



Indiana Resources Limited

(ACN 009 129 560)

Entitlement Issue Prospectus

For a non-renounceable entitlement issue of one (1) New Share for every twenty (20) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.04 per New Share to raise up to \$1,007,410 (before costs) (**Offer**).

The Offer closes at 5:00pm (AWST) on Friday, 19 May 2023.

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The Shares offered by this Prospectus should be considered speculative.

Corporate Directory

Directors

Ms Bronwyn Barnes
Executive Chairman

Mr Bob Adam
Non-Executive Director

Mr David Ward
Non-Executive Director

Company Secretary

Ms Kate Stoney

Registered Office

Suite 3, 339 Cambridge Street
Wembley WA 6014

Telephone: +61 (0) 8 6241 1870

Website: www.indianaresources.com.au

ASX Code

IDA

Share Registry*

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

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditor*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 27 April 2023 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX for the quotation of the Shares the subject of this Prospectus in accordance with the timetable set out at the commencement of this 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. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities or options to acquire continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The Shares to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to Section 3 for details of certain risk factors which are considered to be relevant for the purposes of the Offer. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at www.indianaresources.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

Shares will not be issued pursuant to this Prospectus in jurisdictions outside Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

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

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

RISK FACTORS

Refer to Section 3 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 3 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 3 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Shares offered for subscription under this Prospectus. Investors should consider the risk factors described in Section 3, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for Shares.

INDICATIVE TIMETABLE AND IMPORTANT DATES

| EVENT | DATE |
|--|-------------------------|
| Announcement of Offer and lodgement of Appendix 3B with ASX | Thursday, 27 April 2023 |
| Lodgement of Prospectus with ASIC and ASX | Thursday, 27 April 2023 |
| Ex date | Monday, 1 May 2023 |
| Record Date for determining Entitlements | Tuesday, 2 May 2023 |
| Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has been completed. Notice also sent to Ineligible Shareholders. | Friday, 5 May 2023 |
| Opening date of the Offer | Friday, 5 May 2023 |
| Last day to extend Closing Date of the Offer | Tuesday, 16 May 2023 |
| Closing Date of Offers (5:00pm WST)* | Friday, 19 May 2023 |
| Securities quoted on a deferred settlement basis | Monday, 22 May 2023 |
| Announcement of results of the Offer | Friday, 26 May 2023 |
| Last day for the Company to issue Shares under the Offer and lodge an Appendix 2A | Friday, 26 May 2023 |
| Deferred settlement trading ends | Friday, 26 May 2023 |
| Commencement of trading of Shares on ASX* | Monday, 29 May 2023 |

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

1. DETAILS OF THE OFFER

1.1 Offer

The Company is making a pro-rata non-renounceable entitlement issue (**Offer**) comprised of new fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of one (1) New Share for every twenty (20) existing Shares held, at an issue price of \$0.04 per New Share. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no Shares are issued prior to the Record Date), approximately 25,185,240 New Shares will be issued pursuant to the Offer to raise up to approximately \$1,007,410 (before costs).

As at the date of this Prospectus, the Company has 42,150,000 Options on issue, all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 2.4 for information on the exercise price and expiry date the Options on issue.

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

Details of the purpose and effect of the Offer and the proposed use of funds raised are set out in Section 2.

Please refer to Section 1.4 for details on how to apply for New Shares under the Offer.

1.2 Minimum Subscription

There is no minimum subscription under the Offer.

1.3 Opening and Closing Dates

The Offer will open for receipt of acceptances on **Friday, 5 May 2023**.

The Offer will close at **5:00pm AWST on Friday, 19 May 2023**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.4 How to Accept the Offer

Your acceptance of any New Shares under the Offer must be made by following the instructions on the online Entitlement and Acceptance Form available at one of the links set out below and paying the application monies electronically by BPAY or EFT in accordance with the instructions set out in the Entitlement and Acceptance Form. You will need to provide your SRN or HIN, partial name and postcode to access the online application system.

(a) How to access the Entitlement and Acceptance Form

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed along with the prospectus at the offer website www.computersharecas.com.au/idaoffer from the offer open date.

