Shareholders is in a ratio proportionate each Eligible Shareholder's existing shareholding and is renounceable, meaning that the Entitlement can be traded on the ASX.

The underwritten \$600,000 will ensure that the Company has funds to advance the important next steps, particularly metallurgical test work and extensional drilling designed to define an increased resource estimate, and in doing so, hopefully enhance the market recognition and valuation of the Company's projects.

Any additional funds raised in excess of the underwritten amount of \$600,000 will further strengthen the Company's balance sheet and improve the Company's position to accelerate its operational programs.

Directors will be participating, in full or in part, in the Offer and collectively will subscribe for approximately \$170,000 worth of Entitlement.

RISKS

While we ask Eligible Shareholders to consider this opportunity, please read this Prospectus carefully and be aware of the risks of this investment. It is appropriate that I should mention that there are significant risks involved in investing in any junior mining exploration company such as Prospech. Prospech's projects are at an early stage of development and there are no guarantees that exploration or metallurgical test work results will be positive.

I refer you to section 6 of this Prospectus for further details of the risks associated with an investment in this Offer.

If you have any questions about how to participate, please contact Prospech on +61 (02) 9300 3333 or info@prospech.com.au.

On behalf of the Board, I thank you for your continued support.

Thomas J. Mann



Chairman
Prospech Limited

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to find more information
What is the Entitlement Offer?	<p>2 New Shares for every 7 Existing Shares held on the Record Date at an issue price of \$0.015 per New Share, together with 1 attaching New Option, exercisable at \$0.04 each on or before the date that is 3 years from the date of issue, for every 2 New Shares issued.</p> <p>The Offer seeks to issue up to approximately 108,235,968 New Shares to raise up to approximately \$1,623,540 (before costs) if fully subscribed.</p> <p>Eligible Shareholders can also, in addition to their Entitlement, apply for Shortfall Shares.</p> <p>Application will be made for the New Options to be listed on ASX.</p> <p>The Offer is partially underwritten by Mahe Capital Pty Ltd (Mahe Capital) for \$600,000.</p>	Section 8
What is the Lead Manager Options Offer?	<p>Up to 3,247,080 Options, exercisable at \$0.04 each on or before the date that is 3 years from the date of issue to be issued to Mahe Capital (or its nominee/s), exercisable at \$0.04 each, on or before the date that is 3 years from the date of issue.</p> <p>No funds will be raised from the issue of Lead Manager Options as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided by the Lead Manager to the Company, pursuant to the Lead Manager Mandate.</p>	Section 0
Am I an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders, being Shareholders who:</p> <ul style="list-style-type: none"> (a) are the registered holder of Shares as at 7.00pm (Sydney time) on the Record Date; and (b) have a registered address in Australia or New Zealand. <p>Shareholders who are not eligible to participate in the Offer may not participate in the Offer. To comply with Listing Rule 7.7.1, the Company has appointed the Lead Manager to arrange for the sale of Entitlement that</p>	Section 8.1 and 8.8

Question	Response	Where to find more information																											
	would have be available for Ineligible Shareholders, with the net proceeds (if any) to be paid to Ineligible Shareholders.																												
How will the proceeds of the Offer be used?	<p>The Company intends to use funds raised under the Offer as follows:</p> <table> <tr> <th>Use of funds (\$'000)</th><th>Underwritten Amount</th><th>Full Subscription</th></tr> <tr> <td>Metallurgical test work programs</td><td>150</td><td>350</td></tr> <tr> <td>Exploration activities on the Company's Finnish projects</td><td>200</td><td>600</td></tr> <tr> <td>Exploration activities on the Company's Slovakian projects</td><td>60</td><td>325</td></tr> <tr> <td>Tenement maintenance and renewal costs</td><td>15</td><td>15</td></tr> <tr> <td>Administration</td><td>30</td><td>80</td></tr> <tr> <td>Working Capital</td><td>12</td><td>56</td></tr> <tr> <td>Cash costs of the Offer</td><td>133</td><td>198</td></tr> <tr> <td>Total*</td><td>600</td><td>1,624</td></tr> </table> <p>*Funds raised will, in the event less than Full Subscription is received, be allocated proportionately as set out above.</p>	Use of funds (\$'000)	Underwritten Amount	Full Subscription	Metallurgical test work programs	150	350	Exploration activities on the Company's Finnish projects	200	600	Exploration activities on the Company's Slovakian projects	60	325	Tenement maintenance and renewal costs	15	15	Administration	30	80	Working Capital	12	56	Cash costs of the Offer	133	198	Total*	600	1,624	Section 5.2
Use of funds (\$'000)	Underwritten Amount	Full Subscription																											
Metallurgical test work programs	150	350																											
Exploration activities on the Company's Finnish projects	200	600																											
Exploration activities on the Company's Slovakian projects	60	325																											
Tenement maintenance and renewal costs	15	15																											
Administration	30	80																											
Working Capital	12	56																											
Cash costs of the Offer	133	198																											
Total*	600	1,624																											
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> The Company's projects are early stage exploration projects, which carry significant exploration risk. 	Section 6																											

