



Kalgoorlie Gold Mining Limited
ACN 645 666 164

Options Prospectus

This Prospectus is being issued for a non-renounceable pro-rata offer to Eligible Shareholders of up to approximately 28,812,000 Unquoted Options (**Loyalty Options**) on the basis of one free Loyalty Option for every three Shares held on the Record Date (**Entitlement Offer**).

The Entitlement Offer is not underwritten.

The Entitlement Offer closes at 5:00pm (WST) on 14 April 2022 (**Offer Closing Date**).*

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

While the issue price of the Loyalty Options is free, an investment in the Company offered in connection with this Prospectus (for example, through the exercise of the Loyalty Options) should be considered of a speculative nature.

* The Company reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws to extend the Offer Closing Date without prior notice.

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Important Information

This Prospectus is dated 15 March 2022 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Loyalty Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 2, 45 Ord Street, West Perth, WA 6005, during normal business hours.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Entitlement Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia and New Zealand.

The Loyalty Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Loyalty Options will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

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

No action has been taken to permit the offer of Loyalty Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Loyalty Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

Corporate Directory

Directors

Pauline Gately	Non-Executive Chair
Matt Painter	Managing Director and Chief Executive Officer
Carmel McKenzie	Non-Executive Director
Andrew Penkethman	Non-Executive Director

Company Secretary

Graeme Smith	Company Secretary and Chief Financial Officer
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Registered and Principal Office

Suite 2, 45 Ord Street,
West Perth, WA 6005

Telephone: +61 8 6002 2700

Email: info@kalgoldmining.com.au

Website: www.kalgoldmining.com.au

Share Registry*

Automic Pty Ltd
Level 5, 191 St Georges Terrace,
Perth, WA 6000

Telephone: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)

Auditor*

Butler Settineri (Audit) Pty Ltd
Unit 16, First Floor, Spectrum Offices,
100 Railway Road,
Subiaco, WA 6008

Solicitors

Hamilton Locke
Australia Square, Level 42,
264 George Street
Sydney NSW 2000

ASX Code: KAL

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

Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC	15 March 2022
Lodgement of Appendix 3B and Prospectus with ASX	(Pre-market open) 16 March 2022
Ex-date	18 March 2022
Record Date	5:00pm (WST) on 21 March 2022
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	24 March 2022
Offer Closing Date	5:00pm (WST) on 14 April 2022
Issue Date of Loyalty Options	9:00am (WST) on 22 April 2022
Despatch of shareholding statements	23 April 2022
Lodgement of Appendix 3G with ASX	(pre-market open) 23 April 2022
Expiry Date of Loyalty Options	22 April 2023

The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.

Letter from the Board

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Entitlement Offer for Loyalty Options.

Eligible Shareholders are offered the opportunity to subscribe for one (1) free Loyalty Option for every three (3) Shares held on the Record Date.

The Loyalty Options are offered for nil consideration with an exercise price of the greater of the 5 day VWAP at the Issue Date and \$0.25. The Loyalty Options will be exercisable before 5:00pm (WST) on the date that is one (1) year after the Issue Date. The full terms and conditions of the Loyalty Options are set out in Section 5.1 of this Prospectus.

Please read in full the details on how to submit your application for Loyalty Options, which are set out in Section 2 of this Prospectus.

Enquiries relating to this Prospectus should be directed to the Company Secretary by email at info@kalgoldmining.com.au. For general shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



Pauline Gately
Non-Executive Chair
Kalgoorlie Gold Mining Limited

Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Loyalty Options.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering 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 potential investors may consult.</p>	Section 5.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Loyalty Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Funding: At the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms acceptable to the Company. • Mineral rights sharing on Gold Rights Tenements: The Company is party to mineral rights sharing agreements. There is an inherent risk with mineral rights sharing agreements that the parties' activities overlap, or interfere, with each other and that this cannot be resolved within the parameters of the agreement. Accordingly, there is an increased risk of dispute that may cause delays, or costs, to the Company in trying to progress its activities. Given the nature of mineral rights sharing agreements, there is a greater degree of co-ordination required in respect of activities on the Tenements, including some longer negotiation periods and a process for the parties to evaluate a proposed mining area for a period of 6 months in order to ascertain whether there may be any competing resources. As a consequence of this, there is a risk that this may cause the Company's ability to undertake activities, or to progress from exploration to mining, to be delayed. • Tax risk: The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company, including persons obtaining the Loyalty Options, are urged to obtain independent financial advice about the consequences of acquiring Loyalty Options from a taxation viewpoint and generally. • Title and grant: Interests in all tenements in Western Australia are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and 	Section 4

