

AVIRA RESOURCES LTD
ACN 131 715 645

PROSPECTUS

For:

- (a) a Non-renounceable pro-rata Entitlement Offer of approximately 275,000,000 New Options (exercisable at \$0.01 on or before 10 July 2022) to Shareholders, on the basis of one (1) New Option for every five (5) Shares held at the Record Date at an issue price of \$0.001 per New Option, to raise up to approximately \$275,000 (before costs) based on the number of Shares on issue as at the date of this Prospectus; and
- (b) a Placement of up to 200,000,000 New Options (exercisable at \$0.01 on or before 10 July 2022) at an issue price of \$0.001 per New Option, to raise up to \$200,000 (before costs).

Underwriter to the Entitlement Offer and Lead Manager to the Placement

The Entitlement Offer is underwritten up to \$275,000 by CPS Capital Group Pty Limited ABN 73 088 055 636. The Placement is not underwritten but is to be undertaken on a “Best Endeavours” basis. For details of the Underwriting Agreement and Lead Manager mandate refer to Section 9.3.

IMPORTANT INFORMATION

This is an important document. You should read this document in its entirety to assist in deciding whether or not to apply for New Options in the Company.

You should also consult your professional advisers before deciding whether to invest in the Company. The offer of New Options under this Prospectus does not take into account your investment objectives, financial situation or particular needs. You should carefully consider the risk factors in Sections 4.2 and 8 in light of your circumstances.

AN INVESTMENT IN THE NEW OPTIONS OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED AS SPECULATIVE.

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1. CORPORATE DIRECTORY

Directors

Mr David Deloub
Executive Director

Mr David Wheeler
Non-Executive Chairman

Mr Sonu Cheema
Non-Executive Director

Solicitors to the Company

Cardinals Lawyers and Consultants
60 Havelock Street
WEST PERTH WA 6005

Company Secretary

Mr Sonu Cheema

Auditor*

Mazars Risk & Assurance Pty Limited
Level 12
90 Arthur Street
NORTH SYDNEY NSW 2060

Registered Office & Contact Details

Suite 9
330 Churchill Avenue
SUBIACO WA 6008
Telephone: +61 8 6489 1600
Facsimile: +61 8 6489 1601
Email: sonu@cicerogroup.com.au
Website: www.aviraresourcesltd.com.au

Share Registry*

Computershare Investor Services Pty
Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067
Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside
Australia)

ASX Code

AVW

Underwriter to Entitlement Offer and Lead Manager to Placement

CPS Capital Group Pty Ltd
Level 45, 108 St Georges Terrace
PERTH WA 6000

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

2. INVESTMENT OVERVIEW

Question	Response	Where to find information
What is the Entitlement Offer?	<p>The Company is offering to issue New Options to Eligible Shareholders by a pro rata non renounceable entitlement issue.</p> <p>Under the Entitlement Offer, Eligible Shareholders may subscribe for one (1) New Option for every five (5) Shares held on the Record Date.</p>	Section 5.1
What is the Placement?	The Company, through the Lead Manager is placing up to 200,000,000 New Options. The Placement is open to eligible clients of the Underwriter and Lead Manager, CPS Capital Group Pty Ltd, who will be personally invited to subscribe for New Options under the Placement.	Section 5.1
What is the offer price for the New Options?	The offer price under both the Entitlement Offer and the Placement is \$0.001 (0.1 cents) per New Option.	Section 5.1
Who is an Eligible Shareholder?	The Entitlement Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.	Section 5.5
Can I apply for New Options in excess of my Entitlement?	The maximum number of New Options an Eligible Shareholder may subscribe for under the Entitlement Offer is that number of New Options represented by their Entitlement.	Section 5.3
Will the New Options be quoted on ASX?	Application will be made for the New Options (including those New already on issue as at the date of this Prospectus) to be quoted on ASX.	Section 5.11
What are the terms of the New Options?	The New Options issued under both the Entitlement Offer and the Placement will have an exercise price of \$0.01 and an expiry date of 10 July 2022. The full terms of the New Options are set out in Section 7.1.	Sections 6.1 and 7.1
What is the Shortfall?	Any New Options not that are not taken up under the Entitlement Offer by the Closing Date will become part of the Shortfall, which will be subscribed for by the Lead Manager in accordance with the Underwriting Agreement.	Sections 9.3

<p>How many New Options will be issued?</p>	<p>At the date of this Prospectus the maximum number of New Options that will be issued under the Entitlement Offer and Placement assuming Full Subscription, is 475,000,000 New Options.</p> <p>Where Option holders who reside in Australia or New Zealand exercise their New Options before the Record Date, they will be entitled to participate in the Entitlement Offer. This will increase the maximum number of New Options that may be issued under the Entitlement Offer.</p>	<p>Section 5.1</p>
<p>What is the amount that will be raised under the Offer?</p>	<p>At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is \$475,000 before expenses. If existing Option holders who reside in Australia and New Zealand exercise their New Options before the Record Date so as to participate in the Offer, the amount raised under the Entitlement Offer may increase.</p>	<p>Section 5.1</p>
<p>What are the Underwriting arrangements?</p>	<p>The Entitlement Offer is underwritten to the amount of \$275,000 by CPS Capital. The Placement is not underwritten.</p> <p>The Underwriter must apply for Shortfall Options in respect of the Entitlement Offer (if there are any upon the completion of the Entitlement Offer up to the Underwritten Amount in accordance with the terms of the Underwriting Agreement. The details of the Underwriting Agreement are contained in Section 9.3.</p> <p>The Underwriter may terminate the Underwriting Agreement in certain circumstances, which terminating events are customarily found in underwriting agreements for issuers in the Company's circumstances (see Section 9.3 for details).</p>	
<p>What are the key highlights of an investment in the Company</p>	<p>Avira currently holds two tenements within the Paterson Range province in Western Australia which is host to a number of substantial gold, copper and tungsten mines and deposits, including the Telfer gold-copper mine. Subsequent significant discoveries in 2018/19 made by Rio Tinto (Winu project) and the Newcrest-Greatland Gold JV (Havieron project) have reinvigorated interest in the province.</p> <ul style="list-style-type: none"> • Mount Macpherson (E45/5572) licence granted and Throssel Range (E45/5567) application expected to be granted within the current quarter. • Both projects are located in the Paterson Range province and wedged between the 	<p>Section 6.1</p>

	<p>IGO/Metals X (\$32M) and IGO/Encounter (\$15M) joint ventures and are considered prospective for intrusion related mineralisation similar to the Telfer, Aria and Nifty gold and copper deposits.</p> <p>Potential follow-on exploration programs are currently being worked up and will be considered in due course as Avira continues to identify and assess the value of additional exploration expenditure in the East Pyramid Range against other opportunities consistent with the Company's focus on creating value for its Shareholders in the resource exploration space.</p>	
<p>What are the key risks of a further investment in the Company?</p>	<p>The Offer should be considered highly speculative. Before deciding to whether to apply for New Options under the Offer, you should carefully consider the risk factors set out in this Prospectus, the information contained in other sections of this Prospectus, and all other public announcements and reports of the Company. For further information on specific risks relevant to the Company please refer to Section 4.2 and Section 9. These risks include:</p> <ul style="list-style-type: none"> • The Company's projects are early stage exploration tenements with significant exploration risk. • The Company's future capital needs and additional funding will be required to complete the proposed exploration programme. • As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. <p>Please carefully consider these risks and the risks contained in Section 4.2 and Section 8 before deciding whether or not to apply for New Options.</p>	<p>Sections 4.2 and 9</p>
<p>What is the purpose of the Offer?</p>	<p>The purpose of the Offer is to raise funds:</p> <ul style="list-style-type: none"> • To satisfy the Company's pending working capital requirements in respect of Phases 1 and 2 of the Company's proposed exploration program on its projects: <ol style="list-style-type: none"> 1. Geological mapping, geo-chemical soils and stream sediment sampling. 2. Airborne magnetic and electromagnetic survey. 3. Analysis and interpretation of exploration data to determine prospective RC and Diamond drill targets. • To provide general working capital. • To pay the costs of the Offer including the 	<p>Section 6.1</p>

