



**NELSON RESOURCES LIMITED  
ACN 127 620 482**

**PROSPECTUS**

For the offer of 1,000 New Options at an issue price of \$0.002 per New Option (**Offer**).

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Options and Options in the same class as the New Options issued by the Company prior to the Closing Date.

**Important Notice**

This document is important and should be read in its entirety (including the 'Risk Factors' in section 4) before deciding whether to apply for New Options. If, after reading this Prospectus, you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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

## Important Notices

This Prospectus is dated 26 February 2026 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus. It has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering or 'full form' prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

In accordance with the Corporations Act, no securities will be allotted or issued pursuant to this Prospectus after the expiry of 13 months from the date of this Prospectus.

## Website – Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

Other than as otherwise stated in this Prospectus, no document or information included on our website is incorporated by reference into this Prospectus.

## Foreign jurisdictions

This Prospectus is not, and is not intended to constitute, an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue.

By applying for New Options, including by submitting an Acceptance Form or making a payment an Applicant represents and warrants that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Acceptance Forms (including electronic copies) outside Australia and New Zealand may be restricted by law and persons who come into possession of these documents should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons.

## Risk factors

Potential investors should be aware that subscribing for securities in the Company involves a number of risks. The key risk factors are set out in Section 4 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Company's securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. 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. 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 in the Company or subscribe for New Options.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon as having been authorised by the Company in connection with this Prospectus.

## Statements of past performance

Past performance and any pro-forma financial information included in this Prospectus is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future financial performance or condition. Investors should note that past performance, including past Share price performance, of the Company cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including future Share price performance. The historical information included in this Prospectus is, or is based on, information that has previously been released to the market.

## Target Market Determination

In accordance with the delegation and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options under this Prospectus. The Company will only distribute the Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://nelsonresources.com.au>).

By making an Application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **Forward-looking statements**

This Prospectus may contain forward-looking statements based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except during an offer period and otherwise as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

### **Applications**

Applications for New Options offered by this Prospectus can only be made on an original Application Form accompanying this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of an Offer.

By returning an Application Form, lodging an Application Form with a stockbroker or otherwise arranging for payment of New Options in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.

### **No cooling-off period**

No cooling off rights are applicable to Applications submitted pursuant to this Offer. By submitting an Application, each Applicant acknowledges and accepts this condition.

### **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.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

### **Privacy**

Please read the privacy information located in Section 5.5 of this Prospectus. By submitting an 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**

Before making a decision about investing in the Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker, or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Entitlement, please call the Company Secretary, Nicholas Ong, on +61(8) 9486 4036 .

If you have any questions, please call the Company Secretary, Nicholas Ong, on +61(8) 9486 4036 at any time between 8.30am and 5.00pm (WST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser.

### **Website**

To view annual reports, shareholder and other information about the Company, announcements, background information on the Company's operations and historical information, visit the Company's website at <https://nelsonresources.com.au>.

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## 1. DETAILS OF THE OFFER

### 1.1 Background to the Offer of New Options

On 11 December 2025, the Company announced a placement of 541,666,667 Shares at an issue price of \$0.006 per Share to new and existing institutional and sophisticated investors (the **Placement**). The Company raised \$3.25 million (before costs) via the Placement.

Under the Placement, the Company also issued 225,694,445 Options comprised of 135,416,667 free attaching Options on the basis of one Option for every four Shares subscribed for (**Placement Options**) and 90,277,778 Options pursuant to an agreement with Euroz Hartleys Limited, the lead manager to the Placement, at an issue price of \$0.00001 each (**Lead Manager Options**).

The Placement Options, Lead Manager Options and the New Options offered under this Prospectus are exercisable at \$0.003 and expire on 4 December 2029 and are on the same terms of existing unlisted Options in the Company (ASX: NESAK) (together, the **December 2029 Options**).

The Company proposes to seek Official Quotation of all of the December 2029 Options.

Further details in respect of the proposed issue of the Lead Manager and the Placement Options are set out in the ASX announcement released to the ASX on 11 December 2025.