Question	Response	Where to find more information
	<ul style="list-style-type: none"> The metallurgical test work on the Company's Korsnäs project is at an early stage and there is no guarantee that the metallurgical test work results will be positive. The Offer is subject to a minimum subscription amount of \$600,000, being the underwritten amount, however, there is a risk that the Company may raise less than Full Subscription, in which case it may, depending upon the amount raised, amend or limit its proposed exploration programs. Future capital needs and additional funding - Based on unaudited management accounts, the Company recorded a net loss of \$537,617 and a net outflow from operating activities of \$480,286 in addition to \$692,460 of cash in investing activities including exploration and evaluation expenditure for the half year ended 30 June 2025. As at 30 June 2025, it had \$552,553 cash on hand. The Company's ability to raise further capital (equity or debt) within an acceptable time, for a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectively and commercialisation of projects (existing and future). <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
Is the Offer subject to a minimum subscription?	The Offer is partially underwritten for \$600,000 and is not subject to a minimum subscription.	Section 8.2
What will be the effect of the Offer on control of the Company?	<p>The effect of the Offer on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.</p> <p>The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the <i>Corporations Act 2001</i> (Cth) and is otherwise consistent with the policy</p>	Section 5.5

Question	Response	Where to find more information
	<p>guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.</p> <p>No Shareholder may increase their voting power above 20% as a result of the Offer.</p>	
<p>How do I apply for New Shares and Shortfall Shares under the Offer?</p>	<p>Applications for New Shares and Shortfall Shares can be made by Eligible Shareholders making payment by BPAY®³ in the amount of Entitlement and Shortfall Shares applied for.</p> <p>Your personalised Entitlement and Acceptance Form accompanies this Prospectus and can be accessed at www.investorcentre.com/au.</p>	Section 7.1(a)
<p>Can I sell my Entitlements under the Offer?</p>	<p>Yes, the Offer is renounceable and Entitlements can be transferred.</p>	Section 7.1
<p>How will the Shortfall Shares be allocated?</p>	<p>Eligible Shareholders can apply for Shortfall Shares.</p> <p>The Directors reserve the right, in conjunction with the Underwriter, to place any Shortfall Shares at their discretion within 3 months of the Closing Date.</p>	Section 0
<p>How can I obtain further advice?</p>	<p>Contact Prospech Limited's Company Secretary Richard Edwards on +61 (02) 9300 3333 at any time between 8.30am and 5.00pm (Sydney time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.</p>	

³ Registered to BPAY Pty Ltd ABN 69 079 137 518

5 PURPOSE AND EFFECT OF THE OFFERS

5.1 Introduction

The Entitlement Offer is a pro-rata renounceable entitlement issue of 2 New Shares for every 7 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.015 per New Share, together with 1 attaching New Option, exercisable at \$0.04 each on or before the date that is 3 years from the date of issue, for every 2 New Shares applied for and issued to raise up to \$1,623,540 (before costs) (based on the number of Shares on issue as at the date of this Prospectus).

Shareholders may, in addition to their Entitlement apply for Shortfall Shares.

The Entitlement Offer is partially underwritten by Mahe Capital for \$600,000.

The Company may, in the event it has capacity to do so under Listing Rules 7.1 and 7.1A, satisfy any demand in excess of the Offer through the placement of additional Shares under this Prospectus on the same terms as the Offer.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$'000)	Underwritten Amount	Full Subscription
Metallurgical test work programs	150	350
Exploration activities on the Company's Finnish projects	200	600
Exploration activities on the Company's Slovakian projects	60	325
Tenement maintenance and renewal costs	15	15
Administration	30	80
Working Capital	12	56
Costs of the Offer	133	199
Total use of funds	600	1,624

Notes:

- 1 This table is a statement of the proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.
- 2 Funds raised will, in the event between the Underwritten and Full Subscription amounts are received, be allocated proportionately as set out above.
- 3 General working capital is intended to accelerate and/or extend/continue the above initiative as required, and corporate administration and operating costs (including

directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs).