(b) **What Eligible Shareholders may do**

The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (i) if you wish to accept your **full** Entitlement:
 - (A) take up all of your Entitlement in accordance with the instructions on the Entitlement and Acceptance Form available at www.computersharecas.com.au/idaoffer; and
 - (B) pay the application monies for the amount indicated on your Entitlement and Acceptance Form (in full) by BPAY, so that it is received by no later than 5:00pm WST on the Closing Date; or
- (ii) if you only wish to accept **part** of your Entitlement:
 - (A) pay the appropriate application monies for the number of New Shares you wish to accept, by BPAY so that is received no later than 5:00pm WST on the Closing Date; or
- (iii) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

(c) **Payment options**

- (i) BPAY®

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

- (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; and
- (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 New Shares which is covered in full by your application monies.

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

It is your responsibility to ensure that your payment of application monies is received by the share registry by no later than 5:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with

regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of New Shares will be refunded. No interest will be paid on any application monies received or refunded.

1.5 Shortfall

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer (**Shortfall Shares**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date of the Offer.

The issue price for the Shortfall Shares shall be \$0.04, being the price at which New Shares have been offered under the Offer.

The Directors will allocate Shortfall Shares to Eligible Shareholders and third-party investors at their absolute discretion whilst having regard to the following factors:

- (a) the need to recognise the ongoing support of the Company's existing Shareholders;
- (b) identifying new potential long-term or cornerstone investors;
- (c) ensuring an appropriate Shareholder base for the Company; and
- (d) ensuring compliance with applicable laws.

No Shortfall Shares will be allocated or issued to any related party of the Company (including Directors and their Associates) or to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

Shortfall Application Forms will be issued to prospective Applicants as designated by the Directors, who may apply for Shortfall Shares by following the instructions set out on the Shortfall Application Form and paying the appropriate Application Monies. Eligible Shareholders who wish to accept their Entitlement and who are invited by the Directors to apply for Shortfall Shares must complete both an Entitlement and Acceptance Form to accept their Entitlement and a Shortfall Application Form to apply for Shortfall Shares.

The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject or scale back an Application for Shortfall Shares, or to not proceed with placing the Shortfall Shares. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act. The Company has no liability to any Applicant who receives less than the number of Shortfall Shares they applied for under the Shortfall Offer.

1.6 Non-renounceable

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

1.7 Underwriting

The Offer is not underwritten.

1.8 Lead Manager

There is no lead manager to the Offer.

1.9 ASX Listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

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

1.10 Issue of Shares

The Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded without interest to the Applicant as soon as practicable.

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

Holding statements for the Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

1.11 CHESS and Issuer Sponsorship

The Company is a participant in Clearing House Electronic Sub-Register System (**CHESS**), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.12 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 3 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company,

investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.13 Overseas Shareholders

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

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

New Zealand

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the *Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

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

Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.14 Representations

The return of the Application Form or otherwise applying for Shares under the Offer (or Shortfall Offer) will be taken by the Company to constitute a representation by the Applicant that it:

- (a) has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- (b) agrees to be bound by the terms of this Prospectus and the Constitution;
- (c) has obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 1.13 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of securities under the applicable Offer;
- (d) declares that all details and statements in the Application Form are complete and accurate;
- (e) declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;

- (f) acknowledges that once the Application Form is returned or payment is made its acceptance may not be varied or withdrawn;
- (g) agrees to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);
- (h) authorises the Company to register it as the holder(s) of the Shares issued to it under the applicable Offer;
- (i) acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the New Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- (j) authorises the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the share registry using the contact details in the Application Form.

1.15 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the securities of the Company.

1.16 Privacy Disclosure

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, 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 securities 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 share 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 such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

1.17 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company Secretary on +61 (0) 8 6241 1870 from 8:30am to 5:00pm (AWST), Monday to Friday.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,007,410 (before costs). The funds raised from the Offer are intended to be used in accordance with the table set out below:

| Item | Amount (\$) | Proportion (%) |
|------------------------------------|--------------------|----------------|
| Exploration activities | \$689,733 | 68.5% |
| Working capital ¹ | \$295,601 | 29.3% |
| Expenses of the Offer ² | \$22,076 | 2.2% |
| Total | \$1,007,410 | 100% |

Notes:

1. Funds allocated to working capital will be used for administration costs and corporate overheads, including director fees, ASX listing fees and fees for service providers.
2. Refer to Section 5.9 of this Prospectus for details regarding the estimated expenses of the Offer.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

2.2 Effect of the Offer

The principal effect of the Offer, assuming all Shares offered under the Prospectus are issued, will be to:

- (a) increase cash reserves by approximately \$935,334 (after deducting estimated cash expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 503,704,819 as at the date of this Prospectus to 528,890,059 Shares.