### 1.2 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may attach to the December 2029 Options under Chapter 6D of the Corporations Act so that, following quotation of the December 2029 Options, any on-sale of December 2029 Options does not breach section 707(3) of the Corporations Act.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
  - (i) on or after the day on which the relevant securities were issued; or
  - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for offers of securities issued by the company that are in the same class of securities as the relevant securities.

### 1.3 Details of the Offer

The Company offers for subscription 1,000 New Options at an issue price of \$0.002 per New Option under this Prospectus (**Offer**). The Offer is being extended to unrelated persons who are invited by the Company to subscribe for Options and is not open to the general public.

Any funds raised from the Offer will be applied towards the expenses of the Offer.

The issue of New Options under the Offer is conditional upon ASX granting Official Quotation to the December 2029 Options.

A summary of the rights and liabilities attaching to the December 2029 Options (which includes the New Options) is set out in section 3.1.

### 1.4 Minimum Subscription

There is no minimum subscription in respect of the Offer.

## 1.5 Opening and Closing Dates

The opening date of the Offer will be 26 February 2026 and the Closing Date will be 5.00pm WST on 20 March 2026. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

## 1.6 Application, Issue of New Options and Application Money

Only parties invited by the Directors should apply under the Offer.

An Application for New Options must be made using the Application Form and must follow the procedures advised by the Company to apply for New Options under the Offer.

The Directors reserve the right to reject any Application for New Options or to allocate any applicant fewer New Options than the number applied for as the case may be.

Where the number of New Options issued is less than the number applied for, the surplus money will be returned by cheque as soon as practicable after the Closing Date. Where no issue is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on money refunded.

All Application Money received before the New Options are issued will be held in a special purpose account. After any Application Money is refunded (if relevant) and New Options are issued to applicants, the Company will be entitled to retain the balance of funds plus all interest that accrues on the bank account and each applicant waives any right to claim that interest.

## 1.7 Details of substantial holders

The Company is of the view, after taking into account publicly available information as at the date of this Prospectus, that the following persons which (together with their associates) have a Relevant Interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Andrew Wilson	166,666,667	6.09
Daniel Smith	169,000,000	6.17
Nicholas Ong	169,000,000	6.17

**Note:**

This table assumes that no further Shares are issued from the exercise of Options or other convertible securities.

## 1.8 Effect of the Offer on the Control of the Company

There will be no effect on control as a result of the Offer.

## 1.9 Effect on Financial Position of the Company

The maximum the Company will raise under this Prospectus is \$2.00 for the 1,000 New Options offered. The estimated expenses of the Offer are as set out in section 5.3 of this Prospectus. The immediate financial effect of the Offer will be to decrease cash reserves by an amount equivalent to the estimated expense of the Offer.

## 1.10 ASX Quotation

Application will be made within seven days of the date of issue of this Prospectus for the New Options to be granted Official Quotation by ASX.

If the New Options are not quoted by ASX within three months after the date of this Prospectus, the Company will not issue any New Options and will refund all Application Money in full as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or those Options.

### 1.11 Offer Outside Australia

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 securities or the Offer or otherwise to permit an offering of the securities in any jurisdiction outside Australia.

### 1.12 Market Prices of Shares on ASX

The December 2029 Options are not currently quoted on the ASX.

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

Shares (ASX: NES)	3-month high	3-month low	Last market sale price <sup>1</sup>
Price (\$)	\$0.009	\$0.003	\$0.004
Date	4,5 & 8 December 2025	16 February 2026	24 February 2026

**Note:**

1. This is the last market sale price per Share prior to the lodgement of this Prospectus on 24 February 2026.

### 1.13 CHESS

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Options 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 Options issued to you under this Prospectus and your security holder reference number.

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

### 1.14 Taxation Implications

The Directors do not consider that it is appropriate to give advice regarding the taxation consequences of applying for New Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of applicants. Applicants should consult their own professional tax adviser in connection with the taxation implications of the Offer.

### 1.15 Enquiries

Any queries regarding the Offer should be directed to Nicholas Ong, Company Secretary at the Company on (+61) 8 9486 4036 or at [info@nelsonresources.com.au](mailto:info@nelsonresources.com.au).