4 See section 10.5 for further details relating to the estimated costs of the Offer.

5.3 Statement of financial position

Based on unaudited management accounts, set out in section 13 is the Statement of Financial Position of the Company and, on the basis of the following assumptions, the Pro Forma Statements of Financial Position as at 30 June 2025:

- (a) The Offers were effective on 30 June 2025.
- (b) No further Shares or Options are issued other than under the Offers.
- (c) Completion of the Entitlement Offer, by way of subscription of the underwritten and full subscription amounts, and issue of 40,000,000 New Shares and 20,000,000 attaching New Options and 108,235,968 New Shares 54,117,984 attaching New Options respectively at an issue price of \$0.015 per New Share to raise \$600,000 and \$1,623,540 respectively (before costs).
- (d) Completion of the Lead Manager Options Offer and the issue of 1,200,000 New Options and 3,247,080 New Options at nil cash consideration for services provided by the Lead Manager to the Company pursuant to the Lead Manager Mandate for the subscription of the underwritten and full subscription amounts respectively.
- (e) Cash costs of the Entitlement Offer are \$132,561 and \$198,326 for the subscription of the underwritten and full subscription amounts respectively.

The Pro Forma Statements of Financial Position have 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 set out in section 13. The 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.

5.4 Effect of the Offer on the Company's securities

Assuming that no further Shares are issued prior to the Record Date, at the close of the Offer the capital structure of the Company will be:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	378,825,887	90.4	378,825,887	77.8
New Shares offered under this Prospectus	40,000,000	9.6	108,235,968	22.2
Total Shares	418,825,887	100.0	487,061,855	100.0

Options	Underwritten Amount	Full Subscription
---------	---------------------	-------------------

	Number	%	Number	%
Existing Options	8,000,000	27.40	8,000,000	12.24
New Options to be issued under the Entitlement Offer	20,000,000	68.49	54,117,984	82.79
New Options to be issued under the Lead Manager Options Offer	1,200,000	4.11	3,247,080	4.97
Total Options	21,200,000	100.0	57,365,064	100.0

The New Options issued under this Prospectus are exercisable at \$0.04 each on or before the date that is 3 years from the date of issue and are issued on the basis of (in the case of New Options issued under the Entitlement Offer) 1 New Option for every 2 New Shares applied for and issued and (in the Case of the Lead Manager Options Offer) on the basis of 2 New Options for every \$1 raised under the Entitlement Offer.

The Options currently on issue do not confer any right to a change in the exercise price upon the Company undertaking a pro rata issue (as provided for in Listing Rule 6.22.2).

5.5 Effect on control

The effect of the Offers on control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders and the number of Shortfall Shares placed in the Shortfall Offer.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001 (Cth)* and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

No Shareholder may acquire a relevant interest in 20% or more of the Company's Shares following the Offers.

5.6 Dilution

Shareholders who do not participate in the Entitlement Offer will have their holdings diluted by up to 22.2%, assuming full subscription under the Entitlement Offer.

6 RISK FACTORS

This section identifies the major risks the Board has identified regarding an investment in the Company.

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

The Company's business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company.

There can be no guarantee that the Company will achieve its stated objectives or that any forward looking statements will be achieved. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's prospects, and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying any forward looking statements;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 Risk specific to the Offer

- (a) Early stage exploration

The Company's projects are early stage exploration projects, which carry significant exploration risk.

- (b) Limited metallurgical test work

The metallurgical test work on the Company's Korsnäs project is at an early stage and there is no guarantee that the metallurgical test work results will be positive.

- (c) Future funding

Funds raised from the Offer will be used for the purposes mentioned under section 5.2 of the Prospectus. Whilst the Company believes that this amount will be sufficient to carry out certain exploration and development activities, additional funding will be required to continue both existing and proposed activities. Raising additional capital may be dilutive to existing Shareholders.

- (d) Ability to continue as a going concern

The Company's Financial Report for the year ended 31 December 2024 (Financial Report) 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 which includes the following disclosures.