A Summary of the Shares the Company will have on issue after the Offer is outlined in Section 2.4.

2.3 Pro-forma statement of financial position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the reviewed statement of financial position of the Company as at 31 December 2022 and on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

The unaudited pro-forma statement of financial position has been prepared for illustrative purposes only and gives effect to the transactions described in the notes to the pro-forma statement of financial position and the assumptions described therein as if they had occurred as of 31 December 2022. The historical and pro-forma financial information is presented in abbreviated form, insofar as it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

2.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Shares offered under the Prospectus are issued (ignoring the effects of rounding of fractional Entitlements, and assuming no further Shares are issued prior to the Record Date), is set out below.

| Security | Number |
|---|--------------------|
| Shares¹ | |
| Shares on issue as at the date of this Prospectus | 503,704,819 |
| New Shares to be issued pursuant to the Offer ² | 25,185,240 |
| Total Shares on issue on completion of the Offer | 528,890,059 |
| Options | |
| Options on issue as at the date of this Prospectus ³ | 42,150,000 |
| Total Options on issue on completion of the Offer | 42,150,000 |

Notes:

1. The rights and liabilities attaching to the existing Shares and New Shares are summarised in Section 4.1.
2. Based on the capital structure of the Company as at the date of this Prospectus (assuming no existing Options are exercised prior to the Record Date), a maximum of 25,185,240 New Shares may be issued under the Offer to raise up to approximately \$1,007,410 (before costs).
3. Comprising:
 - (a) 7,000,000 unlisted Options exercisable at \$0.10 and expiring on 22 December 2024;
 - (b) 2,000,000 unlisted Options exercisable at \$0.15 and expiring on 22 December 2025;
 - (c) 1,000,000 unlisted Options exercisable at \$0.00 and expiring on 22 December 2024;
 - (d) 1,000,000 unlisted Options exercisable at \$0.00 and expiring on 22 December 2025;
 - (e) 1,000,000 unlisted Options exercisable at \$0.00 and expiring on 22 December 2026;
 - (f) 3,500,000 unlisted Options exercisable at \$0.06 and expiring on 1 December 2023;
 - (g) 800,000 unlisted Options exercisable at \$0.09 and expiring on 16 August 2023;
 - (h) 800,000 unlisted Options exercisable at \$0.12 and expiring on 16 August 2023;
 - (i) 4,000,000 unlisted Options exercisable at \$0.08 and expiring on 28 June 2024;
 - (j) 5,000,000 unlisted Options exercisable at \$0.07 and expiring on 5 October 2023;
 - (k) 11,000,000 unlisted Options exercisable at \$0.08 and expiring on 22 April 2024;
 - (l) 1,500,000 unlisted Options exercisable at \$0.00 and expiring on 12 August 2023;
 - (m) 550,000 unlisted Options exercisable at \$0.08 and expiring on 1 October 2023; and
 - (n) 3,000,000 unlisted Options exercisable at \$0.03 and expiring on 1 October 2023.

2.5 Effect on control of the Company

Based on current shareholdings and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further, as set out in Section 1.5, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Share on issue on completion of the Offer.

2.6 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 4.76% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below (assuming no Options are exercised, or Performance Rights converted into Shares prior to the Record Date):

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 50,000,000 | 9.93% | 2,500,000 | 50,000,000 | 9.45% |
| Shareholder 2 | 25,000,000 | 4.96% | 1,250,000 | 25,000,000 | 4.73% |
| Shareholder 3 | 10,000,000 | 1.99% | 500,000 | 10,000,000 | 1.89% |
| Shareholder 4 | 5,000,000 | 0.99% | 250,000 | 5,000,000 | 0.95% |
| Shareholder 5 | 1,000,000 | 0.20% | 50,000 | 1,000,000 | 0.19% |

Notes: The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlements would be a lesser percentage. Percentages post-Offer have been calculated on the basis of there being 528,909,059 Shares on issue on completion of the Offer. Refer to Section 2.4 for further details of the Company's capital structure.