Key Information	Further Information															
<p>carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.</p> <p>If in the future, the term of any of the tenements are not renewed or extended, the Company may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these tenements.</p> <ul style="list-style-type: none"> • Exploration and operating risks: The current and future operations of the Company, including exploration, appraisal, development, and possible production activities may be affected by a range of exploration and operating factors such as geological conditions, weather, scarcity of equipment and alterations to budgets. 																
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable entitlement offer of one free Loyalty Option for every 3 Shares held on the Record Date. The Loyalty Options will have an exercise price of the greater of the 5 day VWAP at the Issue Date and \$0.25 each and will expire on the date that is one (1) year after the Issue Date.</p> <p>No funds will be raised under the Entitlement Offer.</p>	Section 1.1															
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> • are the registered holder of the Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or New Zealand or, subject to the offer restrictions in Section 1.13, a jurisdiction where it would be lawful to participate in the Entitlement Offer. 	Sections 1.13, 1.14 and 1.15															
<p>Use of funds</p> <p>As the Loyalty Options are being issued for nil consideration, no funds will be raised from the issue of Loyalty Options under the Entitlement Offer.</p>	Section 3.2															
<p>Effect on control of the Company</p> <p>It is not expected that the Entitlement Offer will have any effect on the control of the Company.</p>	Section 1.6															
<p>Indicative capital structure and pro-forma balance sheet</p> <p>The indicative capital structure upon completion of the Entitlement Offer is set out below:</p> <table border="1" data-bbox="204 1720 1123 2031"> <thead> <tr> <th></th> <th>Shares</th> <th>Loyalty Options</th> <th>Other Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>86,434,600</td> <td>Nil</td> <td>20,031,950</td> <td>744,827</td> </tr> <tr> <td>Maximum to be issued under the Entitlement Offer</td> <td>Nil</td> <td>28,812,000</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>		Shares	Loyalty Options	Other Options	Performance Rights	Balance at the date of this Prospectus	86,434,600	Nil	20,031,950	744,827	Maximum to be issued under the Entitlement Offer	Nil	28,812,000	Nil	Nil	Sections 3.1 and 3.3
	Shares	Loyalty Options	Other Options	Performance Rights												
Balance at the date of this Prospectus	86,434,600	Nil	20,031,950	744,827												
Maximum to be issued under the Entitlement Offer	Nil	28,812,000	Nil	Nil												

Key Information					Further Information
Total	86,434,600	28,812,000	20,031,950	744,827	
The indicative pro-forma balance sheet showing the effect of the Entitlement Offer in Section 3.3.					
Directors' participation As at the date of this Prospectus, the Directors intend to take up all of their Entitlement under the Entitlement Offer.					Section 5.8
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 are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable. Such forward-looking statements 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 management. The Directors cannot and do 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 investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise 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. These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.					Important Information and Section 4

1. Details of the Entitlement Offer

1.1 Entitlement Offer

The Company is making the Entitlement Offer which is a non-renounceable pro rata offer of Loyalty Options (being Unquoted Options) to Eligible Shareholders on the basis of 1 free Loyalty Option for every 3 Shares held at the Record Date. The Loyalty Options will be issued for nil consideration with an exercise price of the greater of the 5 day VWAP at the Issue Date and \$0.25. The Loyalty Options will be exercisable before 5:00pm (WST) on the date that is one (1) year after the Issue Date.

As at the date of this Prospectus, the Company has on issue:

- (a) 86,434,600 Shares
- (b) 20,031,950 Options; and
- (c) 744,827 Performance Rights.

Assuming no Options are exercised into Shares prior to the Record Date, the Entitlement Offer is for a maximum of approximately 28,812,000 Loyalty Options to be issued for nil consideration.

Up to 28,812,000 Loyalty Options could be issued under the Entitlement Offer for nil consideration if all existing Options on issue are exercised into Shares between the date of the Prospectus and the Record Date. The Company notes that the Performance Rights currently on issue are subject to vesting conditions which will not be satisfied prior to the date of this Prospectus.

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Loyalty Option, such fraction will be rounded down to the nearest whole Loyalty Option. As a result of this rounding policy, Shareholders holding less than three Shares will not receive a Loyalty Option.

Refer to Section 5.1 for a summary of the terms and conditions of the Loyalty Options under the Entitlement Offer. Shares issued upon exercise of the Loyalty Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is set out in Section 5.2.