For the year ended 31 December 2024 the Group has incurred a loss of \$1,820,276 and has accumulated losses of \$8,162,986 as at 31 December 2024. The Group used \$942,640 of cash in operations, in addition to \$1,674,114 of cash in investing activities which includes exploration and evaluation expenditure. It had cash on hand of \$795,730 at 31 December 2024.

Management have prepared cash flow projections for the period from 1 January 2025 to 31 March 2026 that indicate the Group is able to continue as a going concern. These cash flow projections assume the Group continues substantial exploration activities in the areas of interest and that additional funding from Shareholders or other parties will be obtained.

While the Group has successfully raised additional funding in the current year and in prior years, the availability of additional funds is inherently uncertain until secured.

As a result of the uncertainty associated with raising additional funds, there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial report.

To assist with short term liquidity, the Directors and related parties have provided a commitment to not require payment of amounts owing by the Group of \$371,964 until the Group has sufficient funds available to enable payment without adversely impacting the ability of the Group to continue as a going concern.

In addition, based on unaudited management accounts, the Company recorded a net loss of \$537,617 and a net outflow from operating activities of \$480,286 in addition to \$692,460 of cash in investing activities including exploration and evaluation expenditure for the half year ended 30 June 2025. As at 30 June 2025, it had \$552,553 cash on hand.

The Company has successfully raised additional funding in prior years, however, such fundraising is inherently uncertain until secured.

These conditions give rise to a material uncertainty that may cast doubt upon the Group's ability to continue as a going concern. The ongoing operations of the Group are dependent upon the Group raising additional funding from shareholders or other parties or reducing discretionary expenditure in line with available funding.

In the event that the Group does not obtain additional funding, the achievement of which is inherently uncertain, or reduce expenditure in line with available funding it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets, including capitalised exploration and evaluation expenditure of \$9,713,028, and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial report.

Funds raised from the Offer will be used for the purposes mentioned under section 5.2 of this Prospectus. Whilst the Company believes that the Underwritten Amount will be sufficient to carry out certain research and development activities, additional funding will be required to continue both existing and proposed research activities. Raising additional capital may be dilutive to existing Shareholders.

(e) Dilution

Shareholders who do not take up their Entitlement will have their holding in the Company diluted. Details of dilution are set out in section 5.6 above.

6.3 Company and industry risks

The risks outlined below are specific to the Company's operations and to the mining exploration and development industry in which the Company operates.

(a) Exploration risk

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically recoverable Ore Reserves, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

No assurance can be given that further exploration work will be successful or that a commercial mining operation will eventuate.

(b) Development risk

The Company has reported a Mineral Resource estimate, however, beyond a Mineral Resource estimate, the ultimate success and financial viability of the Company depends on the successful metallurgical test work results and the delineation of economically recoverable Ore Reserves, design and construction of efficient mining and processing facilities and competent operational and managerial performance.

There is no assurance that interests held by the Company, or any other projects that may be acquired by the Company in the future, will result in the discovery and delineation of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

(c) Risk of operating in other countries

The Company's exploration licences are located in Finland and Slovakia. The Company's operations are therefore subject to the laws and regulations of Finland and Slovakia and any change in legislation could have an adverse effect on the Company.

Exploration, development and mining activities may be affected by political stability and changes to government regulations relating to the mining industry and foreign investment. Adverse changes in these regulations may negatively affect the Company's growth plans and strategy and operations may also be affected by changes to mining laws, environmental laws, income and other taxes and exchange controls.

(d) Environmental risks

The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties and the Company's social licence may be questioned in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

(e) Commodity prices

Commodity prices, including rare earth elements, gold, silver and other metals can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions.

These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

(f) Future capital needs and additional funding

The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements.

The Company's ability to raise further equity or debt, or to divest all or part of its interest in a tenement, and the terms of such transactions, will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities.

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.

Additional financing may also not be available on terms acceptable to the Company, or at all. Significantly, any additional equity financing or the exercising of Options, may dilute your existing shareholdings; and debt financing, if available, may restrict financing and future activities. If the Company fails to obtain additional financing, as needed, it may have to reduce the scope of its operations or anticipated expansion of its operations, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.

(g) Reliance on key personnel and consultants

The Company's success largely depends on the core competencies of its Directors, management and third party consultants and their familiarisation with, and ability to operate in, the mining exploration and development industry. The financial performance of the Company and the value of an investment in the Company partly depend on the ability of the Company to retain these key personnel and consultants.

(h) Speculative nature of 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. 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.