2.7 Details of substantial holders

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

| Shareholder | Shares | % |
|----------------|------------|------|
| Peter Koller | 45,018,963 | 8.94 |
| Bronwyn Barnes | 32,414,787 | 6.44 |

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

3. RISK FACTORS

3.1 Introduction

The New Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their entitlement to Shares, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Shares will trade (subject to satisfying ASX of the quotation requirements).

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the Shares.

3.2 Company-specific Risks

(a) Potential for Dilution

Upon implementation of the Offer, assuming none of the Company's existing Options are exercised prior to the Record Date and all Entitlements are accepted, the number of Shares will increase from 503,704,819 currently on issue to 528,890,059. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer and the Directors do not make any representation as to such matter.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.047 is not a reliable indicator as to the potential trading price of Shares and New Shares after implementation of the Offer.

(b) Future Capital Requirements and Going Concern Risk

The Company's interim financial report for the half-year ended 31 December 2022 includes a note on the financial condition of the Company and the existence of a material uncertainty about the Company's ability to continue as the going concern.

Notwithstanding the 'going concern' paragraph included in the interim financial report, the Directors believe that the Company has sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company.

The following actions (either singularly or in combination) have been considered by the Board as factors that will enable the Company to continue as a going concern:

- (i) the Company has been successful in raising capital whenever it has approached the markets in the past, and the Directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required;

- (ii) the ability of the Company to further scale back certain parts of their activities that are non-essential so as to preserve cash;
- (iii) Directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.

(c) **Exploration and Evaluation Risks**

By its nature, the business of mineral exploration, mine development, mine production and potential ore processing undertaken by the Company at its exploration projects or future projects, contains risks. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, favourable commodity prices, securing and maintaining title to the Company's exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

(d) **Environmental Risks**

The operations and activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company conducts its activities in compliance with all environmental laws. The Company is not aware of any non-compliance at this point in time.

(e) **Title Risks**

The Company's interests in its tenements are governed by state legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in tenements, if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(f) **Legal Risks**

As detailed in Section 5.4 of the Prospectus below, subsidiaries of the Company are parties to the below legal matters:

- (i) Arbitration proceedings against the Government of Tanzania in the International Centre for Settlement of Investments Disputes ("ICSID"), seeking compensation for the illegal expropriation of the Company's Ntaka Hill Nickel Project; and
- (ii) Arbitration proceedings against Loricatus Resource Investments ("LRI") in the Australian Central for International Commercial Arbitration ("ACICA"), seeking confirmation that LRI is not entitled to be issued additional shares in a joint venture entity in which the Company is the majority shareholder and LRI is a minority shareholder.

With regard to the ICSID arbitration proceedings, there is a risk that the ICSID tribunal will not fully compensate the Company for the illegal expropriation of its asset, or will award no compensation to the Company. Although awards made by the ICSID

tribunal are enforceable in all 158 member states which have ratified the ICSID Convention, there is additionally a risk that any compensation awarded to the Company will not be recovered in a timely manner, or that the Company will incur unexpected costs in recovering any compensation awarded by ICSID.

With regard to the ACICA arbitration proceedings, there is a risk that the ACICA tribunal will determine that LRI is entitled to be issued additional shares in the JV entity, in which the Company currently holds a 70% stake and LRI currently holds a 30% stake. The effect of this ruling would be that the Company's stake in the JV entity remains at 70%, rather than increasing to 85% if LRI is determined to not be entitled to be issued additional shares.

(g) Regulatory Risks

The Company's exploration and any future development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits 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 materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(h) Legislative Changes and Government Policy Risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity and ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

(i) Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(j) Occupational Health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining and exploration activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information, and training to all stakeholders through its occupational, health and safety management systems.