Please refer to Section 2 for details on how to apply for Loyalty Options.

1.2 Underwriting

The Entitlement Offer is not underwritten.

1.3 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' entitlements under the Entitlement Offer until the Offer Closing Date. The Record Date is 5:00pm (WST) on 21 March 2022. The Offer Closing Date is 5.00pm (WST) on 14 April 2022 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.5 Withdrawal of Offer

The Company reserves the right not to proceed with the Entitlement Offer at any time before the issue of Loyalty Options.

1.6 Effect on control of the Company

The Company is of the view that the Entitlement Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Entitlement Offer or exercise of the Loyalty Options.

1.7 Substantial shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Ardea Resources Limited	9,025,585	10.44%
Citicorp Nominees Pty Limited	6,554,983	7.58%
CS Third Nominees Pty Limited	4,331,652	5.01%

1.8 Potential dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted if the Loyalty Options are issued and subsequently exercised (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Entitlement Offer may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Entitlement Offer	% holdings if Entitlement taken up ⁽¹⁾	% holding if Entitlement not taken up ⁽²⁾
Shareholder 1	5,000,000	5.78%	1,666,667	5.78%	4.40%
Shareholder 2	2,500,000	2.89%	833,333	2.89%	2.19%
Shareholder 3	1,000,000	1.16%	333,333	1.16%	0.87%
Shareholder 4	500,000	0.58%	166,667	0.58%	0.43%
Shareholder 5	250,000	0.29%	83,333	0.29%	0.22%

Notes:

1. The table assumes that all Loyalty Options are issued and exercised, and that no other Shares are issued or options exercised.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Entitlement Offer is fully subscribed excluding Shareholders 1- 5 entitlement under the Offer. If the Entitlement Offer is not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 No rights trading

The entitlements to Loyalty Options under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your

entitlement to any other party. If you do not take up your entitlement to Loyalty Options under the Entitlement Offer by the Offer Closing Date, the offer to you will lapse.

1.10 Issue date

The Loyalty Options will be issued in accordance with the timetable set out on page 4 of this Prospectus and only after all Application Monies have been received. It is expected that Loyalty Options will be issued on 22 April 2022.

Security holder statements will be dispatched in accordance with the Listing Rules and as soon as practicable after the issue of the Loyalty Options.

1.11 ASX quotation

The Company will not apply to ASX for quotation of the Loyalty Options offered under this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

1.12 SRN

If you take up your entitlement, you will be registered on the Issuer Sponsored sub-register and your statement will be despatched by the Share Registry and will contain the number of Loyalty Options issued to you under this Prospectus and your security holder reference number.

An Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.13 International Offer Restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Options may not be offered or sold, in any country outside Australia or New Zealand where it would be unlawful to do so.

1.14 Ineligible Foreign Shareholders

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Loyalty Options that would be offered to those Ineligible Foreign Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

1.15 New Zealand Offer Restrictions

The Loyalty Options are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

1.16 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

1.17 Risk factors

An investment in the Loyalty Options should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.18 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Loyalty Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Loyalty Options.

1.19 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the half year ended 31 December 2021, can be found in the Company's Half Yearly Financial Statements announced on ASX on 14 March 2022. The Company's continuous disclosure notices (i.e. ASX announcements) since the date that the Company was admitted to the Official List of ASX until the date of this Prospectus are listed in Section 5.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

1.20 Privacy

If you complete an application for Loyalty Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, 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 Share Registry.

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

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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.

1.21 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by email at info@kalgoldmining.com.au.

For general shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

2. Action required by Eligible Shareholders

2.1 Action in relation to the Entitlement Offer

Should you wish to acquire Loyalty Options as part of the Entitlement Offer, you may take up all of your Entitlement (refer to Section 2.2) as shown on the accompanying personalised Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you may allow your entitlement to lapse (refer to Section 2.3).

2.2 Acceptance of all of your Entitlement

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date.

The number of Loyalty Options to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

Applications for Loyalty Options must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided.