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

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## 2. USE OF FUNDS AND EFFECT OF THE ISSUE

### 2.1 Use of Funds

The Company intends to use any funds raised from the Offer towards offer costs.

### 2.2 Effect of the Offer on Capital Structure

The Company has 2,738,260,995 Shares on issue as at the date of this Prospectus. This will not change as a result of the Offer.

At the date of this Prospectus, the number and class of Options on issue is as follows:

Options	Number
Options exercisable at \$0.0015 (ASX:NESAL) <sup>1</sup>	50,000,000
Options exercisable at \$0.003 (ASX:NESAK) <sup>2</sup>	1,508,666,666
Placement Options <sup>2</sup>	135,416,667
Lead Manager Options <sup>2</sup>	90,277,778
New Options <sup>1</sup>	1,000
<b>Total Options</b>	<b>1,784,362,111</b>

**Note:**

- Options expiring December 2029.
- December 2029 Options. See section 3.1 for terms.

### 2.3 Statement of Financial Position

The Company does not consider that the Offer will have a material effect on the financial position of the Company.

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## 3. RIGHTS AND LIABILITIES ATTACHING TO THE NEW OPTIONS, DECEMBER 2029 OPTIONS AND THE SHARES

### 3.1 New Options and December 2029 Options

A summary of the terms and conditions of the December 2029 Options (in this section, referred to simply as **Options** unless otherwise stated) are as follows:

- (Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (Exercise Price):** The amount payable upon exercise of each Option will be \$0.003 (**Exercise Price**).
- (Expiry Date):** Each Option will expire at 5:00pm (AWST) on 4 December 2029 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (Exercise Period):** The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (Quotation):** The Company will apply for quotation of the Options on ASX subject to meeting Listing Rule requirements.
- (Notice of Exercise):** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**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.

7. **(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**).
8. **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will, subject to paragraphs 9 and 11:
  - (a) allot and 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, if applicable, cleared funds have been received by the Company;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
9. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
10. **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
11. **(Takeovers prohibition):** The issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act.
12. **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
13. **(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.
14. **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
15. **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
16. **(Adjustment for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
17. **(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.
18. **(Adjustment for bonus issue):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.

19. **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
20. **(Amendments required by ASX)** The terms of the Options may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
21. **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.

### 3.2 Shares

The significant rights that attach to Shares under the Constitution are summarised below. This is a non-exhaustive list and does not provide a definitive statement of the rights and liabilities of Shareholders, to obtain such a statement, independent legal advice should be obtained.

The complete details of the rights attaching to Shares are set out in the Constitution, which Shareholders can review on the Company's website: <https://nelsonresources.com.au> and at the office of the Company during normal business hours.

- (a) **(General Meeting)** Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the ASX Listing Rules.
- (b) **(Voting)** Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the ASX Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative, proxy or attorney has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per Share on a poll. A person who holds an ordinary Share which is not fully paid up is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of Shares in the Company have been paid. Where there are two or more joint holders of the Share and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.
- (c) **(Issues of Further Shares)** The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.
- (d) **(Variation of Rights)** At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.
- (e) **(Transfer of Shares)** Subject to the Company's Constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, ordinary shares are freely transferable. The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of

transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act.

The Company may refuse to register a transfer of Shares in the circumstances described in the Company's Constitution and where permitted to do so under the ASX Listing Rules. If the Company declines to register a transfer, the Company must give the lodging party written notice of the refusal and may provide the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules, or a Restriction Agreement.

- (f) **(Partly Paid Shares)** The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.
- (g) **(Dividends)** Subject to the Corporations Act, the ASX Listing Rules, the Company's Constitution and the rights of any person entitled to shares with special rights to dividend, the Directors may determine that a dividend is payable. The Company in general meeting may declare a dividend if the Directors have recommended a dividend and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends. Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.
- (h) **(Winding Up)** Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.
- (i) **(Dividend Plans)** The Directors may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.
- (j) **(Directors)** The Company's Constitution states that the minimum number of Directors is three.
- (k) **(Powers of the Board)** The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the Company's Constitution.

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#### 4. RISK FACTORS

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Options. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options.

The Company's principal activity is mineral exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors which the Company believes are most important in the context of the Company's business.