(k) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies, or resource projects. Any such future transactions would be accompanied by the risks commonly associated with making acquisitions of companies, products, technologies, or resource projects.

(l) **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 or quarantine restrictions.

3.3 General risks

(a) **Economic**

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

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

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

(b) **Market conditions**

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

(c) **Dividends**

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

(d) **Security Investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations

that have often been unrelated to the operating performances of such companies. These factors may materially affect the market prices of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative activities that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design, and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

(e) **Reliance on key personnel**

The Company is dependent on its management and technical personnel, the loss of whose services could materially and adversely affect the Company and impede the achievements of its business objectives.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

(f) **Coronavirus (COVID-19)**

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

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. With the situation continually evolving, the consequences are therefore inevitably uncertain at this point in time. If any of COVID-19 impacts appear material prior to the close of the Offer, the Company will inform investors under a supplementary Prospectus.

3.4 Speculative investment

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 New Shares offered under this Prospectus.

Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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 Shares pursuant to this Prospectus.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The New Shares offered under the Offer will rank equally in all respects with existing Shares on issue.

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

- (a) set out in the Constitution, a copy of which can be inspected during office hours at the Company's registered office during the Offer period; 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 attaching to the Shares. This summary is not exhaustive and does not constitute a definite statement of the rights and liabilities of the Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) **General meetings**

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

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

(b) **Voting rights**

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

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

(c) **Dividend rights**

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

As the Shares 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.

(f) **Transfer of Shares**

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

(g) **Variation of Rights**

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

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

(h) **Alteration of 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. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities (and options to acquire continuously quoted securities) with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus.

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 securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also 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.

5.2 Continuous reporting and disclosure obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company’s ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

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

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2022;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

As at the date of this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) 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 the Shares the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2022 on 3 October 2022.

| Date | Title |
|------------|---|
| 18/04/2023 | Cleansing Notice |
| 18/04/2023 | Change of Director's Interest Notice – BA |
| 18/04/2023 | Application for quotation of securities – IDA |
| 17/04/2023 | Bonanza REE assay results at Minos |
| 13/04/2023 | Trading Halt |
| 11/04/2023 | Final Submission – ICSID Arbitration |
| 29/03/2023 | Change of Director's Interest Notice – BB |
| 29/03/2023 | Cleansing Notice |

| Date | Title |
|-------------|--|
| 29/03/2023 | Application for quotation of securities – IDA |
| 16/03/2023 | Nkata Nickel Holdings Ltd – Shareholder Dispute |
| 15/03/2023 | Half Yearly Report and Accounts |
| 24/02/2023 | Issue of JMEI Credits |
| 23/02/2023 | Investor Webinar |
| 21/02/2023 | Application for quotation of securities – IDA |
| 21/02/2023 | Notification of cessation of securities – IDA |
| 20/02/2023 | Company Update |
| 13/02/2023 | High Grade Gold Results at Minos – Up to 95.6 g/t Au |
| 10/02/2023 | Notification of cessation of securities – IDA |
| 6/02/2023 | Completion of Hearing ICSID Arbitration |
| 31/01/2023 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 31/01/2023 | Update on Arbitration Ntaka Hill Nickel Project |
| 23/01/2023 | New Significant REE Discovery South of Minos |
| 19/01/2023 | Trading Halt |
| 16/01/2023 | Change of Director’s Interest Notice – BB |
| 16/01/2023 | Notification of cessation of securities – IDA |
| 16/01/2023 | Letter to Shareholders |
| 23/12/2022 | Amending Change of Director’s Interest Notice – BB |
| 22/12/2022 | Change of Director’s Interest Notice – DW |
| 22/12/2022 | Change of Director’s Interest Notice - BB |
| 22/12/2022 | Change of Director’s Interest Notice – BA |
| 22/12/2022 | Application for quotation of securities – IDA |
| 22/12/2022 | Application for quotation of securities – IDA |
| 22/12/2022 | Cleansing Notice |
| 22/12/2022 | Notification regarding unquoted securities – IDA |
| 22/12/2022 | Completion of REE AC & Gold RC Drilling – Minos |