Completed Entitlement and Acceptance Forms must be lodged at any time after the issue of this Prospectus and on or before the Offer Closing Date either online, or at the Share Registry (by delivery or by post) at:

By Post	By Hand
Kalgoorlie Gold Mining Limited C/- Automic Group GPO Box 5193 Sydney NSW 2001	Automic Group Level 5 126 Phillip Street Sydney NSW 2000

2.3 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything, however you will forgo the right to acquire a free Loyalty Option at no cost or obligation to you. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.4 Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Loyalty Options accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Loyalty Options.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing and returning your Entitlement and Acceptance Form you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Entitlement Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Loyalty 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;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or New Zealand, or another country which permits the Company to make the Entitlement Offer to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Loyalty Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Loyalty Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.5 Enquiries concerning your entitlement

For enquiries concerning the Entitlement and Acceptance Form, your Entitlement or general shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or consult your professional advisor.

Enquiries relating to this Prospectus should be directed to the Company Secretary by email at info@kalgoldmining.com.au.

3. Effect of the Entitlement Offer

3.1 Capital structure on completion of the Entitlement Offer

Assuming that no existing Options are exercised, or Performance Rights converted into Shares before the Record Date, the effect of the Entitlement Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Loyalty Options ¹	Other Options ²	Performance Rights ⁽³⁾
Balance at the date of this Prospectus	86,434,600	Nil	20,031,950	744,827
Maximum to be issued under the Entitlement Offer	Nil	28,812,000	Nil	Nil
Total	86,434,600	28,812,000	20,031,950	744,827

Notes:

1. Assumes the Entitlement Offer is fully subscribed.
2. Comprising 3,000,000 unquoted Options exercisable at \$0.25 and expiring on 16 September 2024 and 17,031,950 unquoted Options exercisable at \$0.25 and expiry on 5 November 2024.
3. Comprising 744,827 Performance Rights granted to eligible participants under the Company's employee incentive plan, as set out in the Company's Appendix 3G announced on the ASX Markets Announcement Platform on 18 February 2022.

3.2 Use of funds

As the Loyalty Options are being issued for nil consideration, no funds will be raised from the issue of Loyalty Options under the Entitlement Offer.

If all Loyalty Options are issued and exercised at \$0.25, the Company will receive approximately \$7,203,000 from the exercise of the Loyalty Options. There is no certainty that any Loyalty Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Loyalty Options will be used towards continued development on the Company's existing projects and for working capital. Working capital includes but is not limited to corporate administration and costs associated with the Loyalty Options.

The Company notes there are extra costs associated with the Loyalty Options. Upon each exercise of Loyalty Options, the Company must lodge an Appendix 3B with the ASX and will, accordingly, incur further costs in this regard. The Company intends to use a portion of the funds raised from the Entitlement Offer towards any payments associated with the exercise of Loyalty Options issued under the Entitlement Offer.

The application of funds will depend on when Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are

ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

3.3 Pro forma consolidated statement of financial position

	Reviewed Statement of Financial Position as at 31/12/21	Effect of Offer	Pro Forma Statement of Financial Position Post Offer (\$'000)
	\$		\$
Current Assets			
Cash and cash equivalents	5,648,416	(30,706)	5,617,710
Trade and other receivables	50,818		50,818
Total Current Assets	5,699,234	(30,706)	5,668,528
Non-Current Assets			
Plant and equipment	40,258		40,258
Exploration and evaluation	11,426,238		11,426,238
Total Non-Current Assets	11,466,496		11,466,496
TOTAL ASSETS	17,165,730	(30,706)	17,135,024
Current Liabilities			
Trade and other payables	71,667		71,667
Loans and borrowings	36,984		36,984
Provisions	93,500		93,500
Total Current Liabilities	202,151		202,151
TOTAL LIABILITIES	202,151		202,151
NET ASSETS	16,963,579	(30,706)	16,932,873
Equity			
Issued capital	15,867,685	(30,706)	15,836,979
Reserves	1,615,577	464,199	2,079,776
Accumulated losses	(519,683)	(464,199)	(983,882)
TOTAL EQUITY	16,963,579	(30,706)	16,932,873

Basis of Preparation

The reviewed pro forma statement of financial position has been prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The reviewed pro forma statement of financial position is based on the reviewed financial position as at 31 December 2021 and assumes that the Entitlement Offer is fully subscribed.

Other than in the ordinary course of business, there have been no other material transactions between that date and the date of this Prospectus that have affected the Company's financial position.

3.4 Market price of Shares

The highest and lowest closing 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:

Lowest: \$0.135 on 23 December 2021.

Highest: \$0.17 on 1 March 2022.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.16 on 11 March 2022.

4. Risk Factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Loyalty Options.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Risks specific to the Company

(a) Funding

At the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration. Neither the Company nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms acceptable to the Company.

Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning, and operational performance.

