

SOMERSET MINERALS LIMITED
ACN 625 645 338

PROSPECTUS

This is a Prospectus for an offer of 137,249,986 Shares at an issue price of C\$0.0164 (A\$0.018¹) per Share to raise up to C\$2,250,900 (A\$2,470,500) (Offer).

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

¹ Using an exchange rate of A\$1 = C\$0.9111.

IMPORTANT INFORMATION

This Prospectus is dated 15 December 2025 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 Securities 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 Level 2, 22 Mount Street, Perth WA 6000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.3).

This 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 principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or other eligible jurisdictions.

This Prospectus is a transaction specific prospectus for an offer of Shares over continuously quoted securities (as defined in 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 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 advisors whom potential investors may consult.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not consider 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 their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

Applications for Securities under the Offer will only be accepted on an Application Form that is attached to, or provided by the Company, with a copy of this Prospectus in either 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 Offer 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 Offer.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Permitted Jurisdictions

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and Canada.

Unless permitted under securities legislation, an Investor resident in Canada must not trade the Shares before the day that is four months and one day from the date which the Company becomes a reporting issuer in a Canadian jurisdiction, which has not occurred as of the date of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia 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 the securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Forward looking statements

This Prospectus includes forward looking statements which have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions which could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are detailed in Section 7. All references to "\$" or "A\$" are references to Australian dollars and all references to "C\$" are references to Canadian dollars. All references to time are to AWST, unless otherwise indicated.

Risk Factors

There are a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors having the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 4.

CORPORATE DIRECTORY

Directors

Mr Michael Edwards
Non-Executive Chairman

Mr Christopher Hansen
Managing Director

Ms Melanie Ross
Non-Executive Director

Company Secretary

Ms Melanie Ross

Registered Office

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PERTH WA 6000

Telephone: +61 8 6188 8181
Email: info@somersetminerals.com.au
Website: www.somersetminerals.com.au

ASX Code

SMM

Solicitors to the Offer

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PERTH WA 6000

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11
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PERTH WA 6000

Telephone: +61 8 9322 2022

Joint Lead Managers

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Level 42, 101 Collins Street
MELBOURNE VIC 3000

Cygnit Capital Pty Limited
Capital Square Tower 3
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PERTH WA 6000

Share Registry*

Automatic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000

Telephone: +61 2 8072 1400

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Proposed Timetable

EVENT	DATE*
Lodgement of Prospectus with ASIC and ASX	15 December 2025
Opening Date of the Offer	15 December 2025
Closing Date of the Offer	17 December 2025
Issue of Shares pursuant to the Offer	19 December 2025

* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

1.2 Key statistics of the Offer

	SHARES
Offer Price per Share	C\$0.0164
Shares on issue at the date of this Prospectus	958,655,176
Shares to be issued pursuant to the Offer	137,249,986
Total Shares on issue on completion of the Offer	1,095,905,162

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 4.

The predominant risks relating to the Company and the Offer are summarised below:

RISK	DESCRIPTION
Flow-through placement risk	<p>The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Income Tax Act (Canada) (Tax Act).</p> <p>If the Company and the Investors (as defined herein) comply with the rules under the Tax Act, the Investors will generally be entitled to deduct the amount equal to the "Qualifying Expenditures" (as that term is defined in the Subscription Agreement) renounced in computing income for Canadian income tax purposes and receive additional federal tax credits for expenditures targeting critical minerals, all subject to the detailed rules in the Tax Act. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares accrues only to the initial subscriber of the Shares (who are Canadian residents) and is not transferable to subsequent purchasers of the Shares.</p> <p>The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to investors, are not described in this Prospectus.</p> <p>For further information with respect to this risk, refer to Section 4.1.</p>