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

6.4 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

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

Furthermore, the stock market, and in particular the market for biotechnology companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings. The Company's possible revenues and price of its securities can be affected by these factors which are beyond the control of the Company and its Directors.

(d) Future funding

Funds raised from the Offer will be used for the purposes mentioned under section 5.2 of the Prospectus. Whilst the Company believes that this amount will be sufficient to continue activities, additional funding will be required to continue both existing and proposed activities. Raising additional capital may be dilutive to existing Shareholders.

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. The success of the Company is dependent on exploration success and the completion of technical studies that demonstrate the economic viability of its exploration assets. An investment in the Company should therefore be considered speculative in nature.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2);
- (b) subscribe for all of your Entitlement and apply for Shortfall Shares (see section 7.3);

- (c) sell all of your Entitlement (see section 7.4);
- (d) take up part of your Entitlement and sell the balance (see section 7.5);
- (e) take up part of your Entitlement and transfer the balance other than on ASX (see section 7.6); or
- (f) allow all or part of your Entitlement to lapse (see section 7.7).

7.2 Subscribe for all or part of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement make payment by BPAY by following the instructions set out in the Entitlement and Acceptance Form that accompanies this Prospectus and which can be accessed at www.investorcentre.com/au. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Subscribe for all of your Entitlement and apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by making payment by BPAY in accordance with the instructions set out in the accompanying Entitlement and Acceptance Form. See section 8.6 for details of the manner in which Shortfall Shares will be allocated.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by making payment for such Shortfall Securities in accordance with section 7.8.

Any refund of application monies greater than \$5 will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares.

7.4 Sell all of your Entitlement

If you wish to sell your full Entitlement on ASX, you need to instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Application Form.

Rights trading will commence (on a deferred settlement basis) on ASX on 3 September 2025. Sale of your Rights must be completed by 17 September 2025 when Rights trading is expected to cease.

7.5 Take up part of your Entitlement and sell the balance on ASX

Your personalised Entitlement and Acceptance Form accompanies this Prospectus and can be accessed at www.investorcentre.com/au.

If you wish for the balance of your Entitlement to be sold on ASX, you need to, in respect of the part of your Entitlement to be sold on ASX, instruct your stockbroker personally and provide them with details they request as set out in your personalised Entitlement and Application Form.

Rights trading will commence on ASX on 3 September 2025. Sale of your Rights must be completed by 17 September 2025 when Rights trading is expected to cease.

7.6 Take up part of your Entitlement and transfer the balance other than on ASX

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable from the Company) together with your personalised Entitlement and Acceptance Form completed by the transferee to the Company's share registry (at the postal address shown on the Entitlement and Acceptance Form) by 17 September 2025 and pay the application monies through BPAY by 5.00pm (Sydney time) on 24 September 2025.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

7.7 Allow all or part of your Entitlement to lapse

If you are an Eligible Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If you take no action, your Entitlement will lapse. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.8 Payment methods

BPAY

For payment by BPAY, please refer to your personalised instructions on your electronic Entitlement and Acceptance Form located at www.investorcentre.com/au. Please note that when paying by BPAY:

- (a) 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;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

Any payment in excess of the Shares allocated to you will be refunded, except where the excess payment is less than \$5, in which case it will be retained by the Company.

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 (Sydney time) on the Closing Date.

If you have more than one shareholding 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 Customer Reference Number specific to that shareholding as set

out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number 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 recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

New Zealand shareholders will be provided instructions to make payment via EFT. Australian shareholders who do not have an account that supports BPAY transactions should contact the Company as set out in the Entitlement and Acceptance Form.

Payment by cheque or cash will not be accepted.

7.9 Entitlement and Acceptance payment is binding

Receipt of a payment in respect of an Application by BPAY constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If payment of the application monies is for the wrong amount, it will still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete an application is final. Any payment in excess of Entitlement will be treated as an application for Shortfall Shares.

8 DETAILS OF THE ENTITLEMENT OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a renounceable pro rata offer to Eligible Shareholders of 2 New Shares for every 7 Existing Shares held on the Record Date at an issue price of \$0.015 per New Share, together with 1 attaching New Option, exercisable at \$0.04 each on or before the date that is 3 years from the date of issue, for every 2 New Shares applied for and issued.

Application will be made for New Options to be listed on ASX. The Company will, in the event quotation does not occur within 3 months, comply with the Corporations Act with respect to applications under this Prospectus.