Should it choose in future to enter joint ventures, the Company may not be able to earn or maintain proposed equity interests in its tenements if it fails to meet the ongoing expenditure commitments. Accordingly, the Company may potentially lose entitlement or rights to interests in tenements and projects where ongoing expenditure commitments are not met.

(b) Mineral rights sharing on Gold Rights Tenements

The Company is party to mineral rights sharing agreements. Despite all efforts to mitigate foreseeable issues, there is an inherent risk with mineral rights sharing agreements that the parties' activities overlap, or interfere, with each other and that this cannot be resolved within the parameters of the agreement. Accordingly, there is an increased risk of dispute that may cause delays, or costs, to the Company in trying to progress its activities.

Given the nature of mineral rights sharing agreements, there is a greater degree of co-ordination required in respect of activities on the Tenements, including some longer negotiation periods and a process for the parties to evaluate a proposed mining area for a period of 6 months in order to ascertain whether there may be any competing resources. As a consequence of this, there is a risk that this may cause the Company's ability to undertake activities, or to progress from exploration to mining, to be delayed.

(c) **Tax risk**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company, including persons obtaining the Loyalty Options, are urged to obtain independent financial advice about the consequences of acquiring Loyalty Options from a taxation viewpoint and generally.

(d) **Title and grant**

Interests in all tenements in Western Australia are governed by state legislation and are evidenced by the granting of licenses or leases. Each license 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 be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

If in the future, the term of any of the tenements are not renewed or extended, the Company may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these tenements.

(e) **Land-owner and access risk**

The Company will be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company and any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions.

Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.

Several of the Tenements overlap various file notation areas, pastoral leases and 'C' Class Reserves.

Many of the Tenements overlap miscellaneous licences held by third parties, some of which are the subject of access agreement in respect to the co-ordination of activities on these tenements. These miscellaneous licences co-exist with the Tenements.

(f) **Management and key personnel**

The Company's management presently consists of three non-executive Directors, an exploration manager and a Managing Director.

Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on the Company if one or more key employees leave the Company.

(g) **Limited exploration**

Investors should be aware that there has been limited modern systematic gold exploration to date on many of the Tenements and that no gold "mineral resource estimate" (as defined by the JORC Code 2012) has been defined. Whilst the Company intends to utilise its expertise to define new gold targets and undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the delineation of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

(h) **Joint venture parties, agents and contractors**

The Company is unable to predict the risk of financial failure or default by a participant in any future joint venture to which the Company may become a party (noting that the Company has no current joint venture intentions). Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's operations.

(i) **Exploration and operating risks**

The current and future operations of the Company, including exploration, appraisal, development, and possible production activities may be affected by a range of exploration and operating factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal or adverse weather patterns;
- (iii) alterations to program and budgets;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
- (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;

- (vi) industrial action, disputation or disruptions;
- (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (viii) unavailability of suitable laboratory facilities to complete metallurgical testwork investigations;
- (ix) failure of metallurgical testing to determine a commercially viable product;
- (x) shortages or unavailability of manpower or appropriately skilled manpower;
- (xi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (xii) prevention or restriction of access by reason of inability to obtain consents or approvals; and
- (xiii) changes in community expectations, attitudes, NGO or social media campaigns.

(j) **Climate change risks**

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.

(k) **Environment**

As a condition of the Tenements, the Company will be required to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. The Company is also required to lodge rehabilitation security by way of cash deposit.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(l) **Commodity prices**

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of gold and the terms of any off-take agreements that the Company enters into.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for the specific commodity, prevailing commodity trading terms, general world economic conditions and the outlook for interest rates, inflation, and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities. Furthermore, some products are not traded upon terminal, liquid, commodity exchanges. There is a risk therefore that the Company may not be able to secure an attractive price for its commodity products.

(m) **Taxes and royalties**

There is a risk that the Commonwealth or Western Australian Governments may seek to introduce further, or increase existing, taxes and royalties.

(n) **Unforeseen risks**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company and its operations, and on the valuation and performance of the Company's Shares.

(o) **Economic conditions**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Company's tenements may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company's Shares and its valuation regardless of its actual performance.

(p) **Insurance risk**

The Company has put in place an insurance program aligned to the scale of its activities and in accordance with industry practice. 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.

(q) **Liquidity risk**

There can be no guarantee that there will be an active market for Shares or that the price of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid for the exercise of Loyalty Options. Subscribers for the Loyalty Options should also be aware that the Loyalty Options will not be quoted on the ASX and that there will be no opportunity for holders of Loyalty

Options to transfer those Loyalty Options without first obtaining the consent of the Board or otherwise exercising the Loyalty Options.