	<p>fees payable to the Underwriter.</p> <p>A budget of how the Company intends to use the funds at Full Subscription is set out in Section 6.1. As with any budget, new circumstances may change the way the Company applies the funds.</p>	
<p>What is the effect of the Offer on share capital and cash reserves?</p>	<p>The effect of the Offer on the Company's share capital and cash reserves is to:</p> <ul style="list-style-type: none"> • Increase the number of Options on issue. • Increase cash reserves by up to approximately \$475,000 before the costs of the Offer. 	<p>Section 6.2</p>
<p>What is the effect of the Offer on control of the Company</p>	<p>The Entitlement Offer is for one (1) New Option for every five (5) Shares held by Eligible Shareholders on the Record Date. The maximum dilution at Full Subscription (i.e. Full Subscription of both the Entitlement Offer and the Placement) that will be experienced by any Shareholder on a fully diluted basis is approximately 24% of its existing Shareholding.</p> <p>The Offer is not expected to have any impact on the control of the Company.</p>	<p>Section 6.8</p>
<p>Who is the Lead Manager to the Offer?</p>	<p>CPS Capital Group Pty Limited has been appointed as underwriter to the Entitlement Offer and lead manager and broker to the Placement under an agreement entered into between the Company and CPS Capital, which is summarised in Section 9.3.</p>	<p>Section 9.3</p>

Can I sell my Entitlements?	No. The Entitlement Offer is non-renounceable meaning your Entitlement is not transferable and there will be no trading of rights on ASX.	Sections 5.1 and 5.3
How can I accept my Entitlement?	All Eligible Shareholders are entitled to subscribe for New Options under the Offer. If you wish to take up your Entitlement you must complete the Entitlement and Acceptance Form that accompanies this Prospectus.	Sections 5.3 and 5.4
How can I subscribe for New Options under the Placement?	The Placement is not open to the general public. Selected eligible clients of the Lead Manager will be personally invited to apply for New Options under the Placement and will be required to complete the Placement Application Form that will accompany this Prospectus.	Section 5.5
How can I obtain further advice?	Please contact the Company Secretary on +61 8 6489 1600 at any time during business hours (WST) until the Closing Date. Alternatively, consult with your broker or other professional adviser.	Section 5.16

3. TIMETABLE AND IMPORTANT DATES

Indicative timetable for Entitlement Offer

Lodgement of Prospectus with ASIC	Tuesday, 4 August 2020
Lodgement of Prospectus and Appendix 3B with ASX (includes application for Quotation of New Options)	Wednesday, 5 August 2020
'Ex' Date (Date from which Shares commence trading without the entitlement to participate in the Entitlement Offer)	Friday, 7 August 2020
Record Date (for determining Entitlements) (5:00pm WST)	Monday, 10 August 2020
Prospectus with Entitlement and Acceptance Form sent to Shareholders, and Entitlement Offer and the Placement opens	Wednesday, 12 August 2020
Last day to extend the Closing Date	Monday, 24 August 2020
Closing Date* (5:00pm WST)	Thursday, 27 August 2020
New Options quoted on ASX on a deferred settlement basis	Friday, 28 August 2020
Results of Offer announced and ASX notified of Shortfall	Monday, 31 August 2020
Issue of New Options and despatch of holding statements	Wednesday, 2 September 2020
Trading in New Options expected to commence*	Thursday, 3 September 2020

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

4. IMPORTANT NOTES

This Prospectus is dated 4 August 2020 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus. No person or entity is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied on as having been authorised by the Company in connection with the Offer or this Prospectus.

No New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Entitlement Offer and the Placement may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early. Fractional Entitlements to New Options under the Entitlement Offer will be rounded up to the nearest whole number. Instructions for completion of the acceptance of your Entitlement are set out on the Entitlement and Acceptance Form which accompanies this Prospectus. The Placement is only available to the parties personally invited by the Company and/or the Lead Manager to participate in the Placement. An application for the New Options offered pursuant to the Placement can only be submitted with an original Placement Application Form which accompanies this Prospectus.

Applications by Eligible Shareholders for New Options offered pursuant to the Entitlement Offer must be submitted using an original Entitlement and Acceptance Form which accompanies this Prospectus and which sets out the Eligible Shareholder's Entitlement.

Shortfall

A shortfall will arise at the Closing Date if valid applications received for New Options under the Entitlement Offer are less than the number of New Options offered under this Prospectus. The Lead Manager in consultation with the Company reserves the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall Options at their sole and absolute discretion within three months after the Closing Date.

It is important that you read this Prospectus in its entirety and, if in any doubt about whether to apply for New Options, seek professional advice. An investment in the New Options the subject of this Prospectus should be considered speculative. None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the New Options or the price at which the New Options will trade on the ASX.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act). It has been prepared in accordance with section 713 of the Corporations Act and it does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom they may consult.

4.1 Applicants Outside Australia and New Zealand

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. A failure to comply with these restrictions may violate applicable securities laws. This Prospectus 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. If you are resident a country other than Australia or New Zealand you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained. No action has been taken by the

Company to register or qualify the New Options or otherwise permit a public offering of the New Options the subject of this Prospectus in any jurisdiction outside of Australia and New Zealand.

4.2 Key Risks

You should be aware that subscribing for New Options the subject of this Prospectus involves a number of risks to the business, assets and operations of the Company that potentially influence the operating and financial performance of the Company.

Avira is an exploration company and you should consider that an investment in the Company is speculative.

You should read this Prospectus in its entirety and, in particular, consider the key risk factors set out below and the Risk Factors in Section 8 before deciding whether to apply for New Options under this Prospectus. You are urged to consider those risks carefully and, if necessary, also consult your professional advisers with any questions beforehand.

You should also note that the key risks below and the Risk Factors in Section 8 are not an exhaustive list of all risks faced by the Company or by investors in the Company.

Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.

Set out below are key and specific risks that the Company is exposed to and that may have a direct influence on the Company and its activities or assets, therefore affecting the value of an investment in the Company now and in the future.

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute existing shareholdings, and debt financing (if available) may involve restrictions on future financing and operating activities. If the Company is unable to obtain additional financing as needed or unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.

Title Risk

Interests in tenements in Australia 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 has annual expenditure and reporting commitments, together with other conditions requiring compliance. Consequently, the Company could lose its title to or its interest in one or more of the tenements in which it has an interest if licence conditions are not met or if sufficient funds are not available to meet the minimum expenditure commitments.

