

Los Cerros Limited
ACN 119 759 349

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of 1 New Share for every 5 existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.03 per New Share to raise approximately \$4,323,358 (before costs) (**Offer**).

The Offer opens on 7 March 2023 and closes at 5:00pm (WST) on 20 March 2023 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

Lead Manager to the Offer

EUROZ HARTLEYS

Legal Advisor to the Offer

STEINPREIS PAGANIN 
Lawyers & Consultants

TABLE OF CONTENTS

1.	IMPORTANT INFORMATION	1
2.	CORPORATE DIRECTORY	4
3.	DETAILS OF THE OFFER	5
4.	ACTION REQUIRED BY SHAREHOLDERS	13
5.	RISK FACTORS	16
6.	ADDITIONAL INFORMATION.....	27
7.	DEFINED TERMS	28

1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 23 February 2023, has been prepared by Los Cerros Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**ASIC Instrument 2016/84**). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document 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 Offer Document.

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

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

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

1.5 Notice to nominees and custodians

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

1.6 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

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

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, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Ross Ashton
Non-Executive Chair
Jason Stirbinskis
Managing Director
Kevin Wilson
Non-Executive Director

Company Secretary

Michael Allen

Registered Office

Level 3
88 William Street
Perth WA 6000

Telephone: + 61 8 9463 2463

Email: info@loscerros.com.au
Website: www.loscerros.com.au

ASX Code

LCL

Share Registry*

Automic
Level 5
126 Phillip Street
Sydney NSW 2000

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Euroz Hartleys
Level 18, Alluvion
58 Mounts Bay Road
Perth WA 6000

Auditor*

Grant Thornton Audit Pty Ltd
Level 43, Central Park
152-158 St Georges Terrace
Perth WA 6000

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

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of 1 New Share for every 5 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.03 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.7 of this Offer Document, approximately 144,111,911 Shares will be issued pursuant to this Offer to raise up to approximately \$4,323,358.

As at the date of this Offer Document, the Company has 54,250,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 3.7 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$4,323,358 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	\$	%
PNG site based exploration costs	\$3,600,000	83%
PNG administration costs	\$200,000	5%
Pursuit of complementary growth opportunities in PNG	\$200,000	5%
Working capital	\$116,890	2%
Expenses of the Offer	\$206,468	5%
Total	\$4,323,358	100%

Notes

1. As announced in the Company's Quarterly report for the period ended 31 December 2022¹, the Company had cash at the end of the 31 December quarter of approximately \$8,367,000.
2. The Company continues to assess opportunities to grow its new footprint in Papua New Guinea following its first acquisition announced in November

¹ Refer to ASX announcement dated 31 January 2023.

2022. The Company intends to continue to expend funds seeking new opportunities within PNG.

3. The purpose of the Offer is predominantly to raise funds for the Company's next phase of exploration on its new PNG assets. Where less than the maximum amount under the Offer is raised, funds received will first be applied toward the expenses of the Offer and then allocated toward the PNG site based exploration costs referenced in the table above. Any shortfall in coverage of the exploration costs may be covered by the Company's existing cash at bank, which may however result in other changes to the Company's other internal budgets.
4. The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Indicative Timetable*

Company Announces Rights Issue	Thursday, 23 February 2023
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	Thursday, 23 February 2023
Ex date	Wednesday, 1 March 2023
Record Date for determining Entitlements	Thursday, 2 March 2023
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	Tuesday, 7 March 2023
Last date to extend the offer**	Wednesday, 15 March 2023
Closing Date	Monday, 20 March 2023
Shares quoted on a deferred settlement basis	Tuesday, 21 March 2023
ASX notified of under subscriptions	Monday, 27 March 2023
Issue date/Shares entered into Shareholders' security holdings	Monday, 27 March 2023
Quotation of Shares issued under the Offer	Tuesday, 28 March 2023

*These dates are indicative only and are subject to change.

** Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

3.4 Lead Manager

Euroz Hartleys Limited has been appointed as lead manager and book runner to the Offer (**Lead Manager**). Under the mandate, the Lead Manager will receive:

- (a) a management fee of 2% of the proceeds raised under the Offer, exclusive of any proceeds raised under the Shortfall Offer; and
- (b) a distribution fee of 6% of any proceeds raised from the placement under the Shortfall Offer to clients of the Lead Manager.