(r) **Litigation risk**

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

(s) **Native Title and Aboriginal Heritage Risks**

The Company is aware the Tenements lie within certain native title claims (in the names of Maduwongga, Kakarra Part A, Jardu Mar, Marliny Ghoorlie and Nyalpa Pirniku).

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity of the Tenements. However, if any Tenement was not validly granted in compliance with the *Native Title Act 1993* (Cth) (**Native Title Act**), this may have an adverse impact on the Company's activities.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining leases, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

The Pending Tenements are yet to fulfil the requirements of the Native Title Act. In particular:

- (i) in respect of MLA31/0488, Ardea is progressing the right to negotiate procedure in respect of the Nyalpa Pirniku native title claim (the tenement is partially within the claim). The Tenement will not be granted unless a mining agreement and State Deed are entered into with the Nyalpa Pirniku claim; and
- (ii) Pending Tenement ELA26/228 is subject to objections lodged by the relevant native title party. If negotiations with the relevant native title party are not progressed in a timely manner, or are unsuccessful, the grant of this Pending Tenement may be delayed or refused.

In respect of Aboriginal heritage, there are several registered Aboriginal heritage sites and 'other heritage places' which lie within the Tenements.

Some of the other Aboriginal heritage places are either classified as 'lodged' or as 'stored data / not a site' and have not been registered. Further investigations have not been undertaken to determine whether these places meet the criteria to be registered as an Aboriginal site or heritage place.

However, there remains a risk that additional Aboriginal sites or places may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements or cause delays in the progression of the development of a mine.

(t) **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. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company's plans.

(u) **Stock market conditions**

Share market conditions may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) movements in or outlook on interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand and supply for capital.

(v) **Negative publicity may adversely affect the Share price**

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures, or other business transactions. No such issues are currently known to affect the Company.

(w) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

4.2 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 Loyalty Options offered under this Prospectus.

Therefore, the Loyalty Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Loyalty Options.

Potential investors should consider that, while the issue price of the Loyalty Options is free, investment in the Company including by the exercise of the Loyalty Options is highly speculative and should consult their professional advisers before deciding whether to apply for Loyalty Options pursuant to this Prospectus.

5. Additional information

5.1 Terms and conditions of Loyalty Options

The terms and conditions of the Loyalty Options are as follows:

- (a) **(Entitlement)**: Each Loyalty Option entitles the holder to subscribe for one Share upon exercise.
- (b) **(Consideration)** The Loyalty Options will be granted for nil cash consideration.
- (c) **(Expiry Date)**: The Loyalty Options will expire at 5.00pm (WST) on the date that is one (1) year after the date of issue (**Expiry Date**). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)** Each Option is exercisable at any time and from time to time on and prior to the Expiry Date (**Expiry Date**).
- (e) **(Exercise Price)**: The Loyalty Options will have an exercise price of the greater of the five (5) day VWAP at the issue date and \$0.25 (**Exercise Price**).
- (f) **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Loyalty Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 4,000 must be exercised on each occasion.
- (g) **(Issue of Shares)**: Subject to the Corporations Act, the Listing Rules and these terms and conditions, within 10 Business Days of delivery of an Exercise Notice, the Company will issue the Shares pursuant to the exercise of the Loyalty Options.
- (h) **(Transfer)**: The Loyalty Options are only transferrable with consent of the Board.
- (i) **(Ranking of Shares)**: All Shares allotted upon the exercise of Loyalty Options will rank *pari passu* in all respects with other Shares.
- (j) **(Quotation)**: The Company will not apply for quotation of the Loyalty Options on the ASX. The Company will apply to ASX for quotation of the Shares issued upon the exercise of the Loyalty Options in accordance with the Listing Rules.
- (k) **(Dividend and voting rights)** The Loyalty Options do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

- (l) **(Participation rights):**
 - (i) There are no participating rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options without exercising the Loyalty Options.
 - (ii) A Loyalty Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Loyalty Option can be exercised.
 - (iii) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be the minimum period required by the Listing Rules after the issue is announced. This will give Option holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in any such issue.
- (m) **(Adjustments for reorganisation):** If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Loyalty Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation. Whenever the number of Shares to be issued on exercise of a Loyalty Option or the Exercise Price is adjusted pursuant to these terms and conditions, the Company will give notice of the adjustment to the Option holder and ASX together with calculations on which the adjustment is based.