The Company's tenements, and other tenements in which the Company may acquire an interest, will be subject to renewal, which is usually at the discretion of the relevant authority. If a tenement is not renewed the Company may lose the opportunity to discover mineralisation and develop that tenement.

Exploration Risks

The Company's mining tenements are at various stages of exploration. The Company has not yet defined a JORC Code compliant resource on any of its projects, and in the event that one is defined there is no guarantee that it can be commercially exploited.

You should be aware that mineral exploration and development are high risk undertakings due to the high level of inherent uncertainty. There can be no assurance that exploration of the Company's

tenements, or of any other tenements that may be acquired by the Company in the future, will result in the discovery of economic mineralisation. Even if economic mineralisation is discovered there is no guarantee that it can be commercially exploited.

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

The success of the Company will also depend on the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Company's projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of the Company's projects.

Access Risk - Native Title and Aboriginal Heritage

The Company must comply with Aboriginal heritage legislation requirements and access agreements which require heritage survey work to be undertaken ahead of the commencement of mining operations. There are a number of registered Aboriginal heritage sites within the area of the Company's tenements. It is possible that some areas of those tenements may not be available for exploration due to Aboriginal heritage issues (whether in respect of registered sites or not). Under Western Australian and Commonwealth legislation the Company may need to obtain the consent of the holders of such interests before commencing activities on affected areas of the tenements. These consents may be delayed or given on conditions which are not satisfactory to the Company.

Reliance on Key Personnel

The responsibility of overseeing the day to day operations of the Company depends on its management and its key personnel. The Company is aware of the need to have sufficient management to properly supervise the exploration and, if exploration is successful, the development of the Company's projects. As the Company's projects and prospects progress and develop the Board will continually monitor the management requirements of the Company and look to employ or engage additional personnel when and where appropriate to ensure proper management of the Company's projects. However there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its planned exploration programmes within the expected timetable. Furthermore, you should be aware that no assurance can be given that there will be no adverse effect on the Company if one or more of its existing Directors or management personnel cease their employment or engagement with the Company.

Exploration Costs

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 operating and financial performance and the value of the New Options.

Contractual and Joint Venture Risk

The Directors are not able to presently assess 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 other failure by any of the contractors engaged by the Company for any exploration or other activity. Any such failure or default could adversely affect the operations and performance of the Company and the value of the New Options and Shares.

Termination of Underwriting Agreement

As noted in Section 9.3, the Underwriter may terminate the Underwriting Agreement in certain circumstances including those set out in Section 9.3. In the event that the Underwriter terminates

the Underwriting Agreement or is otherwise not obliged to underwrite the Entitlement Offer for the Underwritten Amount, there is a risk that subscription under the Offer may not be sufficient to raise the Underwritten Amount and the purpose of the Offer may not be met in full.

Further risks associated with an investment in the Company are contained in Section 8.

4.3 Forward Looking Statements

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

These statements relate to intentions and future acts and events. They are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management, which could cause these future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed in this Prospectus. Some of these risk factors are set out in Section 4.2 and Section 8.

The Company does not intend to update or review forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

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

4.4 Electronic Prospectus

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

This Prospectus will be issued in paper form and as an electronic prospectus which may be accessed on the internet at the Company's website at www.aviraresourcesltd.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.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please contact the Company (see the Corporate Directory in Section 1 for the Company's contact details) and the Company will send you, at no cost to you, either a hard copy or a further electronic copy of the Prospectus or both during the Offer period.

The Corporations Act prohibits any person passing an Entitlement and Acceptance Form on to another person unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance 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.

4.5 Website

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

4.6 Definitions

Throughout this Prospectus abbreviations and defined terms are used. Defined terms are generally identifiable by the use of an upper case first letter and the definitions of those terms are contained in the Glossary in Section 10.

5. DETAILS OF THE OFFER

5.1 The Offer

Entitlement Offer

The Entitlement Offer is being made as a non-renounceable entitlement offer of one (1) New Option (exercisable at \$0.01 on or before 10 July 2022) for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per New Option. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Option, such fraction will be rounded up to the nearest whole New Option.

Based on the capital structure of the Company at the date of this Prospectus, a maximum of 275,000,000 New Options will be issued pursuant to the Entitlement Offer to raise up to \$275,000. As at the date of this Prospectus the Company has 107,272,728 Options on issue that may be exercised prior to the Record Date to participate in the Entitlement Offer. Please refer to Section 6.5 for information on the exercise price and expiry date of the Options on issue.

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

Placement

Under the Placement up to 200,000,000 New Options are being offered for subscription at an issue price of \$0.001 per New Option. The New Options are exercisable at \$0.01 on or before 10 July 2022.

The Placement will only be made to selected clients of the Lead Manager by private invitation to those parties and is not open to the general public

Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the New Options.

The purpose of the Offer and the intended use of funds raised under the Offer are set out in Sections 2 and 6.1.

5.2 Minimum Subscription

There is no minimum subscription under the Offer.

5.3 Actions Eligible Shareholders May Take

The number of New Options to which Eligible Shareholders are entitled (your Entitlement) is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

If you are an Eligible Shareholder you may do any of the following:

- (i) take up your full Entitlement (refer to Section 5.3(a));
- (ii) partially take up your Entitlement and allow the balance to lapse (refer to Section 5.3(b)); or
- (iii) decline to take up your Entitlement by taking no action (refer to Section 5.3(c)).

The Entitlement Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who do not take up their Entitlements in full will not receive any amounts in respect of the Entitlements that they do not take up, and will have a reduced (i.e. diluted) percentage

shareholding in the Company after implementation of the Offer when considered on a fully diluted basis. However the number of Shares held at the Record Date and the rights attached to those Shares will not be affected.

Eligible Shareholders who take up their Entitlement in full will not reduce (i.e. dilute) their percentage shareholding in the Company after implementation of the Offer.

Entitlements cannot be traded on ASX or any other exchange, nor can they otherwise be transferred.

(a) **Accept all of your Entitlement**

Eligible Shareholders who wish to accept the Entitlement Offer and take up all of their Entitlement should complete the accompanying Entitlement and Acceptance Form and follow the steps required for payment in Section 5.4.

(b) **Partially take up your Entitlement and allow the balance to lapse**

Eligible Shareholders who wish to take up part of their Entitlement and allow the balance of their Entitlement to lapse, should select and complete the accompanying Entitlement and Acceptance Form for the number of New Options they wish to take up and follow the steps required for payment in Section 5.4.

Where Eligible Shareholders take no action with the balance of their Entitlement and they lapse then the New Options representing the balance of their Entitlement will become part of the Shortfall and will be taken up by the Underwriter in accordance with Section 9.3.

(c) **Decline to take up your Entitlement by taking no action**

Eligible Shareholders who do not wish to take up their Entitlement should do nothing. Where Eligible Shareholders take no action with their Entitlement, their Entitlement will be taken up by the Underwriter in accordance with Section 9.3.

You should also note that if you do not take up your Entitlement, you will continue to own the same number of Shares and Options however your percentage shareholding in the Company on a **fully diluted** basis will be reduced.

5.4 Payment for New Options under the Entitlement Offer

If you are an Eligible Shareholder and wish to accept the Entitlement Offer and:

- (i) take up all of your Entitlement;
- (ii) take up part of your Entitlement,

you can do so by making a payment via BPAY®¹.