The Offer seeks to issue up to approximately 108,235,968 New Shares to raise up to approximately \$1,623,540 (before costs) if fully subscribed.

Eligible Shareholders can also, in addition to their Entitlement, apply for Shortfall Shares.

The Offer is partially underwritten by Mahe Capital for \$600,000

Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 Minimum subscription

The Offer is underwritten for \$600,000 and is not subject to a minimum subscription.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period, subject to the Listing Rules and Corporations Act.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7.00pm (Sydney time) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

See section 8.8 for details of the treatment of Ineligible Shareholders.

8.5 Underwriting

The Underwriter has agreed to fully underwrite the Offer in accordance with an underwriting agreement dated 29 August 2025 (**Underwriting Agreement**). The Underwriter will be paid the following fees:

- (a) A lead manager's fee of \$60,000 and 1% of the total amount raised.
- (b) An underwriting fee of 5% of the Underwritten Amount.
- (c) Placement fee of 5% on Shortfall placed by the Underwriter in excess of the Underwritten Amount, including any amount raised using the Company's capacity under Listing Rule 7.1 and 7.1A.
- (d) 2 New Options for every \$1 raised.

The Underwriter will, in the event the Underwriting Agreement is terminated in certain circumstances be entitled to a termination fee of \$30,000. The Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Offer.

The underwriting of the Offer is conditional upon the satisfaction or waiver by the Underwriter of the certain conditions ordinarily found in an agreement of this type, including that:

- (a) the Underwriter being satisfied with the due diligence investigations by the Company in relation to the Offer; and
- (b) the Company's solicitors providing the Underwriter with a legal sign off letter in relation to the due diligence investigations.

The Underwriting Agreement provides that Shortfall Shares will be allocated at the Underwriter's discretion, in conjunction with the Company.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Underwriter may determine allocation of Shortfall Shares, subject to the allocation policy set out in this Prospectus (see section 8.6);
- (b) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (c) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (d) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be

released from their obligations under it on the occurrence of certain events, including (but not limited to) where:

- (i) (Indices fall): the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (ii) (Price): the Price is greater than the volume weighted average price of Shares calculated over three trading days after the date of the Underwriting Agreement;
- (iii) (Misleading Announcement): it transpires that the Company has made a statement via the ASX that is misleading or deceptive or likely to mislead or deceive;
- (iv) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time. Material Adverse Event means:
 - (A) a material adverse effect on the outcome of the Offer or on the subsequent market for the underwritten Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in underwritten Shares); or
 - (B) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole;
- (v) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the underwritten Shares without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (vi) (Change in shareholdings): there is a material change in the major or controlling shareholdings of the Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company; or
- (vii) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, China, the United Kingdom, the United States of America or other international financial markets.

Under this Prospectus the Company offers up to 3,247,080 New Options to the Underwriter (or its nominee/s), exercisable at \$0.04 each, on or before the date that is 3 years from the date of issue and otherwise on the terms set out in section 9.2.

No funds will be raised from the issue of Lead Manager Options pursuant to the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided by the Lead Manager to the Company, pursuant to the Lead Manager Mandate and no funds will be raised from the issue.

The Lead Manager Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

8.6 Shortfall

Any New Shares not applied for under the Offer will become Shortfall Shares. The Directors reserve the right to issue any Shortfall Shares at an issue price of no less than the Price at, in conjunction with the Underwriter, their discretion within 3 months after the Closing Date (**Shortfall Offer**).

The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may apply for Shortfall Shares by making payment via BPAY in accordance with the instructions set out in the accompanying Entitlement and Acceptance Form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer for Shortfall Shares or this Prospectus to be registered.

It is possible that there may be no Shortfall Shares available for issue.

Subject to the above, the Directors reserve the right at their absolute discretion and subject to the Corporations Act and Listing Rules, to:

- (a) issue Shortfall Shares at their discretion by applying a policy of allocating Shortfall Shares in a manner that is in the Company's best interests; and
- (b) to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than that applied for.

It is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

8.7 New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares. This Prospectus has not been registered, filed or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

8.8 Treatment of Ineligible Shareholders

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations outside Australia and New Zealand, the Company has decided that it would be unreasonable to extend the Offer to Ineligible Shareholders. The Prospectus will not be sent to those Shareholders.