3.5 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 4.5 below.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares

	Number
Shares currently on issue ¹	720,559,555
New Shares offered pursuant to the Offer ²	144,111,911
Total Shares on issue after completion of the Offer²	864,671,466

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.32 on or before 1 July 2023	5,546,875
Unquoted exercisable at \$0.32 on or before 31 August 2023	656,250
Unquoted exercisable at \$0.32 on or before 15 November 2023	46,875
Unquoted exercisable at \$0.135 on or before 30 September 2024	10,000,000
Unquoted exercisable at \$0.0474 on or before 15 November 2026	13,000,000
Unquoted exercisable at \$0.05 on or before 9 November 2026	25,000,000
	54,250,000

Performance Rights

	Number
Performance Rights on issue ³	45,995,000

Notes:

1. Of the current Shares on issue, 52,054,908 Shares are subject to voluntary escrow arrangements entered into between the Company and the relevant holders of those Shares.
2. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.
3. The terms and incentive milestones attaching to the Performance Rights on issue have been announced to ASX previously.

The capital structure on a fully diluted basis as at the date of this Offer Document is 811,974,555 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options or Performance Rights are exercised prior to the Record Date) would be 864,671,466 Shares.

3.8 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 16.7% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	6.94%	10,000,000	50,000,000	5.78%
Shareholder 2	25,000,000	3.47%	5,000,000	25,000,000	2.89%
Shareholder 3	10,000,000	1.39%	2,000,000	10,000,000	1.16%
Shareholder 4	1,000,000	0.14%	200,000	1,000,000	0.12%
Shareholder 5	100,000	0.01%	20,000	100,000	0.01%

Notes:

1. This is based on a share capital of 720,559,555 Shares at the date of this Offer Document.

3.9 Directors' Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Jason Stirbinskis ^{1, 2}	3,100,001	0.43%	620,000	\$18,600
Ross Ashton ^{3, 4}	11,791,529	1.64%	2,358,306	\$76,149
Kevin Wilson ^{5, 6}	6,232,649	0.86%	1,246,530	\$37,396

Notes:

1. Mr Stirbinskis also holds 1,875,000 options exercisable at 32 cents on or before 1 July 2023 and 6,000,000 options exercisable at 13.5 cents on or before 13 September 2024 which will provide an additional Entitlement should they be exercised prior to the Record Date.
2. Mr Stirbinskis also holds 16,300,00 performance rights. Should the milestones attaching to those performance rights be achieved, Mr Stirbinskis would have the right to elect to convert those performance rights into Shares, which would provide an additional Entitlement should that occur prior to the Record Date. As at the date of this Offer Document none of the milestones attaching to the performance rights have been achieved.
3. Mr Ashton also holds 625,000 options exercisable at 32 cents on or before 1 July 2023 and 2,000,000 options exercisable at 13.5 cents on or before 13 September 2024 which will provide an additional Entitlement should they be exercised prior to the Record Date.
4. Mr Ashton also holds 2,320,000 performance rights. Should the milestones attaching to those performance rights be achieved, Mr Ashton would have the right to elect to convert those performance rights into Shares, which would provide an additional Entitlement should that occur prior to the Record Date. As at the date of this Offer Document none of the milestones attaching to the performance rights have been achieved.
5. Mr Wilson also holds 2,000,000 options exercisable at 13.5 cents on or before 13 September 2024 which will provide an additional Entitlement should they be exercised prior to the Record Date.
6. Mr Wilson also holds 1,540,000 performance rights. Should the milestones attaching to those performance rights be achieved, Mr Wilson would have the right to elect to convert those performance rights into Shares, which would provide an additional Entitlement should that occur prior to the Record Date. As at the date of this Offer Document none of the milestones attaching to the performance rights have been achieved.

The Directors may elect to take up all, some or none of their respective Entitlements. Should the Directors take up all of their Entitlements, approximately \$132,145 would be raised under the Offer.

3.10 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%) ¹	Entitlement	\$
Lizeng Pty Ltd	70,793,729	9.82%	14,158,746	\$424,762

Notes:

1. The voting power in the table is prior to settlement of the Offer.

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

- (a) if all Eligible Shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer and Ineligible Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 3.8; and
- (c) in respect of any shortfall, Eligible Shareholders will be entitled to top-up their shareholding, by subscribing for additional Shares to be issued from the shortfall pool (**Shortfall Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%.