Your personalised Entitlement and Acceptance Form sets out instructions on how to make payment of your Application Money by BPAY®, which including the biller code and your unique reference number. The Application Money is equal to \$0.001 per New Option multiplied by the number of New Options you wish to subscribe for (if you are not taking up all of your Entitlement you will need to calculate this amount yourself). If you have multiple holdings you will also have multiple customer reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. 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.

¹ registered to BPAY Limited ABN 69 079 137 518

Please note that by making a payment via BPAY®:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- (b) you are deemed to have taken up your Entitlement in respect of such whole number of New Options which is covered in full by your Application Money (the amount of your payment received will be divided by \$0.001) which will be deemed to be the total number of New Options you are applying for.

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm WST on the Closing Date (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment and should take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm WST on the Closing Date (subject to variation).

By taking up all or part of your Entitlement you will be deemed to have represented that you are in compliance with all relevant selling restrictions and otherwise agree to all the terms and conditions of the Offer as set out in this Prospectus.

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

5.5 How to Apply for New Options under the Placement

An application for New Options offered under the Placement by persons invited by CPS Capital to apply must be made using the Placement Application Form. The completed Placement Application Form must be emailed to CPS Capital at Kelly.smith@cpscapital.com.au. Payments for New Options under the Placement must be made by electronic funds transfer, using the details set out on the Placement Application Form.

5.6 Eligible Shareholders

Entitlement Offer

The Offer is only open to Eligible Shareholders. Eligible Shareholders are those Shareholders who hold Shares and have a registered address in Australia or New Zealand as at 5:00pm WST on the Record Date.

The Company will notify Ineligible Shareholders of the Offer, provide them with details of the Offer and advise them that the Company is not extending the Offer to Ineligible Shareholders.

Placement

The Placement is open to eligible clients of the Underwriter and Lead Manager, CPS Capital, who have received a personal invitation from CPS Capital to subscribe for New Options under the Placement.

5.7 Applicants Outside Australia and New Zealand

The Entitlement Offer is not being made to Shareholders with a registered address outside Australia and New Zealand.

The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand, having regard to:

- (a) the number of Shareholders with registered addresses outside of Australia and New Zealand;
- (b) the number and value of the New Options that would be offered to Shareholders with registered addresses outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in other overseas jurisdictions.

Accordingly, the Company is not required to make the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand.

The Company will send each Shareholder to whom it will not make the Entitlement Offer details of the Entitlement Offer and advise that it will not make the Entitlement Offer to them.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. A failure to comply with these restrictions may violate those applicable laws. This Prospectus does not, and is not intended to, constitute an offer or invitation to subscribe 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. If you are resident a country other than Australia or New Zealand you should consult your professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained. No action has been taken by the Company to register or qualify the New Options or otherwise permit a public offering of the New Options the subject of this Prospectus in any jurisdiction outside of Australia and New Zealand.

The New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand for whom the offer of New Options is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus is required to contain under New Zealand Law.

Shareholders with registered addresses in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement 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.

5.8 Nominees, trusts and custodians

Nominees, trusts and custodians must not distribute any part of this Prospectus or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial Shareholders in New Zealand.

5.9 Implications on Acceptance

Returning a completed Entitlement and Acceptance Form or Placement Application Form or paying any Application Money via BPAY® for the Entitlement Offer and electronic funds transfer for the Placement will be taken to constitute a representation by you that you:

- (a) agree to be bound by the terms of the Offer;

- (b) declare that all details and statements in the Entitlement and Acceptance Form or Placement Application Form (as applicable) are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form or Placement Application Form (as applicable);
- (d) have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form or Placement Application Form (as applicable) and read them both in their entirety;
- (e) acknowledge that information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Options are suitable for you given your investment objectives, financial situation or particular needs;
- (f) acknowledge that once the Entitlement and Acceptance Form or Placement Application Form (as applicable) is returned, or a BPAY® payment instruction is given or electronic funds transfer is made in relation any Application Money, the application may not be varied or withdrawn except as required by law; and
- (g) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form or Placement Application Form (as applicable).

5.10 Issue of New Options

New Options issued pursuant to the Entitlement Offer or the Placement will be issued in accordance with the Listing Rules and the timetable set out in Section 3.

Prior to the issue of the New Options or payments of refunds pursuant to this Prospectus, all Application Money shall be held by the Company on trust for the applicants for New Options. The Company will retain any interest earned on the Application Money irrespective of whether the allotment and issue of New Options takes place and each applicant for New Options waives the right to claim interest.

Following allotment, statements of holdings will be dispatched to applicants under the Entitlement Offer and successful applicants under the Placement in accordance with the Listing Rules and the timetable set out in Section 3. It is your responsibility to determine your allocation and holding of New Options prior to trading in the New Options. If you sell New Options before receiving your holding statement you do so at your own risk.

5.11 ASX Listing

The Company will apply to the ASX in accordance with the timetable set out in Section 3 for Quotation of the New Options offered under this Prospectus which is within 7 days of the date of this Prospectus. If the ASX does not grant permission for Quotation of the New Options within three months after the date of this Prospectus, or such longer period as is varied by ASIC, the Company will not issue or allot any New Options offered for subscription under this Prospectus and will repay all Application Money received as soon as practicable thereafter without interest.

The ASX takes no responsibility for the contents of this Prospectus. The fact that the ASX may grant Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options.

5.12 Underwriting

The Entitlement Offer is underwritten to the amount of \$275,000 by CPS Capital in accordance with their agreement with the Company, details of which are set out in Section

9.3. The Underwriting Agreement also includes a number of termination events upon the occurrence of which the Underwriter may elect in its discretion to terminate the Underwriting Agreement. The Placement is not underwritten however CPS Capital has committed to undertake the Placement on a best endeavours basis.

The Underwriter has agreed with the Company that neither it nor any other person will by their underwriting hold a voting power in the Company of 20% or more on a fully diluted basis by the issue of New Options.

In the event of a Shortfall in respect of the Entitlement Offer the Directors are not aware of any reason why the Underwriter would not be in a position to meet its financial obligations to subscribe, or procure subscriptions, for the Shortfall Options in respect of the Entitlement Offer in accordance with the Underwriting Agreement.

In the event that the Underwriting Agreement is validly terminated by the Underwriter and not all Eligible Shareholders accept their full Entitlement, the Directors reserve the right to place the Shortfall Options at their discretion, subject to the Corporations Act and the Listing Rules.

5.13 Risk Factors

You should be aware that subscribing for New Options the subject of this Prospectus involves a number of risks. The key risks are set out in Section 4.2 and other risk factors are set out in Section 8. Potential investors are urged to consider those risks carefully, and if necessary consult their professional advisers before deciding whether to invest in the Company. The risk factors set out in Section 4.2 and Section 8, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the New Options and the Shares. Accordingly an investment in the Company should be considered speculative.

5.14 Governing Law

The Prospectus and the contracts that arise from acceptance of applications for New Options offered under this Prospectus are governed by the laws applicable in Western Australia and each applicant for New Options submits to the non-exclusive jurisdiction of the courts of Western Australia.

5.15 Taxation

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences or subscribing for New Options under this Prospectus. The acquisition and disposal of Securities will have tax consequences which will differ depending upon the individual financial affairs of each investor. You are urged to obtain independent financial advice about such consequences from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Options under this Prospectus.