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

To comply with Listing Rule 7.7.1, the Company has appointed the Lead Manager to arrange for the sale of Entitlement that would have been available for Ineligible Shareholders, with the net proceeds (if any) to be paid to Ineligible Shareholders.

8.9 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in section 8.8 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder,

in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.10 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares will be issued on 1 October 2025 and normal trading of the New Shares on ASX is expected to commence on 2 October 2025.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.11 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the securities offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the securities offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the securities offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.12 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 month high	3 month low	Last market sale price
Price (\$)	\$0.024	\$0.014	\$0.018
Date	1 August 2025	8 July 2025	29 August 2025

8.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESSE statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.15 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and administering the Applicant's security holding in the Company.

By making an Application, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the Offer or Entitlement and Acceptance Form should be directed to the Prospech Limited on +61 (02) 9300 3333.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

9.1 Rights and liability attaching to Shares

Full details of the rights and liabilities attaching to the Shares are:

- (a) detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. 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.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Except as otherwise required by the Corporations Act and to the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- (i) declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- (ii) determine that a dividend is payable, fix the amount and time for payment.

(c) Future issues of securities

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

(d) Transfer of Shares

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

(e) Meetings and notices

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

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act.

(h) Election of directors

At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

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

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

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

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

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

Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.2 Terms of attaching New Options issued under the Entitlement Offer and Lead Manager Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.04 (**Exercise Price**).

(c) Expiry Date

Each Option will expire on the date that is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

Options are exercisable at the end of each calendar quarter at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificates (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

(h) Shares issued on exercise

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

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options, and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10 ADDITIONAL INFORMATION

10.1 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 Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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.

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 period from lodgement of the Company's annual financial statements of the Company for the financial year ended 31 December 2024 to 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.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information:

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

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 statements of the Company for the financial year ended 31 December 2024 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from asx.com.au.

The Company has lodged the following announcements with ASX since its 2024 annual report was lodged with ASX on 26 March 2025:

Date	Announcement
15 Aug 2025	ANSTO Minerals Contracted to Advance Korsnäs Hydrometallurgy
28 Jul 2025	Korsnäs Metallurgical Program Advanced
24 Jul 2025	Quarterly Activities/Appendix 5B Cash Flow Report
3 Jul 2025	Korsnäs REE Metallurgical Test Work Update

23 Jun 2025	Gold Detected in Zlatno Drill Core
16 Jun 2025	Change of Share Registry Address
11 Jun 2025	Ceasing to be a Substantial Shareholder
6 Jun 2025	Cleansing Notice
6 Jun 2025	Application for Quotation of Securities - PRS
29 May 2025	Successful Completion of Capital Raising
29 May 2025	Retraction of Presentation to Investors Disclosures
27 May 2025	Trading Halt
21 May 2025	Presentation to Investors
7 May 2025	Results of Annual General Meeting
7 May 2025	Presentation to Annual General Meeting
7 May 2025	Korsnäs Metallurgical Update
29 Apr 2025	Change of Director's Interest Notices
28 Apr 2025	Korsnäs REE Inferred Resource Estimate Further Information
28 Apr 2025	Quarterly Activities/Appendix 5B Cash Flow Report
22 Apr 2025	90% INCREASE IN KORSNÄS REE RESOURCE
4 Apr 2025	Notice of Annual General Meeting
26 Mar 2025	Corporate Governance Statement and Appendix 4G

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 or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration over the last 2 years as set out below.

	Annual Remuneration	Shares	Entitlement
Mr Thomas Mann	\$80,000	12,294,309	3,512,660
Mr Jason Beckton	\$180,000	7,115,743	2,033,070

Mr Peter Nightingale ¹	\$120,000	17,804,953	5,087,130
Mr John Levings	\$180,000	9,259,305	2,645,516
Mr Stephen Gemell	\$40,000	1,900,653	543,044

1 Mr Nightingale is a director and shareholder of MIS Corporate, which provides accounting services and office space to the Company for \$10,000 per month and with a 3 month notice period

Each Director has committed to taking up their Entitlement in part or full, for collectively approximately \$170,000.

The Constitution provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

(c) the Offer.