The following list is not intended to be an exhaustive list of the risk factors relating to an investment in the Company and other risk factors may apply.

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.

#### **4.1 General Risks**

The New Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus, and to consult their professional advisers, before deciding whether to apply for New Options pursuant to this Prospectus.

There are specific risks which relate directly to the business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company 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.

#### **4.2 Company specific risks**

##### **(a) Dilution risks**

If Eligible Shareholders do not take up their Entitlement or only take up part of it, their shareholding will be diluted as a result of the issue of Shares under the Offer. Additionally, Ineligible Shareholders will also experience dilution from the Offer.

Further, in the future, the Company may elect to issue Shares to engage in fundraisings including to fund acquisitions that the Group may decide to make or to fund its future strategies in general. While the Company will be subject to the constraints of ASX Listing Rules regarding the percentage of capital it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues of Shares and fundraisings.

If the New Options are exercised before the Expiry Date, the Company will issue Shares to the holders of the New Options as set out in this Prospectus. If some or all of the New Options are exercised into Shares, existing Shareholders may have their holding in the Company diluted by the corresponding amount of Shares issued by the Company.

##### **(b) Exercise of Options**

If the New Options are exercised, there is no guarantee that Shares issued on the exercise of those Options will trade above the exercise price paid for those Shares.

##### **(c) Title risk**

The licences and other mining tenements in which the Company will or may acquire an interest in the future are subject to the applicable local laws and regulations.

Tenements in which the Company has an interest are subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the licenses or mining tenements liable for forfeiture.

The licences and other mining tenements will be subject to application for tenement renewal from time to time. Renewal of the term of each tenement is subject to applicable legislation. If the tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

(d) **Native Title**

In relation to the Company's projects or any mineral tenements that the Company may in the future acquire an interest in, there may be areas over which legitimate common law Native Title rights exist. Where such Native Title rights do exist, the ability of the Company to gain access to such tenements (through obtaining consent of any relevant Native Title holders) or to progress from the exploration phase to any development and mining phase of operations may be adversely affected.

As at the date of the Prospectus, a number of the tenements are subject to Native Title determinations and others are subject to a Native Title claim.

The grant of any future tenure to the Company over areas that are covered by registered Native Title claims or determinations will require engagement with the relevant claimants or Native Title holders (as relevant) in accordance with the *Native Title Act 1993* (Cth) and Part 9B of the *Mining Act 1971* (SA).

(e) **Aboriginal Heritage**

In relation to the Company's projects or any mineral tenements that the Company may in the future acquire an interest in, there may be areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally.

The Company is required to protect Aboriginal Heritage in accordance with the *Aboriginal Heritage Act 1988* (SA). Prior to commencing ground disturbing activities, including mining, the Company will need to consult with local traditional owners regarding the likely impact that the proposed activities may have on such areas.

There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities including ultimately commencing mining operations.

(f) **Government regulation**

The Company's operating activities are subject to laws and regulations governing exploration of property, health and worker safety, employment standards, waste disposal, protection of the environment, land and water use, prospecting, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Company understands that it is currently in compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or other activities and could result in material fines, penalties or other liabilities.

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of

exploration and mine permitting in may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(g) **Access arrangements**

The Company may need to seek various federal, state or local permits and approvals to undertake exploration or mining activities on its projects. This could result in unforeseen delay in the undertaking of such activities.

(h) **Contractual risks**

The ability of the Company to achieve its objectives will depend on the performance by the counterparties to any agreements that the Company may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain contracts to which the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

(i) **Fluctuations in commodity prices**

The price of commodities fluctuate widely and are affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of commodities by producers and speculators as well as other global or regional political, social or economic events. Future significant price declines in the market value of these commodities could cause the continued development of, and eventually the commercial production from, the Company's projects to be rendered uneconomic. Depending on the price of these commodities the Company could be forced to discontinue exploration, production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of any commodity is produced, a profitable market will exist for them.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j) **Compliance risk**

Title to a mineral tenement may be subject to the holder complying with the terms and conditions of the tenement, including any minimum annual expenditure commitments. There is a risk that if the holder does not comply with the terms and conditions of each tenement, it may lose its relevant interest or be subject to fines or other variations to the terms and conditions to its mining tenements.