RISK	DESCRIPTION
Contractual Risk	<p>The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company may also require the involvement of a number of third parties, including consultants, contractors and suppliers. For example, the Company relies on third parties to perform contractual obligations and there are risk of non-performance by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and the possibility of future disputes, any of which may adversely impact the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.</p>
Exploration risks	<p>The mineral claims comprising the projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>The proposed exploration programs, and estimated costs thereof, are based on assumptions that are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.</p> <p>There can be no assurance that future exploration of these claims, or any other mineral claims that may be acquired in the future, will result in the discovery of further mineral deposits. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>For further information with respect to this risk, refer to Section 4.1..</p>
Foreign Operation Risk	<p>The Company has mineral interests in Canada and Ecuador. Any changes in regulation or shift in the political attitudes in these countries are beyond the Company's control and may adversely affect its business and perception of same within the market environment and could have an adverse impact on the Company's valuation or the price of its Shares.</p>
Foreign Currency Exchange Rate Fluctuations	<p>Currency exchange rates may impact the cost of exploring the Company's projects. The Company's financings are usually in Australian dollars and its exploration costs have been incurred primarily in Australian dollars and Canadian dollars. Fluctuations in the exchange rates between these currencies may impact the Company's exploration activities and financial results, and there is no assurance that such fluctuations, if any, will not adversely affect the Company's operations.</p>
Future capital requirements	<p>The Company will require further financing in the future, in addition to amounts raised under the Offer. Any additional equity financing undertaken by the Company in the future may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth.</p> <p>For further information with respect to this risk, refer to Section 4.1.</p>

2. DETAILS OF THE OFFER

2.1 The Offer

On 10 December 2025, the Company announced it executed the Subscription Agreement pursuant to which PearTree Securities Inc. (**PearTree**) as agent for certain investors (**Investors**), agreed to subscribe for an aggregate of 137,249,986 Shares at an issue price of C\$0.0164 (A\$0.018²) per Share to raise up to C\$2,250,900 (A\$2,470,500) (before costs).

This Prospectus invites PearTree or the Investors (or other persons invited by the Company) to apply for up to 137,249,986 Shares, at an issue price of C\$0.0164 per Share to raise up to C\$2,250,900 (before associated costs) (**Offer**).

The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Tax Act. If the Company and the Investors comply with the rules under the Tax Act, the Investors will generally be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals, all subject to the detailed rules in the Tax Act. The tax benefits associated with the Shares are available only to the Investors (who are Canadian residents) and not to any other person who acquires the Shares through the on-sale or transfer of those Shares. Refer to Section 4 for the risks associated with the "flow-through shares".

The Shares issued pursuant to the Offer will rank equally with the existing Shares on issue. Refer to Section 5.1 for details of the rights and liabilities attaching to Shares. The Company is only extending the Offer to specific Applicants and the Company will only provide Application Forms to these persons.

2.2 Purpose of the Offer

Accordingly, the purpose of this Prospectus is to make the Offer and enable the on-sale of the Shares issued pursuant to the Offer.

2.3 Opening and Closing Dates

The Company will accept Application Forms in respect of the Offer from Applicants from the Opening Date until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

2.4 Minimum subscription

There is no minimum subscription in relation to the Offer.

2.5 Oversubscriptions

The Company will not accept any oversubscriptions in relation to the Offer.

2.6 Effect on control

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

2.7 Not underwritten

The Offer is not underwritten.

² Using an exchange rate of A\$1 = C\$0.9111.

2.8 Applications

The Company will separately advise Applicants of the application procedures for the Offer.

2.9 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus.

If ASX does not grant Official Quotation of the Shares within three months after the date of this Prospectus (or such period as the ASX allows), no Shares will be issued.

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

2.10 Allotment

The Directors will determine the eligible recipients of all the Shares under the Offer. The Company's decision on the number of Shares to be issued to an Applicant under the Offer will be final.

2.11 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) (if any) in accordance with the Corporations Act.

2.12 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.13 Risks of the Offer

An investment in Securities of the Company 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 explained in Section 4.

2.14 Institutional Placement

As announced on 10 December 2025, following the completion of the Offer, the Company also intends to undertake a capital raising of approximately A\$1,197,000 comprising a placement to professional and sophisticated investors via the issue of 99,750,014 Shares at an issue price of A\$0.012 per Share (**Institutional Placement**), which is intended to settle contemporaneously with the Offer.

The Institutional Placement is not being offered under this Prospectus.

2.15 Taxation Implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisors 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 advisor in connection with subscribing for Shares under this Prospectus.

2.16 Major Activities and Financial Information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2025 is in the Annual Report which was lodged with ASX on 30 September 2025.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 5.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

2.17 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application 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 or Group's agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

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

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.

2.18 Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6188 8181.

3. EFFECT OF THE OFFER

3.1 Effect on the Capital Structure

The effect of the Offer and Institutional Offer on the capital structure on the Company, assuming the Securities are issued, is as follows:

CLASS	SHARES	OPTIONS	PERFORMANCE RIGHTS
Securities on issue at the date of this Prospectus	958,655,176	267,377,388	46,557,551
Shares to be issued pursuant to the Offer	137,249,986	-	-
Shares to be issued pursuant to the Institutional Placement ¹	99,750,014	-	-
Total on completion of the Offer and the Institutional Placement	1,195,655,176	267,377,388	46,557,551

Notes:

1. At the date of this Prospectus, it is intended that the Institutional Placement and the Offer will settle contemporaneously.