5.16 Queries

This Prospectus provides important information and should be read in its entirety. If you have any questions about what action to take after reading this Prospectus, please contact your stockbroker, financial planner, accountant, lawyer or independent financial adviser. Any questions concerning the Offer should be directed to the Company Secretary, Mr Sonu Cheema, on +61 8 6489 1600.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$475,000 (before costs). The funds are intended to be first applied towards meeting the expenses of the Offer and then used for ongoing exploration of the Company's projects. Please refer to Section 9.7 for further details relating to the estimated expenses of the Offer.

The Directors intend to apply the proceeds from the Offer for the following purposes:

- exploration and evaluation expenses;
- to fund the expenses of the Offer; and
- for administration and general working capital purposes.

Use of Funds	Amount (assuming Full Subscription)
	\$
Exploration and evaluation expenses	263,053
Administration and Working Capital	158,760
Costs of the Offer (see Section 9.7)	53,187
Total	475,000

The table above is statement of the Directors' current intentions as at the date of this Prospectus. In the event that circumstances change, events intervene (including exploration success or failure) or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders. Working capital includes but is not limited to corporate administration and operating costs and may be applied to Directors' fees, consulting fees, ASX fees, share registry fees, legal, tax and audit fees, insurance, travel costs and outstanding creditors. Further working capital may be applied to evaluating new project opportunities that may complement the existing projects of the Company.

The Entitlement Offer is fully underwritten by the Underwriter. In the event that the Placement is not fully subscribed for, or if the Underwriter terminates the Underwriting Agreement and there is a Shortfall, the Company will not receive the full subscription of \$475,000, in which case the Company will apportion the total funds raised on a pro rata basis except for the fixed costs of the Offer.

6.2 Effect of the Offer

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

- (a) increase the Company's cash reserves by \$475,000 (before deducting the estimated expenses of the Offer) following completion of the Offer; and
- (b) increase the number of Options on issue from 107,272,278 as at the date of this Prospectus to 582,272,728 following completion of the Offer, assuming no existing Option holders exercise their Options before the Record Date.

6.3 Pro-Forma Consolidated Statement of Financial Position

The reviewed Consolidated Statement of Financial Position as at 31 December 2019 and the Pro-Forma Unaudited Consolidated Statement of Financial Position as at 30 June 2020

shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. The Pro-Forma Unaudited Consolidated Statement of Financial Position (which has not been audited or reviewed by an auditor) has been prepared on the assumption that all New Options offered under this Prospectus are issued and that no existing Options are exercised prior to the Record Date.

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

The Pro-Forma Unaudited Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being indicative of the Company's view of the future financial position of the Company and will not necessarily reflect the actual position and balances as at the date on which New Options are issued under this Prospectus.

Reviewed Consolidated Statement of Financial Position and Pro-Forma Unaudited Consolidated Statement of Financial Position as at 31 July 2020.

	Reviewed Consolidated 31 Dec 2019 \$	Pro-Forma Unaudited Consolidated 31 Jul 2020 \$
CURRENT ASSETS		
Cash and cash equivalents	610,047	882,181
Trade and other receivables	9,877	9,877
TOTAL CURRENT ASSETS	619,924	892,058
NON-CURRENT ASSETS		
Deferred exploration expenditure	704,762	704,762
Plant and equipment	2,870	2,870
TOTAL NON-CURRENT ASSETS	707,632	707,632
TOTAL ASSETS	1,327,556	1,599,690
CURRENT LIABILITIES		
Trade and other payables	186,226	186,226
Provisions	3,645	3,645
TOTAL CURRENT LIABILITIES	189,871	189,871
TOTAL LIABILITIES	189,871	189,871
NET ASSETS	1,137,685	1,409,819
EQUITY		
Issued capital	30,714,114	31,602,927
Reserves	2,201,383	2,201,383
Accumulated losses	(30,756,010)	(31,307,814)

Equity attributable to owners of the parent	2,159,487	2,201,383
Non-controlling interest	(1,021,801)	(1,086,676)
TOTAL EQUITY	(1,137,685)	1,409,819

6.4 Assumptions

The Pro-Forma Unaudited Consolidated Statement of Financial Position set out above has been prepared on the basis and assumption that there have been no material movements in the assets and liabilities of the Company between 30 June 2020 and completion of the Offer that should have been reflected in the reviewed half-year financial statements of the Company as at 31 December 2019 except:

- the Company will undertake and complete the Entitlement Offer, being a non renounceable entitlement offer of one (1) New Option for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per New Option to raise a maximum of \$275,000 (before costs), and that any New Options not subscribed for under the Entitlement Offer will be subscribed for by the Underwriter in accordance with the Underwriting Agreement;
- the Company will undertake the Placement, being an offer of up to 200,000,000 New Options at an issue price of \$0.001 per New Option to raise a maximum of \$200,000 (before costs); and
- total costs expected as at date of Prospectus to be incurred in relation to the Offer of \$53,187 are recognised directly against equity;

6.5 Effect on Capital Structure

The effect of the Offer on the capital structure of the Company, assuming all New Options under the Offer are issued, is set out below.

Capital Structure on Completion of the Offer

	Balance at date of Prospectus	To be issued under the Offer	Balance after the Offer
Shares	1,375,000,000 ⁽¹⁾	Nil	1,375,000,000
Unquoted Options	107,272,728 ⁽²⁾	Nil	107,272,728
New Options offered under the Prospectus ⁽²⁾	Nil	475,000,000 ⁽³⁾	475,000,000

(1) Assuming no Options are exercised prior to the Record Date.

(2) The number, terms and expiry dates of the Options are set out below.

(3) Application for quotation of New Options will be made subject to the requirements of the Listing Rules and the Corporations Act. New Options will be exercisable at \$0.01 on or before 10 July 2022.

Details of all Options on issue at the date of this Prospectus

	Number
Unquoted Options currently on issue	
Unquoted Options exercisable at \$0.01 on or before 16 September 2021	7,272,728
Unquoted Options exercisable at \$0.01 on or before 15 November 2021	50,000,000
Unquoted Options exercisable at \$0.01 on or before 10 July 2022 ⁽¹⁾	50,000,000
Total Unquoted Options on issue at date of Prospectus	107,272,728
Total Listed Options on issue at date of Prospectus	Nil
Total Options on issue	107,272,728

(1) As at the date of this Prospectus these are unquoted but are otherwise on the same terms and conditions as the New Options, however after completion of the Offer an

application will be made for Quotation of all New Options (being those issued pursuant to this Prospectus and those already on issue on the same terms and conditions as at the date of this Prospectus).

On a fully diluted basis the Company would have 1,482,272,728 Shares on issue at the date of this Prospectus and 1,957,272,728 Shares on issue at completion of the Offer assuming all of New Options under the Offer are issued and no Options are exercised prior to the Record Date.

6.6 Details of Substantial Holder

Based on information available to the Company as at the date of this Prospectus, the person who (together with his associates) has a relevant interest in 5% or more of the Shares on issue (on a fully diluted basis) is set out below:

Shareholder	Shares	% shareholding before the Offer
Great Southern Flour Mills Pty Ltd	130,000,000	9.45%
Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	90,000,000	6.55%

In the event that all Entitlements are accepted, whilst there will be an increase in the number of Shares held by the substantial holder on a fully diluted basis, there will be no change in the percentage Shareholding of the substantial holder on completion of the Entitlement Offer as the Entitlement Offer is a pro rata offer to all Eligible Shareholders. However if the substantial holder set out above does not participate in the Entitlement Offer, his interest in the Company may be diluted if Eligible Shareholders subscribe for their Entitlements or for their Entitlements.