(k) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, other resource projects.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time the funding allocated to current projects and new projects, which may result in the Company reallocating funds from current projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(l) **Future capital requirements**

The Company believes its available cash should be adequate to fund its exploration and corporate activities and other Company objectives in the short-to medium-term.

However, in order to successfully develop its projects and for production to commence, the Company may require additional financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained as and when required, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company.

### **4.3 Mining industry risks**

(a) **Exploration and evaluation risks**

Mineral exploration and development are inherently high-risk undertakings. The mining tenements of the Company are at various stages of exploration.

The success of the Company depends on the delineation of economically mineable reserves and resources, 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 approval necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may not be as successful resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

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 the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of a project.

(d) **Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licences or clearances from the relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) **Development risks and costs**

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks including, but not limited to, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, failure to withstand legal challenges to Federal and state agency permit approvals, unseasonal weather patterns, excessive seasonal weather patterns, fire, flooding, unanticipated challenges related to background conditions or area soil or water quality, access and utilities, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the exploration and pre-development federal and state approvals prior to construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control, including but not limited to federal and state agency approvals being subject to administrative and judicial appeals. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete resource delineation, project development and commence operations.

(f) **Operating risks**

There can be no assurance that the Company's intended goals will lead to successful exploration, mining and/or production operations. Further, no assurance can be given that the Company will be able to initiate or sustain minerals production, or that future operations will achieve commercial viability.

When additional exploration is undertaken and if a JORC compliant resource or reserve is not defined, then it may have a negative impact on the Company.

Future operations of the Company may be affected by various factors including:

- (i) geological and hydrogeological conditions;
- (ii) limitations on activities due to seasonal weather patterns and monsoon activity;

- (iii) delays associated with the obtaining of permits and approvals to undertake exploration activity;
- (iv) delays associated with obtaining or failure to negotiate native title, heritage or aboriginal access agreements and delays associated with compliance with heritage laws and regulations;
- (v) unanticipated operational and technical difficulties encountered in survey, drilling and production activities;
- (vi) electrical and/or mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) equipment failure, fires, spills or industrial and environmental accidents;
- (viii) unavailability of aircraft or equipment to undertake airborne surveys and other geological and geophysical investigations;
- (ix) risk that exploration, appraisal, development, plant or operating costs prove to be greater than expected or that the proposed timing of exploration, development or production may not be achieved;
- (x) failure to achieve exploration success;
- (xi) the supply and cost of skilled labour;
- (xii) unexpected shortages or increases in the costs of consumables, diesel fuel, spare parts, plant and equipment; and
- (xiii) prevention and restriction of access by reason of political unrest, outbreak of hostilities and inability to obtain consents or approvals.

No assurances can be given that the Company's operations will achieve commercial viability through successful exploration and/or mining.

(b) **Environmental risks**

Exploration and mining activities on tenements are subject to laws and regulations regarding environmental impact matters and the discharge or emission of wastes and materials to the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly during advanced exploration and future mining activities. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration, development and production. The occurrence of any such safety or environmental incident could delay production or increase costs. Events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental laws, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge and air emissions discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous, which could delay the Company's activities and make its operations more expensive.

(c) **Occupational health and safety**

The exploration and mining industry is subject to increasing occupational health and safety responsibility and liability. The Company may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be

significant and victims of workplace accidents may also commence civil proceedings against the Company. These events may not be insured, or may be uninsurable.

Changes to health and safety laws and regulations may also increase compliance costs for the Company, which would negatively impact the financial results of the Company.

(d) **Government regulation**

The mining, processing, development and mineral exploration activities of the Company are subject to various Federal and state laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use authorisations, water use protection of water quality, sensitive, threatened and endangered species and cultural resources and other matters. Although the Company's activities are and will be currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new statutes, regulations, executive orders, agency directives or policies or judicial decisions will not be adopted or that existing statutes, regulations or policies will not be applied in a manner which could limit exploration efforts or preclude or curtail future development or production. Amendments to current laws and regulations governing exploration and operations or more stringent implementation thereof could have a substantial adverse impact on the Company's ability to further delineate and develop the resource.