| Date | Title |
|------------|--|
| 21/12/2022 | Proposed issue of securities – IDA |
| 21/12/2022 | Placement to Cornerstone Shareholder |
| 16/12/2022 | RC Drilling Commenced at Minos |
| 14/12/2022 | Multiple New REE Exploration Targets Identified |
| 9/12/2022 | Opening of South Australian Office |
| 2/12/2022 | Investor Presentation |
| 1/12/2022 | REE Air-Core Drilling underway – Minos |
| 30/11/2022 | Results of Meeting |
| 15/11/2022 | Exploration Update – Central Gawler Craton Project |
| 3/11/2022 | Notification of cessation of securities – IDA |
| 2/11/2022 | High Grade Results Confirm Significant Gold Bearing System |
| 31/10/2022 | Application for quotation of securities – IDA |
| 31/10/2022 | Cleansing Notice |
| 31/10/2022 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 27/10/2022 | Notice of Annual General Meeting |
| 19/10/2022 | Initial Director's Interest Notice (DW) |
| 19/10/2022 | Investor Presentation |
| 18/10/2022 | Final Director's Interest Notice (MR) |
| 18/10/2022 | Final Director's Interest Notice (FRM) |
| 18/10/2022 | CEO Appointment and Board Additions |
| 14/10/2022 | Update on Arbitration |
| 3/10/2022 | Annual Report to shareholders |

5.3 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the three (3) months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

| | Price | Date |
|---------|---------|------------|
| Highest | \$0.06 | 30/01/2023 |
| Lowest | \$0.046 | 11/04/2023 |
| Last | \$0.048 | 26/04/2023 |

5.4 Litigation

The Directors are not aware of any legal proceedings pending or threatened against the Company other than as disclosed below.

ICSID Arbitration

As at the date of this Prospectus, the Company is involved in a dispute with the Government of Tanzania through its majority shareholding position in Nachingwea UK Limited (**NUKL**), Ntaka Hill Holdings Ltd (**NNHL**) and Nachingwea Nickel Ltd (**NNL**), which are the Claimants in arbitration proceedings against Tanzania in the International Centre for Settlement of Investments of Investments Disputes (**ICSID**).

The Claimants historically held the Retention Licence for the Ntaka Hill Nickel Project, which was illegally expropriated by the Government of Tanzania in breach of its obligations to the Claimants under the UK–Tanzania bilateral investment treaty and international law. The final evidentiary hearing for the arbitration proceedings was held in February 2023 in Washington, D.C., with final post-hearing submissions filed on 5 April 2023.

The Claimants' final submission contains a claim for compensation ranging between USD 94.8 million and USD 121.7 million (inclusive of interest to June 2023), depending on calculation inputs including a final ruling on the date of expropriation, the interest rate to be used, and the determined valuation of the Project. Should it find in the Claimants' favour on jurisdiction and the merits of the case, the Tribunal will determine the final figure for any compensation to be awarded and interest will continue to accrue on the final compensation amount.

Further information about the ICSID arbitration proceedings is available in the Company's announcements dated 11 April 2023 ("Final Submission – ICSID Arbitration"), 6 February 2023 ("Completion of Hearing – ICSID Arbitration"), and 31 January 2023 ("Update on Arbitration – Ntaka Nickel Hill Project").

ACICA Arbitration

As at the date of this Prospectus, the Company is involved in a dispute with Loricatus Resources Investments (**LRI**) (incorporated in Mauritius) through its majority shareholding position in NNHL and NUKL (incorporated in the United Kingdom).

LRI and NUKL are the shareholders in NNHL and are parties to a Project Acquisition Agreement executed in 2015 (**PAA**). In accordance with the PAA, the dispute has been referred to arbitration administered by the Australian Centre for International Commercial Arbitration (**ACICA**).

The dispute concerns the proper interpretation of the PAA in light of the failure of LRI to transfer its proportionate share of the October 2022 cash call funding amount within the timeframe specified in the PAA. NUKL provided its portion of the October 2022 funding call within the required timeframe and also paid the shortfall funding amount that LRI failed to provide in order to ensure that NNHL continues to have sufficient cash reserves to meet approved expenditure and funding requirements. NUKL therefore asserts that it was the only

participating shareholder in the October 2022 funding call and is entitled to have the corresponding number of NNHL subscription shares issued to it equivalent to the total funding amount paid by NUKL, including the shortfall funding amount paid by NUKL after LRI failed to pay its portion within time.