5.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

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

(b) Voting rights

Subject to any rights or restrictions attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) Issues of further Shares

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any

person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

(d) **Variation of rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, a member may transfer a share as provided by the operating rules of an applicable clearing and settlement facility or by any other means permitted by the Corporations Act, any other applicable law or the Listing Rules.

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules, the Constitution and the rights attaching to Shares issued on special conditions, the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares and fix the time for payment. The Directors may rescind or alter any such determination or declaration before payment is made.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

(h) **Dividend reinvestment and share plans**

The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a dividend from the Company in subscribing for Securities of the Company.

(i) **Directors**

The Company must have not less than 3 Directors.

(j) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors may exercise all the powers of the Company except any powers that the Corporations Act or the Constitution requires the Company to exercise in general meeting.

(k) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the members, in the same proportions as the members are entitled to a distribution by dividend.

5.3 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

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 review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC (see Section 5.5 below). Copies of all documents announced to the ASX can be found at <https://www.kalgoldmining.com.au/announcements>.

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the Company's listing prospectus dated 17 September 2021;
- (b) the half yearly report and review financial statements of the Company for the half year ended 31 December 2021 as lodged with ASX on 14 March 2022; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date that the Company was admitted to the Official List of ASX until the date of this Prospectus:

Date lodged	Subject of Announcement
15 November 2021	ASX Notice - Admission to Official List
15 November 2021	Appendix 1A, Information Form and Checklist & Annexure 1
15 November 2021	Prospectus
15 November 2021	Constitution
15 November 2021	Employee Securities Incentive Plan
15 November 2021	Securities Trading Policy
15 November 2021	Distribution Schedule
15 November 2021	Top 20 Holders
15 November 2021	Pre-Quotation Disclosure
18 November 2021	Kalgoorlie Gold Mining lists on ASX

Date lodged	Subject of Announcement
19 November 2021	Becoming a substantial holder
22 November 2021	Initial Director's Interest Notice * 4
29 November 2021	KalGolds first drill program hits gold at Bulong Taurus
8 December 2021	La Mascotte shows outcropping gold open in all directions
20 December 2021	New gold target identified at Bulong Taurus
20 December 2021	Change of Registry Address
11 January 2022	Drilling commences at Bulong Taurus
13 January 2022	Targeting underway at Pinjin and Ninga Mia Projects
24 January 2022	Drilling continues at Bulong Taurus
28 January 2022	Quarterly Activities/Appendix 5B Cash Flow Report
18 February 2022	Notification regarding unquoted securities - KAL
02 March 2022	Gold Exploration Update
14 March 2022	Half Yearly Report and Accounts
15 March 2022	Strong auger results define new gold targets

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.7 Determination by ASIC

As at the date of this Prospectus, ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Loyalty Options or the Shares upon exercise of the Loyalty Options under this Prospectus.

5.8 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;

- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Entitlement Offer; or
- (iii) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

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

(b) **Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Options or Performance Rights are converted into Shares), is set out below.

Director	Shares	Options	Entitlement
Pauline Gately	50,000	750,000	16,666
Matthew Painter	250,626	1,000,000	83,542
Carmel McKenzie	101,721	625,000	33,907
Andrew Penkethman	131,399	625,000	43,799

Notes:

All directors intend to subscribe for their full entitlement.

(c) **Remuneration of Directors**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$500,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively when travelling to or from meetings of the Directors or a committee or when otherwise engaged on the business of the Company; and
- (ii) if any of the Directors being willing are called upon to perform additional or special duties for the Company, the Directors may remunerate this Director as they determine, and this remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The table below sets out the remuneration provided to the Directors of the Company (and/or their associated companies) from the date of the Company's incorporation

(5 November 2020) to the end of the last half year (ended 31 December 2021), inclusive of directors' fees, consultancy fees, superannuation benefits and share-based payments.

Director	Total remuneration (\$)
Pauline Gately	73,321
Matt Painter	240,150
Carmel McKenzie	57,740
Andrew Penkethman	57,740

5.9 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

5.10 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Loyalty Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Loyalty Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Loyalty Options offered under this Prospectus.

Hamilton Locke will be paid approximately \$12,500 (plus GST) in fees for legal services in connection with the Entitlement Offer. Since the Company's incorporation on 5 November 2021, Hamilton Locke has not provided other legal services to the Company and its subsidiaries.