3.11 Market Price of Shares

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

The highest, lowest and last market closing prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	6.0 cents	29 December 2022
Lowest	3.6 cents	10, 15, 21 and 22 February 2023
Last	3.6 cents	22 February 2023

3.12 Opening and Closing Dates

The Offer opens on the Opening Date, being 7 March 2023, and closes on the Closing Date, being 5:00pm (WST) on 20 March 2023 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.13 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

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

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.14 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.15 CHESS

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

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

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

3.16 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.18 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document 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 information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. 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.

All announcements made by the Company are available from its website <https://www.loscerros.com.au/site/content/> or the ASX (www.asx.com.au).

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.19 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 9463 2463.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

(a) **if you wish to accept your Entitlement in full:**

Please submit payment for the full amount displayed on your Entitlement and Acceptance Form.

You do not need to return the Entitlement and Acceptance Form when submitting payment by BPAY or EFT (for Eligible Shareholders with a registered address outside of Australia).

(b) **if you only wish to accept part of your Entitlement:**

Please calculate the amount payable by multiplying the Offer Price by the number of entitlements you would like to accept and submit payment in accordance with the instructions on your Entitlement and Acceptance Form.

You do not need to return the Entitlement and Acceptance Form when submitting payment by BPAY or EFT (for Eligible Shareholders with a registered address outside of Australia).

(c) **if you wish to accept your Entitlement in full and apply for Shortfall:**

Please calculate the amount payable by multiplying the Offer Price by the number of entitlements you would like to accept and submit payment in accordance with the instructions on your Entitlement and Acceptance Form.

You do not need to return the Entitlement and Acceptance Form when submitting payment by BPAY or EFT (for Eligible Shareholders with a registered address outside of Australia).

Any Application Monies received for more than your full Entitlement will be treated as applying for as many additional New Shares as it will pay for in full.

(d) **if you do not wish to accept all or part of your Entitlement**, you are not obliged to do anything.

Payment by BPAY or EFT (for Eligible Shareholders with a registered address outside of Australia) must be received by the Registry by no later than 5:00pm (WST) on the Closing Date.

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

4.2 Implications of an acceptance

Submitting payment of any Application monies by BPAY or EFT (for Eligible Shareholders with a registered address outside of Australia) will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once a payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 No payment by cheque/bank draft

Payment cannot be made by cheque or bank draft.

Only BPAY® or EFT (for Eligible Shareholders with a registered address outside of Australia) payments will be accepted.

4.4 Payment by BPAY® or EFT

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. For payment by EFT (for Eligible Shareholders with a registered address outside of Australia) please follow the instructions on the Entitlement and Acceptance Form and accompanying letter. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® or EFT:

- (a) you do not need to return the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full or make payment for more than your Entitlement, you are deemed to be applying for as many New Shares as which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.03 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer.

The Shortfall Offer will only be available where there is a shortfall between the total number of Shares that may be issued to Shareholders under the Offer and the applications received from Eligible Shareholders.

If you wish to apply for additional Shares out of the Shortfall (**Shortfall Shares**) more than your Entitlement pursuant to the Shortfall Offer you may do so by following the instructions in Section 4.1 (c) of this Offer Document.

The Company reserves the right, in consultation with the Lead Manager, to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. All decisions regarding the allocation of Shortfall Shares will be made by the Company in consultation with the Lead Manager and will be final and binding on all applicants under the Shortfall Offer. As such there is no guarantee that any Shares applied for will be issued to Eligible Shareholders and the Company will only issue such Shares where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the Applicant's voting power above 20%.

The Company will have no liability to any Applicant who receives less than the number of additional Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

5. RISK FACTORS

5.1 Introduction

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

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

(a) Exploration risk

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

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

(b) **Future capital requirements**

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

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

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

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

(c) **Foreign governments and legal systems risk**

Colombia and Papua New Guinea, where the Company's operating assets reside, and other jurisdictions in which they may operate in the future, differ from the legal system found in Australia. This could lead to exposure to any or all of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations;
- (ii) delays in redress or greater discretion on the part of governmental authorities; and
- (iii) restrictions on the potential extraction and export of mineral ores or concentrates.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

Since 2017, the Company has acknowledged that it is aware that a former director of a company that was acquired by the Company (Minera Seafield, now called Miraflores Compania Minera SAS) previously lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking termination payments, unpaid bonus payments and damages in the amount of approximately US\$2 million. Since 2017, the Directors have maintained their position that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is unlikely. Any judgement would be subject to appeal by either party.

Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for the Offer. However, investors are cautioned that the participating in the Offer may give rise to adverse taxation consequences. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for the Offer.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

(e) Regulatory risks

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species, social licence obligations, bribery, corruption 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. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

(f) Sovereign security risks

The Company's operations are located in Papua New Guinea and Colombia and are subject to various in-country security risks. These risks and uncertainties include, but are not limited to, terrorism, trafficking narcotics, hostage taking, labour unrest, general strikes, the risks of war or civil unrest, expropriation and nationalisation, illegal mining and changing political conditions.

It is not possible for the Company to predict the extent to which the abovementioned risks and uncertainties may adversely impact on the Company's operations.

(g) **PNG Government and stakeholder equity**

It is PNG Government policy that the State has a right (which is expressed as a condition in each exploration licence) to take up an equity participation in a future mining project. The right is to purchase an interest of up to 30% at cost, although historically the State has not recently taken 30% in small or medium-sized mining projects. However, even if the PNG Government elects not to take up its rights in full, it may want to exercise this right to a limited extent in order to give local stakeholders an equity participation, which historically has been at the level of 5%. Local stakeholder equity may be given free or on a carried interest basis. These issues cannot be negotiated with the PNG Government until the scope of the Company's projects are known and notification of a mining lease application has commenced. If the PNG Government is to exercise its right to take up an equity participation in the project, either for itself or for the local stakeholders, this may significantly affect the financial projections for the projects.

(h) **Tenure, access and grant of applications – PNG**

Ownership interests in tenements in Papua New Guinea are governed by the mining acts and regulations that are current in that country and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

All of the tenements in PNG in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a Tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

In particular, 3 of the Company's exploration tenements (EL2665-Ono, EL2548-Imou, EL2432- Liamu, Ubei) are currently subject to renewal. Although the Company believes it has met the requirements for renewal to be granted for these tenements, there can be no guarantee that renewal of the tenements will be granted.

The Company will put in place policies and procedure and exercise best endeavours to manage this risk effectively.

(i) **Tenure, access and grant of applications - Colombia**

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities in Colombia. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences/permits for the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold

all licences/permits necessary to develop or continue operating at any particular property.

In 2022, Colombia elected a new President, Gustavo Petro. Various statements attributed to the new President have suggested an intention to apply additional restrictions and requirements on new mining activities in Colombia. The Company continues to monitor the policy development within Colombia as it determines the next stages of the development of its projects in Colombia. In the event that additional restrictions and requirements impair the Company's ability to advance its projects in Colombia, this could lead to economic loss for the Company.

(j) **Environmental risk**

Mining and exploration has become subject to increasing environmental responsibility and liability in Colombia and Papua New Guinea. The potential for liability is an "ever present" risk. The use and disposal of chemicals and other materials in the mining industry is under constant legislative scrutiny and regulation. Consistent with this, the Company may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised. The discovery of any endangered species of fauna and flora may impact upon the Company's ability to freely explore or develop its permits.

There is no guarantee that nature reserves or parks will not be decreed by government agencies in the areas in which the Company works. These could constrain the Company's ability to operate on its existing or future licences.

(k) **Social licence**

In order to explore, develop or operate in communities, the general acceptance of certain stakeholder populations may be required. This may include formal agreements that can require extended negotiations with large numbers of stakeholders, for example indigenous communities and groups with native title rights or informal miners. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company's plans.

The Company is aware that a small group within the community in Quinchia may be opposed to the Company's activities in the region. There can be no guarantee that any such local opposition will not cause delay or disruption to the Company's operations in the region.

(l) **Mine development risk**

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, climate change, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

(m) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

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

(n) **Insurance risks**

There are significant exploration and operating risks associated with exploring for gold and other metals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company and its subsidiaries will be subject to liability for environmental risks such as pollution and damage of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

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

Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences, mining concessions and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied.

(p) **Loss of key management personnel**

The Company's success largely depends upon key management personnel for the management of the Company as well as upon other management and technical personnel for the daily operation of the Company. Consequently, there is a possibility that the Company will be adversely affected, particularly in respect of the rate at which its exploration programs and tenements are developed or prioritised, if one or more of the key management personnel cease their employment.