(e) **Inherent mining risks**

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for, and the development of, mineral deposits involves significant risks, including environmental hazards; industrial accidents; metallurgical and other processing problems; unusual or unexpected rock formations; structure cave-in or slides; flooding; fires and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development.

(f) **Climate risk**

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

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to air quality emissions and/or climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavor to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences;
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates; and

- (iii) climate change has been a key factor in increasing the risk and extent of wildfires. Wildfire risk depends on a number of factors, including temperature, soil moisture, and the presence of trees, shrubs, and other potential fuel. In addition to damaging properties, wildfire can also cut off access to utilities, emergency services, impact evacuation routes, and may impact the overall economic well-being of an area. Wildfires, can also impact access to the affected areas and delay planned exploration programs.

#### **4.4 General investment risks**

- (a) **General economic conditions**

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

- (b) **Reliance on key management personnel**

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

- (c) **Insurance and uninsured risks**

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

- (d) **Competition risk**

The industry in which the Company will be involved is subject to global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. The potential also exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

- (e) **Market risk**

There are general risks associated with an investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company

- (f) **Access to services**

Given the high levels of activity in the resources industry currently, the Company may potentially face delays in procuring services to undertake exploration and

related activities at its key projects. These services include but are not limited to access to drill rigs and drilling crew.

(g) **Litigation risk**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, land access disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation or aware of any circumstances that may give rise to a claim against the Company.

(h) **Taxation in respect of securities**

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

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

The application of and changes in relevant taxation laws (including income tax, goods and services taxes (or equivalent) and stamp duties), or changes in the way taxation laws are interpreted, may impact the Company's and/or its subsidiaries' tax/duty liabilities and financial performance or the tax/duty treatment of a shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax/duty paid or payable by the Company or its subsidiaries. Both the level and basis of tax may change. Any changes to the current rate of company income tax and/or any changes in tax rules and tax arrangements may have an adverse impact on the Company's financial performance, may increase the amount of tax paid or payable by the Company or its subsidiaries, may also impact shareholder returns and could also have an adverse impact on the level of dividend franking/conduit foreign income and shareholder returns.

(i) **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(j) **Infectious diseases**

The Company's Share price may be adversely affected by the economic uncertainty caused by infectious diseases such as COVID-19. Further measures to limit the transmission of the virus or other infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and could interrupt the Company's ability to access capital.

(k) **Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.

(l) **Conflicts in Ukraine and the Middle East**

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, it should be noted that the current conflicts in Ukraine and the Middle East are impacting global macroeconomics and markets generally. The nature and extent of the effect of these conflicts on the performance of the Company and the value of its Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflicts in Ukraine and the Middle East and overall impacts on global macroeconomics. Given both situations are continually evolving, the outcomes and consequences are inevitably uncertain.

(m) **Cyber risks and security breaches**

The Company stores data in its own systems and networks and also with a variety of third-party service providers. A malicious attack on the Company's systems, processes or people, from external or internal sources, could put the integrity and privacy of data and business systems at risk. It could also put its users' premises at risk and could lead to unauthorised disclosure of data.

(n) **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's Securities.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares and New Options pursuant to this Prospectus.

#### **4.5 Other risks**

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts and other matters that may interfere with the Company's business or trade.

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## **5. ADDITIONAL INFORMATION**

### **5.1 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 Options which will be issued pursuant to this Prospectus are in the same class as Options 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 three months prior to the date of the prospectus, and options over such continuously quoted securities. In general terms, "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of the New Options on the Company and the rights attaching to the New Options. 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 12 months before the issue of this Prospectus, which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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 most recent annual financial statements of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half year report of the Company lodged with ASIC after the lodgement of the annual financial report in (i) above and before the lodgement of this Prospectus; and
  - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules, as referred to in section 674(1) of the Corporations Act.