Automic Pty Ltd is the Company's appointed share registry and provides share registry functions including administrative services in respect of the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.11 Expenses of Offer

The estimated expenses of the Entitlement Offer are as follows:

Estimated expenses of the Entitlement Offer	\$
ASIC lodgement fee	3,206
ASX quotation fee	Nil
Legal and preparation expenses	12,500
Printing, mailing and other expenses	15,000
Total	30,706

5.12 Consents

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

Each of the parties referred to in this Section:

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

Each of the parties referred to in this Section have given their written consent to being named in this Prospectus in the form and context in which they appear. No such party has withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Name	Role
Automic Pty Ltd	Share registry
Hamilton Locke	Solicitor
Graeme Smith	Company Secretary and Chief Financial Officer

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement with ASIC of this Prospectus.

6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Pauline Gately
Non-Executive Chair

Dated: 15 March 2022

7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application means a valid application for Loyalty Options made on an Entitlement and Acceptance Form.

Application Monies means application monies for Loyalty Options received by the Company.

Ardea means Ardea Resources Limited (ACN 614 289 342).

Ardea Exploration means Ardea Exploration Pty Ltd (ACN 137 889 279).

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Company means Kalgoorlie Gold Mining Limited (ACN 645 666 164).

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

Corporations Act means *Corporations Act 2001* (Cth), as amended or modified from time to time.

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

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand or subject to the offer restrictions in Section 1.14, a jurisdiction where it would be lawful to participate in the Entitlement Offer.

Entitlement means the number of Loyalty Options for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being one Unquoted Option for every three Shares held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Eligible Shareholders to subscribe for Loyalty Options pursuant to the Entitlement Offer.

Entitlement Offer means an offer under this Prospectus to subscribe for Loyalty Options on the basis of one Unquoted Option for every three Shares held by Eligible Shareholders on the Record Date.

Gold Rights means the rights to explore, mine and extract and sell gold on and from the Gold Rights Tenements, pursuant to the terms of the Gold Rights Deed.

Gold Rights Deed means the gold rights deed between Ardea, KalNickel, Ardea Exploration and the Company governing the activities and operations in respect to the Gold Rights Tenements.

Gold Rights Tenements means those tenements identified as Gold Rights Tenements in Schedule 3 of the IPO Prospectus.

Ineligible Foreign Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand or subject to the offer restrictions in Section 1.14, a jurisdiction where it would be lawful to participate in the Entitlement Offer.

IPO Prospectus means the Prospectus in relation to the Company's initial public offering, dated 17 September 2021 and announced to ASX on 15 November 2021.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

KalNickel means Kalgoorlie Nickel Pty Ltd (ACN 137 889 199).

Listing Rules means the listing rules of ASX.

Offer Closing Date has the meaning given to it on the cover page of this Prospectus.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means the right to acquire one Share in the capital of the Company.

Performance Right has the meaning given to that term in the rules of the Company's Employee Securities Incentive Plan, which was announced to ASX on 15 November 2021.

Pending Tenements means tenements MLA31/0488 and ELA26/0228.

Placement means the two tranche placement of 454,545,455 Shares to sophisticated and professional investors at an issue price of \$0.022 per Share, together with one Quoted Option for every 2 Shares subscribed for and issued, to raise approximately \$10,000,000 (before costs), as announced to ASX on 17 June 2021.

Placement Shares means the Shares issued under the Placement.

Placement Options means the free attaching Loyalty Options issued to participants in the Placement.

Placement Options Offer means the offer of Loyalty Options to participants in the Placement as made pursuant to this Prospectus.

Placement Options Offer Application Form means the application form either attached to or accompanying this Prospectus relating to the Placement Options Offer.

Projects means the mineral exploration projects in Western Australia held by the Company or in which the Company has rights to.

Proposed Constitution means the proposed new constitution of the Company, a copy of which is available from the Company on request.

Prospectus means this prospectus dated 22 June 2021.

Quoted Option means a quoted Option to be issued under this Prospectus on the terms and conditions in Section 5.1.

Record Date means 5:00pm (WST) on the date identified in the proposed timetable.

Section means a section of this Prospectus.

Securities mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

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

Share Registry means Automic Pty Ltd ACN 152 260 814.

Shareholder means a holder of Shares.

Tenements means the tenements or tenements applications held by the Company or in which the Company holds rights.

Unquoted Option means an Option that is not and will not be quoted on the Official List.

WST means Western Standard Time.