6.7 Potential Dilution

If Eligible Shareholders take up their Entitlements in full, and if the Placement is fully subscribed, the maximum number of New Options which will be issued pursuant to the Offer is approximately 475,000,000. This equates to approximately 24% of all the issued Shares of the Company following completion of the Offer (on a fully diluted basis and assuming Full Subscription).

The potential effect the Offer might have on the dilution of Shareholders will depend on the extent to which Eligible Shareholders take up their Entitlements and the quantum of Options issued through the Placement. .

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 1,482,272,728 Shares and on completion of the Offer (assuming all Option Entitlements are accepted and Options issued through the Placement and no Options are exercised prior to the Record Date) would be 1,957,272,728 Shares.

Shareholders should note that if they do not participate in the Entitlement Offer and the Placement is fully subscribed, their holdings could be diluted by approximately 24% on a fully diluted basis (as compared to their holdings and the number of Shares on issue at the date of the Prospectus on a fully diluted basis). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date (fully diluted)	% at Record Date	Entitlement	Holdings if Entitlement not taken up (fully diluted)	% post Offer (Full Subscription)
Shareholder 1	150,000,000	10.12%	30,000,000	150,000,000	7.66%

Shareholder 2	100,000,000	6.75%	20,000,000	100,000,000	5.11%
Shareholder 3	50,000,000	3.37%	10,000,000	50,000,000	2.55%
Shareholder 4	20,000,000	1.35%	4,000,000	20,000,000	1.02%
Shareholder 5	10,000,000	0.67%	2,000,000	10,000,000	0.51%
Shareholder 6	5,000,000	0.34%	1,000,000	5,000,000	0.26%

Notes

1. Assumes no further Shares or Options are issued and no Options currently on issue are exercised.
2. Calculated on a fully diluted basis.
3. Assumes the Placement is fully subscribed.
4. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are taken by other Eligible Shareholders and/or investors. If not all New Options are issued under the Entitlement Offer or the Placement, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

6.8 Effect of Control on the Company

The Offer is not expected to have any impact on control of the Company. If all Eligible Shareholders take up their Entitlements in full, the Offer will have no impact on the control of the Company. The Entitlement Offer is underwritten by the Underwriter up to the Underwritten Amount on the terms of the Underwriting Agreement detailed in Section 9.3.

If the Underwriter is required to satisfy its underwriting obligations in connection with the Entitlement Offer by personally subscribing for Shortfall Options, its voting power in the Company may increase.

Notwithstanding the potential effect of the underwriting in connection with the Entitlement Offer, the Underwriter has agreed with the Company that neither it nor any other person will by their underwriting hold a voting power in the Company of 20% or more by the issue of New Options on a fully diluted basis.

It is unlikely that no Shareholders will take up their Entitlements. The underwriting obligations and therefore the voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements taken up by other Eligible Shareholders.

6.9 Financial Forecasts and Cashflow Projections

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and consider that they do not have a reasonable basis to forecast future earnings for the Company. Given the speculative nature of mineral exploration and the early stage of the Company's projects there are significant uncertainties associated with the future revenue earning potential of the Company and the timing and sustainability of the cash flow. On the basis of these inherent uncertainties, the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

7. RIGHTS AND LIABILITIES ATTACHING TO NEW SECURITIES

7.1 Terms and Conditions of New Options

Each New Option to be issued pursuant to this Prospectus entitles the holder to subscribe for Shares on the following terms and conditions:

- (a) **Entitlement**
Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.
- (b) **Exercise Price**
Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.01 (**Exercise Price**).
- (c) **Expiry Date**
Each New Option will expire at 5:00 pm (WST) on 10 July 2022 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **Exercise Period**
The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **Notice of Exercise**
The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **Exercise Date**
A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of issue of Shares on exercise**
Within 15 Business Days after the Exercise Date, the Company will:
 - A. issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which 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, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - C. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under paragraph (g)(B) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

- (h) **Shares issued on exercise**
Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
- (i) **Reconstruction of capital**
If at any time the issued capital of the Company is reconstructed, all rights of a New 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.
- (j) **Participation in new issues**
There are no participation rights or entitlements inherent in the New 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 New Options.
- (k) **Change in exercise price**
A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (l) **Transferability**
The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7.2 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares into which the New Options will convert upon exercise. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to Shares arise from a combination of the Company's Constitution, the Corporations Act, the Listing Rules and general law. A copy of the Constitution is available for inspection at the Company's registered office during normal business hours

(a) General meetings

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

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

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for

each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

8. RISK FACTORS

8.1 Introduction

Subscribing for New Options involves a number of risks. Prospective investors in the Company should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for the New Options offered under this Prospectus.

Avira is an exploration company and you should consider that an investment in the Company is speculative. You should consult your professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

The risk factors set out below and others not specifically referred to below must not be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value and/or the market price of the New Options. Accordingly the New Options carry no guarantee with respect to the payment of dividends, returns of capital or their market value. Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.

KEY RISKS SPECIFIC TO THE COMPANY

8.2 Key Risks

The key risks which the Directors consider are associated with an investment in the Company are:

- (a) Additional Requirements for Capital.
- (b) Title Risk.
- (c) Exploration Risks.
- (d) Access Risk - Native Title and Aboriginal Heritage.
- (e) Reliance on Key Personnel.
- (f) Exploration Costs.
- (g) Contractual and Joint Venture Risk.
- (h) Termination of Underwriting Agreement.

Details of these key risks are contained in Section 4.2 and have not been repeated in this Section 8.

INDUSTRY RISKS

8.3 Operating Risks

The current and future operations of the Company, including exploration, project appraisal and possible production activities may be affected by various factors which can limit or prevent such activities. Such factors may include failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in surveying, drilling, other exploration activities and/or production activities, difficulties in commissioning and operating plant and equipment, electrical or mechanical failure or plant break, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of skilled labour, consumables, spare parts, plant and equipment.

8.4 Resource Estimates

Resource estimates are expressions of judgement 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 and the value of the Securities including the New Options.

8.5 Commercial Risk

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on its current projects or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

8.6 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of gold, copper or any other minerals it may discover exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Furthermore, international prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

If the price of commodities declines this could have an adverse effect on the Company's exploration, development and possible production activities, and its ability to fund these activities, which may no longer be profitable.

8.7 Insurance Risks

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company insures its operations in accordance with industry practice. However 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 against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

8.8 Environmental Risks

The operations and proposed activities of the Company are subject to Western Australian and Commonwealth 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. Future legislation and regulations governing exploration, development and possible production may impose significant environmental obligations on the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potential economically viable mineral deposits. The Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals or to obtain them on terms acceptable to the Company may prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

8.9 Access to Infrastructure

There is limited capacity and high demand for rail and port services for the export of mineral products in Australia at the present time. If the Company progresses to production there is no guarantee that appropriate and affordable rail and port capacity will be available, which could have an adverse effect on the Company. In the event of production the Company will also require the use of both power and water infrastructure. Due to high demand for power and water access there is a risk that the Company may not be able to procure such access which could have an adverse effect on the Company.