(q) **Exploration costs**

The exploration costs of the Company are premised upon a number of assumptions and estimates as regards the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the cost estimates and the underlying assumptions will be realised in practice, which may adversely

affect the Company's budget and forecast cashflows and ultimately the trading price of its Securities.

(r) **Commodity prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest as well as the Company's ability to raise capital.

(s) **Tax rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares and the grant of Options involves tax considerations that may differ for each Shareholder. There could be a variety of taxation consequences for Shareholders in relation to the grant of Options including adverse consequences. Each Shareholder is encouraged to seek professional tax advice in connection with any investment and in relation to the grant of Options in the Company particularly given the current share price of the Company as against the exercise price of the Options.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

(t) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's business.

(u) **Force majeure**

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

(v) **Land access risks – PNG**

The Company's ability to develop the Company's projects in PNG will depend in significant part on its ability to maintain good relations with the local community. Under the relevant legislation in PNG, a tenement holder is liable to compensate landowners for its entry onto and occupation of the land and for loss and damage caused by exploration,

mining or related activities. Compensation arrangements must be finalised and compensation payments must be current before the tenement holder may enter onto, or occupy, the land. Although the Company believes that the local communities generally welcome the Company's projects and perceive that it will bring benefits to them, no assurance can be given that negotiations with local communities about the benefits they will derive from the Company's projects, covering compensation, royalties, equity participation, employment and local business, will be successful. Failure to adequately manage community and social expectations may lead to local dissatisfaction with the Company's projects, which in turn may lead to disruptions of future proposed operations.

(w) **Land access risks - Colombia**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Mineral rights in Colombia are governed under the National Mining Code which defines the procedures and obligations that need to be met to obtain and maintain the mineral rights. Exploration applications are granted on a first come first served basis. Applications are subject to analysis by the authorities to define the area within the application boundary that was "available" at the time of application. There is no guarantee that all or part of the application will be granted until the authorities have conducted this study.

Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it already owns.

Access to land for exploration and evaluation purposes can be obtained by: private access and compensation agreement with the landowner; purchase of surface rights; or through judicial rulings.

All of these issues have the potential to delay, curtail and preclude the Company's operations in Colombia. Whilst the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact on the Company's operations.

Recently in Colombia, certain large open pit mining gold projects have had environmental licence applications declined by the regulatory agencies, preventing those mining projects from advancing to development, at least in the short term. There can be no guarantee that the Company's recent application for environmental approval at Miraflores, although not for open pit mining, will be granted.

5.3 General Risks

(a) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(c) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia, Papua New Guinea or Colombia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production,

taxes, labour standards and occupational health and safety, and other matters.

(e) **Economic risks**

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

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(f) **Security risk**

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorised access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

(g) **Climate change risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

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

shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. ADDITIONAL INFORMATION

6.1 Lead Manager Mandate

The Company has entered into a lead manager mandate with the Lead Manager, pursuant to which the Lead Manager has agreed to act as lead manager to the Offer.

The material terms and conditions of the Lead Manager Mandate are summarised below:

Fees	(a) A management fee of 2% of the total proceeds raised under the Offer, exclusive of any proceeds which may arise from any placement under the Shortfall Offer;
	(b) A distribution fee of 6% of any proceeds raised from the placement under the Shortfall Offer to clients of the Lead Manager; and
	(c) Reasonable disbursements, with Company approval for any amount over \$2,000.
Term	The engagement runs for a term of 2 months.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature.

The Company has previously entered into a corporate advisory mandate with the Lead Manager where the Company pays the Lead Manager a fee of \$3,000 per month for the provision of capital raising and corporate advisory advice from the Lead Manager. In addition, the Lead Manager has received 25 million options in the Company exercisable at \$0.05 per option on or before 9 November 2026.

7. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Los Cerros Limited (ACN 119 759 349).

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

Directors mean the directors of the Company.

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

Entitlement means the entitlement to subscribe for 1 New Share for every 5 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Lead Manager means Euroz Hartleys Limited.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.03 each on the basis of 1 New Share for every 5 Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.

Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

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

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 4.5 of this Offer Document.

US Person means a person who receives the Offer when they are located in the United States of America.