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

The Company has lodged the following announcements with ASX since the lodgement of the Company's Annual Report, which contains the financial report for the year ended 30 June 2025:

<b>Date</b>	<b>Description of Announcement</b>
23/02/2026	Change of Address
23/02/2026	Renowned USGS Gold Expert Dr David John Appointed as Advisor
19/02/2026	Results of General Meeting
18/02/2026	High-Grade Au-Bearing Sheeted Veins Identified at Gold Point
29/01/2026	Quarterly Activities and Cashflow Report
22/01/2026	High-Grade Gold and Silver Assays Returned at Gold Point
21/01/2026	Drilling Contractor Appointed for Approved PoW at Yarri
13/01/2026	Letter to Shareholders - General Meeting
13/01/2026	Notice of General Meeting
9/01/2026	Update - Proposed issue of securities - NES

Date	Description of Announcement
9/01/2026	Update to Project Acquisition
8/01/2026	Appointment of Exploration Manager
23/12/2025	Ceasing to be a substantial holder
23/12/2025	Change in substantial holding - Wilson
23/12/2025	Ceasing to be a substantial holder
19/12/2025	Change in substantial holding - Ong
19/12/2025	Change in substantial holding - Smith
19/12/2025	Cleansing Notice
19/12/2025	Application for quotation of securities - NES
12/12/2025	Corporate Presentation
11/12/2025	Proposed issue of securities - NES
11/12/2025	Proposed issue of securities - NES
11/12/2025	Proposed issue of securities - NES
11/12/2025	Acquisition of High-Grade Gold-Silver Project Nevada USA
9/12/2025	Trading Halt
9/12/2025	Pause in trading
1/12/2025	Program of Work Approved for the Yarri Gold Project
26/11/2025	Results of Annual General Meeting
29/10/2025	Quarterly Activities and Cashflow Report
28/10/2025	Drilling at Yarri to commence on receipt of approved POW
22/10/2025	Letter to Shareholders - AGM
22/10/2025	Notice of Annual General Meeting
10/10/2025	Issue of Shares and Cleansing Notice
10/10/2025	Application for quotation of securities - NES
8/10/2025	Proposed Quotation of Unlisted Options
6/10/2025	Issue of Shares and Cleansing Notice
6/10/2025	Application for quotation of securities - NES
1/10/2025	Nelson partners with MEGA to advance the Yarri Gold Project

Date	Description of Announcement
1/10/2025	Response to ASX Price and Volume Query
30/09/2025	Trading Halt
30/09/2025	Pause in Trading
26/09/2025	Re-assay Results for Yarri Project confirms High-Grade Gold
25/09/2025	Appendix 4G and Corporate Governance Statement

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

## 5.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Options pursuant to this Prospectus; or
- (c) the offer of New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Options or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or offer of New Options pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the date of this Prospectus are:

Director	Shares	Options <sup>1</sup>	Performance Rights <sup>2</sup>
Gernot Abl	133,333,333	133,333,333	60,000,000
Dr Louis Bucci	Nil	Nil	75,000,000
Dan Smith	169,000,000	132,500,000	60,000,000

### Notes

1 December 2029 Options

2 Shareholder approved the issue of Performance Rights to Messrs Abl, Bucci and Smith at a general meeting held on 18 February 2026. As of the date of this Prospectus, these Performance Rights are yet to be issued and is intended to be issued at or around the same time as the Placement Options and Lead Manager Options.

The Directors may be paid such remuneration as is from time to time determined by the Company in general meeting and all travelling, hotel and other expenses properly incurred by them in attending at and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise in connection with the business of the Company. The Directors' remuneration is deemed to accrue from day to day and the remuneration (other than a managing director or other executive director) shall be a fixed sum and not a commission or calculated on a percentage of profits or turnover.

A Director may be paid a fee or other amounts (i.e. non-cash performance incentives such as options, subject to any necessary Shareholder approval) as the other Directors determine

where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

The Directors' remuneration for the past two financial years and the proposed remuneration for the current financial year, is set out in the table below:

Director		Salary & fees (incl. super)	Performance Rights <sup>1</sup>	Options	Total
Gernot Abl	2026 <sup>2</sup>	\$80,640	\$174,696	Nil	\$255,336
	2025	\$56,325	Nil	Nil	\$56,325
	2024	Nil	Nil	Nil	Nil
Dr Louis Bucci	2026 <sup>2</sup>	\$180,000	\$197,196	Nil	\$377,196
	2025	\$105,000	Nil	Nil	\$105,000
	2024	Nil	Nil	Nil	Nil
Dan Smith	2026 <sup>2</sup>	\$48,000	\$174,696	Nil	\$222,696
	2025	\$47,774	Nil	Nil	\$47,774
	2024	\$36,000	Nil	Nil	\$36,000