8.10 Competition

The Company is competing with other companies in its exploration and development activities, many of which will have access to greater resources than the Company and may be in a better position to compete for future business opportunities. There can be no assurances that the Company can compete effectively with these Companies.

GENERAL INVESTMENT RISKS

8.11 General Economic Conditions

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

8.12 Share Market Conditions

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

- (a) general economic outlook;
- (b) the introduction of tax reform or other new legislation (such as royalties);
- (c) interest rates and inflation rates;
- (d) currency fluctuations;
- (e) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or gold and/or copper sectors within that industry);
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of the New Options and Shares issued upon their exercise 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, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company, the Securities including the New Options and subsequently any return on an investment in the Company. Shareholders who sell their Shares or Options may not receive the entire amount of their original investment.

8.13 Volatility in Global Credit and Investment Markets

Global credit, commodity and investment markets may experience uncertainty and volatility. The factors which may lead to this situation are outside the control of the Company and may impact the price at which the New Options trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

8.14 Government and Legal Risk

The introduction of new legislation or amendments to existing legislation by governments (including introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and ultimately the financial performance of the Company, or the Securities including the New Options. The same adverse impact is possible by the introduction of new government policy or amendments to existing government policy, including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties. .

8.15 Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been considered in this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Securities including the New Options.

8.16 Regulatory Approvals

The Company's exploration and 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, 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 the 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 the 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 development of a mine. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in the suspension of the Company's activities or forfeiture of one or more of the Company's tenements.

8.17 Coronavirus (COVID-19)

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

9. ADDITIONAL INFORMATION

9.1 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.

This Prospectus is a “transaction specific prospectus”. 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 attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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 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 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 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 2019, being the most recent annual report lodged by the Company with ASIC before the issue of this Prospectus; and
 - (ii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in paragraph (i) above and before the lodgement of this Prospectus with ASIC.

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

The Company has lodged the following announcements with ASX since the lodgement of the Company's annual financial report for the financial year ended 30 June 2017 and before the lodgement of this Prospectus with ASIC:

Date	Description of Announcement
30/07/20	Quarterly Activities Report and Appendix 5B
15/07/20	Exploration Licence Granted and Field Activities Commence
10/07/20	Appendix 3G
06/07/20	Change in Substantial Holding
03/07/20	Appendix 2A and Cleansing Notice
03/07/20	Response to ASX Price and Volume Query
03/07/20	Results of Meeting
03/06/20	Notice of General Meeting
28/05/20	Proposed Issue of Securities – AVW
28/05/20	Commencement of Exploration Activities and Capital Raising
27/05/20	Trading Halt
27/04/20	Quarterly Activities Report and Appendix 5B
03/04/20	AVW Operations Update and COVID-19 Response
17/03/20	Board Transition and Appointment
12/03/20	Half Year Accounts
31/01/20	Quarterly Activities Report and Appendix 5B
30/12/19	Share Trading Policy
23/12/19	Change in Substantial Holding
29/11/19	Acquisition Settlement for Mount MacPherson Project
26/11/19	Constitution
22/11/19	Results of 2019 Annual General Meeting
18/11/19	AVW Enters Into Sale Agreement for Tenement Acquisition
30/10/19	Quarterly Activities Report and Appendix 5B
29/10/19	AVW Completes Surface Geochemical Survey at East Pyramid
21/10/19	Notice of Annual General Meeting/Proxy Form
08/10/19	AVW Establishes a Foothold in Prospective Paterson Belt
27/09/19	Corporate Governance Statement
27/09/19	Appendix 4G

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

The announcements are also available through the Company's website www.aviraresourcesltd.com.au.

9.2 Market price of Shares

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

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

Highest: \$0.008 on 3 July 2020.

Lowest: \$0.003 on 2 June 2020.

Last: \$0.005 on 3 August 2020.

9.3 Material Contracts

Lead Manager Mandate

CPS Capital has been appointed as underwriter to the Entitlement Offer and lead manager and broker to the Placement under a mandate entered between the Company and CPS Capital announced on 22 July 2020 (**Mandate**).

Pursuant to the Mandate the Company has agreed to pay CPS Capital a management fee of 1% plus GST for managing the Offer, an underwriting fee of 5% plus GST for underwriting the Entitlement Offer and a fee of 5% plus GST for funds raised under the Placement. The Company will also reimburse CPS Capital for certain expenses incurred by CPS Capital in connection with the Offer. The Company may terminate the Mandate by seven days' written notice, in which case any outstanding expenses will be immediately payable, subject to the requirements set out below in this Section 9.3.

Under the Mandate the Company has also appointed CPS Capital as its corporate adviser for the provision of ongoing corporate advisory services on a non-exclusive basis, in respect of which services CPS Capital will be paid a fee of \$10,000 per month plus GST. The appointment of CPS Capital as corporate adviser under the Mandate is for a minimum term of 12 months from the date of the Mandate and, if terminated by either party prior to that date, the full amount of the outstanding balance of the 12 month term will be due and payable by the Company in full.

The Mandate may be terminated by CPS Capital by 14 days' notice to the Company if the Company has committed or allowed to be committed a material breach of any of the terms or conditions of the Mandate, or if any warranty or representation by the Company is not complied with or proves to be untrue in any respect. CPS Capital may terminate the Mandate immediately if the Company becomes insolvent or other certain analogous circumstances arise in respect of it, or if a court makes an administration order with respect to the Company or any composition in satisfaction of its debts or a scheme of arrangement of the affairs of the Company.

9.4 Interests of Directors

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

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; and
- the Offer,

and no amounts have been paid or agreed to be paid (in cash, Shares, Options or otherwise) and no benefits have been given or agreed to be given to a Director or a proposed Director:

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

Security Holdings

The Directors', including their controlled entities', relevant interests in Securities as at the date of this Prospectus are set out below:

Name	Shares	Unquoted Options	Entitlement to New Options ⁽¹⁾
David Deloub	Nil	Nil	Nil
David Wheeler	Nil	Nil	Nil
Sonu Cheema	5,000,000	Nil	1,000,000

Notes:

- (1) This refers to the number of New Options each Director is entitled to subscribe for under the Entitlement Offer.

Remuneration

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The Company has entered into a deed of indemnity, insurance and access with each of the Directors and the Company Secretary (**Deeds**). Under the terms of the Deeds, the Company indemnifies each officer to the extent permitted by the Corporations Act against any liability as a result of the officer acting as an officer of the Company. The Company is required under the Deeds to use its best endeavours to obtain and maintain insurance policies for the benefit of the relevant officer for the term of their appointment and for a period of seven (7) years after retirement, termination or resignation, except to the extent that such insurance cannot be procured at a reasonable cost or is otherwise unavailable to the Company. The Deeds also provide for the officer to have a right of access to Board papers and minutes.

The following table shows the total director remuneration the current Directors, including their personally-related entities, have been paid or are entitled to be paid.

Name	Year Ended 30 June 2018	Year Ended 30 June 2019	1 July 2019 to 3 August 2020
David Deloub	28,850	98,001	65,000
David Wheeler	-	46,119	44,000
Sonu Cheema ¹	-	120,000	130,000

The Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Director Mr Sonu Cheema is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, accounting, company secretarial,

directorship and administration services to the Company for a monthly fee of \$10,000 plus GST.