Mahe Capital has acted as Lead Manager and Underwriter to the Offer. In respect of this work, the Company will pay fees as set out in section 8.5. Mahe Capital has not received any fees for services to the Company in the 2 years prior to the date of this Prospectus

Atkinson Corporate Lawyers has acted as solicitor to the Offer. In respect of this work, the Company will pay approximately \$10,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Atkinson Corporate Lawyers has received fees for services to the Company in the 2 years prior to the date of this Prospectus of \$10,000 exclusive of GST.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Mahe Capital Pty Ltd	Lead Manager and Underwriter
Atkinson Corporate Lawyers	Lawyer

10.5 Expenses of the Offer

The total cash costs of the Offer are estimated to be between approximately \$132,561 and \$198,326, consisting of the following:

Cost	Underwritten Amount (\$)	Full Subscription (\$)
Legal fees	10,000	10,000
ASX and ASIC fees	7,561	11,914
Capital raising fees ¹	96,000	157,412

Printing, postage and other expenses	19,000	19,000
Total	132,561	198,326

1 Additionally the Lead Manager will be issued 2 New Options for every \$1 raised. The value of these Options has been estimated at \$5,460 if only the Underwritten Amount is raised and \$14,774 if the Full Subscription is raised.

10.6 Litigation

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

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 1 September 2025



.....

Signed for and on behalf of Prospech Limited

By Mr Thomas J. Mann
Chairman

12 GLOSSARY

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

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
Closing Date	the date set out in section 1.
Company or Prospech	Prospech Limited (ACN 602 043 265).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Shareholder	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
Entitlement or Right	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Ex Date	the date set out in section 1.
Existing Share	a Share issued as at 7.00pm (Sydney time) on the Record Date.
Full Subscription	\$1,623,540 before costs.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.

Lead Manager Option	means a New Option offered under this Prospectus to the Lead Manager or its nominees.
Lead Manager or Underwriter	Mahe Capital Pty Ltd (AFSL 517246)
Listing Rules	the listing rules of the ASX.
New Option	means an Option with an exercise price of \$0.04 expiring 3 years from issue and otherwise on the terms in section 9.2, and offered under this Prospectus,
New Shares	Shares issued pursuant to this Prospectus.
Offer	an offer made under this Prospectus to subscribe for New Shares.
Official List	the official list of the ASX.
Opening Date	the date set out in section 1.
Option	an option to be issued a Share.
Price	means \$0.015
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	the date set out in section 1.
Share	a fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Limited.
Shareholder	the registered holder of Shares.
Shortfall Offer	has the meaning given in section 8.6.
Shortfall Shares	New Shares for which valid Applications have not been received for Entitlement by the Closing Date.
Underwritten Amount	\$600,000
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.

13 PRO FORMA STATEMENTS OF FINANCIAL POSITION

	UNAUDITED MANAGEMENT ACCOUNTS 30 JUNE 2025	MINIMUM (UNDERWRITTEN AMOUNT) PROFORMA		FULL SUBSCRIPTION PROFORMA	
		RAISE	30 JUNE 2025	RAISE	30 JUNE 2025
	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	552,553	467,439	1,019,992	1,425,213	1,977,766
Trade and other receivables	70,861	-	70,861	-	70,861
Prepayments	61,934	-	61,934	-	61,934
TOTAL CURRENT ASSETS	685,348	467,439	1,152,787	1,425,213	2,110,561
NON-CURRENT ASSETS					
Exploration and evaluation expenditure	11,953,860	-	11,953,860	-	11,953,860
Property, plant and equipment	31,557	-	31,557	-	31,557
TOTAL NON-CURRENT ASSETS	11,985,417	-	11,985,417	-	11,985,417
TOTAL ASSETS	12,670,765	467,439	13,138,204	1,425,213	14,095,978
CURRENT LIABILITIES					
Trade and other payables	465,939	-	465,939	-	465,939
Deferred grant recognition	213,954	-	213,954	-	213,954
TOTAL CURRENT LIABILITIES	679,893	-	679,893	-	679,893
CURRENT LIABILITIES					
Deferred tax liability	172,307	-	172,307	-	172,307
TOTAL CURRENT LIABILITIES	172,307	-	172,307	-	172,307
TOTAL LIABILITIES	852,200	-	852,200	-	852,200
NET ASSETS	11,818,565	467,439	12,286,004	1,425,213	13,243,778
EQUITY					
Share capital	18,251,377	467,439	18,718,816	1,425,213	19,676,590
Reserves	2,266,491	5,460	2,271,951	14,774	2,281,265
Accumulated losses	(8,699,303)	(5,460)	(8,704,763)	(14,774)	(8,714,077)
TOTAL EQUITY	11,818,565	467,439	12,286,004	1,425,213	13,243,778