If the ACICA dispute process confirms that LRI is not a participating shareholder in the October 2022 funding call, then NUKL's shareholding in NNHL will be increased from 70% to 85%. If LRI is recognised as a participating shareholder, NUKL's shareholding in NNHL will remain at 70%.

Further information about the ACICA arbitration proceedings is available in the Company's announcement dated 16 March 2023.

5.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with 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 of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (d) to induce him/her to become, or to qualify him/her as, a Director; or
- (e) for services rendered by him/her in connection with the formation or promotion of the Company or the Offer.

Remuneration

The remuneration (including superannuation unless stated otherwise) paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

| Director | FY 2021 | FY 2022 | FY 2023 |
|--------------------------------|-----------|-----------|-----------|
| Ms Bronwyn Barnes ¹ | \$503,154 | \$238,334 | \$143,000 |
| Mr Bob Adam ² | \$58,000 | \$60,000 | \$60,000 |
| Mr David Ward ³ | nil | nil | \$60,000 |

Notes:

- 1 Bronwyn Barnes was appointed as Executive Director on 5 April 2017. FY21 includes \$20,551 of post-employment superannuation payments and \$266,270 of performance-related share-based payments. FY22 includes \$21,667 of post-employment superannuation payments. Ms Barnes is entitled to receive a base salary of \$143,000 per annum for FY23.
- 2 Bob Adam was appointed as Non-Executive Director on 25 January 2019. Mr Adam is entitled to receive directors' fees of \$60,000 per annum for FY23.
- 3 David Ward was appointed as Non-Executive Director on 18 October 2022. Mr Ward is entitled to receive directors' fees of \$60,000 per annum for FY23.

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2022, which was announced to ASX on 3 October 2022.

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

| Director | Shares | Entitlement to New Shares | Options |
|--------------------------------|------------|---------------------------|-----------|
| Ms Bronwyn Barnes ¹ | 32,414,787 | 1,620,739 | 5,000,000 |
| Mr Bob Adam ² | 4,836,037 | 241,801 | 4,300,000 |
| Mr David Ward ³ | 175,000 | 8,750 | 4,000,000 |

1 Comprising:

- (a) 2,500,000 Shares held directly; 3,880,436 Shares held indirectly via Lacos Pty Ltd, an entity controlled by Ms Barnes; 16,984,351 Shares held indirectly via S & B Barnes Family Trust, an entity controlled by Ms Barnes; and 9,050,000 Shares held indirectly via Bronwyn Barnes Family Trust, an entity controlled by Ms Barnes;
- (b) 3,000,000 unlisted Options (exercisable at \$0.10 per Option and expiring on 22 December 2024) held indirectly by S & B Barnes Family Trust, an entity controlled by Ms Barnes.
- (c) 2,000,000 unlisted Options (exercisable at \$0.07 per Option and expiring on 5 October 2023) held indirectly via Bronwyn Barnes Family Trust, an entity controlled by Ms Barnes.

2 Comprising:

- (a) 4,836,037 Shares held indirectly via RAAMPB Pty Ltd <the Adam Super Fund A/C>, an entity controlled by Mr Adam;
- (b) 400,000 unlisted Options (exercisable at \$0.09 per Option and expiring on 16 August 2023) held indirectly via RAAMPB Pty Ltd <the Adam Super Fund A/C>, an entity controlled by Mr Adam;
- (c) 400,000 unlisted Options (exercisable at \$0.12 per Option and expiring on 16 August 2023) held indirectly via RAAMPB Pty Ltd <the Adam Super Fund A/C>, an entity controlled by Mr Adam;
- (d) 1,500,000 unlisted Options (exercisable at \$0.07 per Option and expiring on 5 October 2023) held indirectly via RAAMPB Pty Ltd <the Adam Super Fund A/C>, an entity controlled by Mr Adam; and
- (e) 2,000,000 unlisted Options (exercisable at \$0.10 per Option and expiring on 22 December 2024), held indirectly via RAAMPB Pty Ltd <the Adam Super Fund A/C>, an entity controlled by Mr Adam.