9.5 Interests of Experts and Advisers

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

- 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; or
- promoter of the Company; or
- an underwriter (but not a sub-underwriter),

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

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; and
- the Offer,

and no amounts have been paid or agreed to be paid (in cash, Shares, Options or otherwise) and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- the formation or promotion of the Company; or
- the Offer.

Cardinals Lawyers and Consultants, the principal of which is the Chairman, have acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Cardinals Lawyers and Consultants approximately \$10,000 plus GST and disbursements for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, the Company has not incurred other fees to Cardinals Lawyers and Consultants.

CPS Capital Group Pty Ltd has acted as lead manager to the Offer. The fees to be paid for this service are set out in Section 9.5. During the 24 months preceding lodgement of this Prospectus with ASIC, the Company has incurred fees and disbursements to CPS Capital Group Pty Ltd for services provided to the Company of \$65,000 plus GST.

9.6 Consents

Each of the parties referred to in this Section:

- (a) does not make the Offer;
- (b) has not authorised or caused the issue of this Prospectus;
- (c) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statement included in or omitted from 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 9.6.

Cardinals Lawyers and Consultants has given its written consent to being named as solicitors to the Company in this Prospectus, in the form and context in which it is named.

Cardinals Lawyers and Consultants has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. CPS Capital Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

9.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$53,187 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	(\$)
ASIC fees	3,206
ASX fees	3,981
Underwriting/ Lead Manager/Broker Fees	28,500
Legal fees	10,000
Printing and distribution	7,500
TOTAL	53,187

9.8 Litigation

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

9.9 Privacy Statement

If you complete an Entitlement and Acceptance Form or a Placement Application Form you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, and, if your application is successful, to service your needs as a Security holder and to facilitate distribution payments and corporate communications to you as a Security holder.

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry whose contact details are set out in the Corporate Directory in Section 1.

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 Entitlement and Acceptance Form or Placement Application Form the Company may not be able to accept or process your application.

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

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

accordance with the Listing Rules and the ASX Settlement Operating Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of Securities.

The Company will not issue certificates to Security holders. Instead Security holders will receive a statement of their holdings in the Company, including their holding of New Options. If an investor is broker sponsored, ASX Settlement Pty Ltd will send a CHESS statement. This statement will also advise investors of either their Holder Identification Number (HIN) in the case of a holding on the CHESS sub-register or a Security Holder Reference Number (SRN) in the case of a holding on the issuer sponsored sub-register.

A statement will be routinely sent to Security holders at the end of any calendar month during which their holding changes. A Security holder may request a statement at any other time however a charge may be incurred for additional statements.

9.11 Dividend Policy

The Company has not declared a dividend since its incorporation and, at the date of this Prospectus, does not intend to pay any dividends in the two year period following the date of this Prospectus. During this period the Board expects to incur significant expenditure on the exploration and development of the Company's projects and in identifying, evaluating and, if warranted, acquiring other resource projects or assets in Australia and/or overseas that have the potential to add Shareholder value. The extent, timing and payment of dividends by the Company in the future will be at the discretion of the Directors and will depend on a number of factors including future earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

10. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings, unless the context requires otherwise:

\$ means an Australian dollar.

Application Money means money for New Options received by the Company from an applicant for New Options.

ASIC means the Australian Securities & Investments Commission.

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

ASX Settlement Operating Rules means the operating rules of the settlement facility operated by ASX Settlement Pty Ltd (ACN 008 504 532), as amended from time to time.

Board means the board of Directors.

Business Day means any day which is defined to be a business day pursuant to Listing Rule 19.12.

Chairman means the chairman of the Board.

Closing Date means the closing date of the Entitlement Offer and the Placement that is specified as the "Closing Date" in the indicative timetable in Section 3 (subject to the Company reserving the right to extend the Closing Date).

Company or **Avira** means Avira Resources Ltd (ACN 131 715 645).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth) and any regulations made under it, each as amended from time to time.

Directors means the directors of the Company from time to time.

Eligible Shareholder has the meaning given in Section 5.5.

Entitlement means the entitlement of an Eligible Shareholder to subscribe for New Options under the Entitlement Offer.

Entitlement Offer means the non renounceable pro rata entitlement offer of approximately 275,000,000 New Options (exercisable at \$0.01 on or before 10 July 2022) to Eligible Shareholders registered on the Record Date, on the basis of one (1) New Option for every five (5) Shares held at an issue price of \$0.001 per New Option, made under this Prospectus.

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

Full Subscription means the maximum amount to be raised under the Offer being the sum of \$475,000 assuming no existing Options are exercised.

Group means the Company and its related bodies corporate (as that term is defined in the Corporations Act) (if any).

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Mining Act means the *Mining Act 1978 (WA)* and any regulations made under it, each as amended from time to time.

New Option means an Option exercisable at \$0.01 on or before 10 July 2022 on the terms and conditions set out in Section 7.1.

Offer means the invitation to apply for New Options under this Prospectus comprising the Entitlement Offer and the Placement.

Official List means the official list of the ASX.

Prospectus means this prospectus dated 4 August 2020.

Record Date means the date for determining Entitlements specified in the timetable in Section 3.

Quotation means official quotation by the ASX in accordance with the Listing Rules.

Related Party means a related party (as that term is defined in the Corporations Act) of the Company.

Section means a section of this Prospectus.

Securities means Shares and Options, or any one of them, as the context requires, and **Security** has a corresponding meaning.

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

Share Registry means Computershare Investor Services Pty Ltd.

Shareholder means a holder of a Share.

Shortfall will occur if the Company does not hold successful valid Entitlement and Acceptance Forms for all of the New Options offered by the Company under the Entitlement Offer by the Closing Date.

Shortfall Options means the New Options which form the Shortfall.

Underwriter, CPS Capital or Lead Manager means CPS Capital Group Pty Ltd (ABN 73 088 055 636).

Underwriting Agreement means the underwriting agreement dated 22 July 2020 between the Company and the Underwriter, details of which are set out in Section 9.3.

Underwritten Amount means the amount of \$275,000.

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

11. DIRECTORS' STATEMENT AND AUTHORISATION

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

Each Director has consented to the lodgement of this Prospectus with ASIC in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

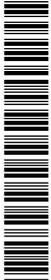
Dated 4 August 2020.



David De Loub
Executive Director
For and on behalf of
Avira Resources Ltd

For all enquiries:

Phone:
 Company Secretary +61 8 6489 1600



AVW
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Entitlement Offer— Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (WST) Thursday 27 August 2020**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Prospectus dated 5 August 2020.

Make your payment by **BPAY®** for the number of New Options you wish to apply for and the amount of payment for those New Options, using the payment instructions shown overleaf.

Turn over for details of the Offer →

Entitlement and Acceptance Form

X 9999999991

IND

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
5:00pm (WST) Monday 10 August 2020:

Entitlement to New Options
on a 1 for 5 basis:

Amount payable on full acceptance
at \$0.001 per New Option:

STEP 2

Make Your Payment by 5:00pm (WST) Thursday 27 August 2020

To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

Contact your financial institution to make your payment from your cheque or savings account.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor Avira Resources Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

[Detach here](#)

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

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