Notes:

- 1 Shareholder approved the issue of Performance Rights to Messrs Abl, Bucci and Smith at a general meeting held on 18 February 2026. As of the date of this Prospectus, these Performance Rights are yet to be issued and is intended to be issued at or around the same time as the Placement Options and Lead Manager Options.
- 2 FY2026 year to date.

### 5.3 Estimated Expenses of the Offer

The estimated expense of the Offer is approximately \$12,500, including ASIC, ASX and legal costs.

### 5.4 Litigation

The Company is not currently involved in any material legal proceedings.

### 5.5 Privacy Act

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

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

## **5.6 Electronic Prospectus**

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9486 4036 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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

## **5.7 Directors' Consent**

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

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to be 'Louis Bucci', written in a cursive style.

Louis Bucci

Executive Director

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## 6. GLOSSARY

<b>A\$, \$ and dollars</b>	Australian dollars, unless otherwise stated.
<b>Application</b>	An application for New Options pursuant to the Application Form.
<b>Application Form</b>	The application form attached to or accompanying this Prospectus.
<b>Application Money</b>	The money received in respect of an Application.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 98 008 624 691) or the market operated by that entity, as the context requires.
<b>ASX Listing Rules</b>	Means the listing rules of the ASX.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ACN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	The settlement rules of ASX Settlement.
<b>Board</b>	The Board of Directors.
<b>CHESS</b>	ASX Clearing House Electronic Sub-register System.
<b>Closing Date</b>	5pm WST on 20 March 2026 or such other date as may be determined by the Directors under this Prospectus.
<b>Company</b>	Nelson Resources Limited (ACN 127 620 482).
<b>Constitution</b>	The constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>December 2029 Options</b>	Has the meaning given to it in section 1.1.
<b>Director</b>	A Director of the Company at the date of this Prospectus and <b>Directors</b> has a corresponding meaning.
<b>Lead Manager</b>	Euroz Hartleys Limited ACN 104 195 057 AFSL 230052.
<b>Lead Manager Options</b>	Has the meaning given to it in section 1.1.
<b>Listing Rules</b>	The official listing rules of the ASX.
<b>New Option</b>	An Option in the capital of the Company to be issued under this Prospectus.
<b>Offer</b>	Means the offer described in section 1.3.
<b>Opening Date</b>	26 February 2026.
<b>Official Quotation</b>	Official quotation on ASX.
<b>Option</b>	An option to acquire a Share in the Company.
<b>Optionholder</b>	The holder of an Option in the Company.
<b>Placement</b>	Has the meaning given to it in section 1.1.

<b>Placement Options</b>	Has the meaning given to it in section 1.1.
<b>Prospectus</b>	The prospectus constituted by this document.
<b>Relevant Interest</b>	Has the same meaning as in the Corporations Act.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	The holder of a Share.
<b>TMD</b>	Target Market Determination.
<b>WST</b>	Australian Western Standard Time.

## CORPORATE DIRECTORY

### Directors

Gernot Abl, Non-Executive Chairman  
Dr Louis Bucci, Executive Director  
Dan Smith, Non-Executive Director

### Company Secretary

Nicholas Ong

### Solicitors to the Offer

Allion Partners Pty Ltd  
Level 9, 200 St Georges Terrace  
Perth WA 6000

### Registered Office

Level 8, 99 St Georges Terrace  
Perth WA 6000  
Telephone: (+61) (8) 9486 4036  
Email: [info@nelsonresources.com.au](mailto:info@nelsonresources.com.au)  
Website: <https://nelsonresources.com.au>

### Share Registry\*

Automatic Group  
Level 5, 191 St Georges Terrace  
Perth WA 6000

### Auditor\*

Criterion Audit Pty Ltd  
Suite 2, 642 Newcastle Street  
Leederville WA 6007

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