3 Comprising:

- (a) 175,000 Shares held indirectly via Rathwood Resources Pty Ltd, an entity associated with Mr Ward;
- (b) 2,000,000 unlisted Options (exercisable at \$0.10 per Option and expiring on 22 December 2024) held indirectly via Rathwood Resources Pty Ltd, an entity associated with Mr Ward; and
- (c) 2,000,000 unlisted Options (exercisable at \$0.15 per Option and expiring on 22 December 2025), held indirectly via Rathwood Resources Pty Ltd, an entity associated with Mr Ward.

As at the date of this Prospectus, Directors intend to participate in the Offer to the extent of their full Entitlement.

5.6 Related party transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.7 Interests of experts and advisers

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

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

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

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

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

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Nova Legal has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal \$8,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has been paid fees totalling \$40,382 (including disbursements and GST), for legal services provided to the Company.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the processing of Entitlement and Acceptance Forms receive pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.8 Consents

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

Each of the parties referred to in this Section:

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

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

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus.

5.9 Estimated expenses of the Offer

The estimated cash costs of the Offer (exclusive of GST) are set out below:

| Item | Amount (\$) |
|---------------------------------------|-----------------|
| ASIC lodgement fee | \$3,206 |
| ASX quotation fee | \$6,870 |
| Legal fees | \$8,000 |
| Printing, registry and other expenses | \$4,000 |
| Total | \$22,076 |

5.10 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on the number set out in the Corporate Directory to this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website as set out in the Corporate Directory to this Prospectus.

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.

6. DIRECTORS' AUTHORISATION

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

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



Bronwyn Barnes
Executive Chairman
Indiana Resources Limited

7. DEFINITIONS

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

Applicant means an Eligible Shareholder who applies for New Shares pursuant to the Offer or an Eligible Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form.

Application Money means the aggregate amount of money payable for Shares applied for in the Application Forms.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Indiana Resources Limited (ACN 009 129 560).

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

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

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

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia or New Zealand.

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

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

New Share means a new Share offered pursuant to the Offer and having the terms and conditions set out in Section 4.1.

Offer means the non-renounceable rights issue offer of New Shares, the subject of this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out at the commencement of this Prospectus.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement (if any).

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

Shortfall Shares means those New Shares issued pursuant to the Shortfall.

Annexure A – Pro Forma Statement of Financial Position

| | Reviewed Position at 31 December 2022 \$'000 | Pro Forma Position After Close of Offer \$'000(1) |
|--|--|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 1,551 | 2,536 |
| Trade and other receivables | 223 | 223 |
| TOTAL CURRENT ASSETS | 1,774 | 2,759 |
| NON-CURRENT ASSETS | | |
| Exploration and evaluation expenditure assets | 5,068 | 5,068 |
| Plant and equipment | 64 | 64 |
| Right-of-use assets | 69 | 69 |
| TOTAL NON-CURRENT ASSETS | 5,201 | 5,201 |
| TOTAL ASSETS | 6,975 | 7,960 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 748 | 748 |
| Application monies | 99 | 99 |
| Provisions | 33 | 33 |
| Lease liabilities | 90 | 90 |
| TOTAL CURRENT LIABILITIES | 970 | 970 |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 33 | 33 |
| TOTAL NON CURRENT LIABILITIES | 33 | 33 |
| TOTAL LIABILITIES | 1,003 | 1,003 |
| NET ASSETS | 5,972 | 6,957 |
| EQUITY | | |
| Contributed equity | 25,909 | 26,894 |
| Reserves | 7,068 | 7,068 |
| Accumulated losses | (27,328) | (27,328) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | 5,649 | 6,634 |
| Non-controlling interest | 323 | 323 |
| TOTAL EQUITY | 5,972 | 6,957 |

Notes:

- Based on completion of the Offer, by way of full subscription and issue of 25,185,240 New Shares at an issue price of \$0.04 per New Share to raise up to \$1,007,410 (before costs). Expenses of the offer (assuming full subscription) are estimated at \$22,076 and have been offset against proceed of the Offer.