3.2 Effect and Purpose of the Offer

The principal effect of the Offer will be to:

- (a) increase the Company's cash reserves by approximately C\$2,250,900 (A\$2,470,500 based on an exchange rate of A\$1:C\$0.9111) (before costs) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 958,655,176 as at the date of this Prospectus to 1,095,905,162 Shares.

Upon the completion of the Offer, the funds raised are intended to be utilised as follows.

USE OF FUNDS	C\$	A\$ ¹	%
Aviation Support for Exploration	318,889	350,000	14
Regional Induced Polarisation Survey	282,444	310,000	13
Jura Reverse Circulation Drilling	533,456	585,500	24
Jura Diamond Drilling	724,333	795,000	32
Camp Lease	391,778	430,000	17
	2,250,900	2,470,500	100%

Notes:

1. Using an exchange rate of A\$1:C\$0.9111.
2. The effect of the Institutional Placement is not contemplated by the above table.

The costs of the Offer (which are estimated to be A\$160,486, see Section 5.11 for further details) will be paid using the Company's existing cash reserves of approximately A\$1,132,000 (as at the date of this Prospectus).

3.3 Pro Forma Statement of Financial Position

A Pro Forma Statement of Financial Position has been provided below to demonstrate the indicative impact of the Offer on the financial position of the Company. The Company's audited Statement of Financial Position as at 30 June 2025 has been used for the purposes of preparing the Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offer had occurred by 30 June 2025.

The Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30 JUNE 2025 (AUDITED) (A\$)	PRO FORMA 30 JUNE 2025 (UNAUDITED) (A\$)
Current Assets		
Cash and cash equivalents	1,843,502	4,153,516
Trade and other receivables	77,236	77,236
Other assets	466,809	466,809
Total Current Assets	2,387,547	4,697,561
Non-Current Assets		
Exploration and evaluation	4,065,445	4,056,445
Other assets	593,873	593,873
Property, plant and equipment	4,536	4,536
Total Non-Current Assets	4,654,853	4,654,853
Total Assets	7,042,401	7,042,401
Current Liabilities		
Trade and other payables	817,052	817,052
Flow-through share premium liability	-	549,000
Share funds held in trust	10,000	10,000
Provisions	287,882	287,882
Other financial liabilities	100,000	100,000
Total Current Liabilities	1,214,934	1,763,934
Non-Current Liabilities		
Provisions	4,732,768	4,732,768
Total Non-Current Liabilities	4,732,768	4,732,768
Total liabilities	5,947,702	6,496,702
Net Assets	1,094,699	2,855,713
Equity		
Issued capital	34,361,954	36,122,968
Reserves	2,309,031	2,309,031
Accumulated losses	(35,550,590)	(35,550,590)
Equity attributable to owners of the Group	1,120,395	2,881,409
Non-controlling interests	(25,696)	(25,696)
Total Equity	1,094,699	2,855,713

Notes and assumptions:

The key assumptions on which the Pro Forma Statement of Financial Position above is based are as follows:

1. A\$2,470,500 is raised under the Offer (based on an exchange rate of A\$1:C\$0.9111).
2. A\$549,000 flow-through share premium liability recognised on issuance of shares under the Offer.

3. Costs of the Offer of A\$160,486 are paid using the Company's existing cash reserves.
4. From 30 June 2025 to 5 December 2025, the cash balance has reduced to A\$1,132,000 as a result of payments of A\$3,843,000 for exploration and evaluation assets, payments of A\$595,000 for corporate and administrative expenditure, receipts from share placements of A\$4,050,000 and payments of A\$323,000 for capital raising costs.

3.4 Market Price of Shares

The highest and lowest closing 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 closing prices were:

- (a) Highest - \$0.020 Share on 8 October 2025.
- (b) Lowest - \$0.0105 per Share on 17 September 2025.

The latest available closing price of the Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.012 per Share on 15 December 2025.

3.5 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.

4. RISK FACTORS

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective 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 Company specific

RISK CATEGORY	RISK
Flow-through placement risk	<p>The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Tax Act. The term "flow-through share", as defined in the Tax Act, refers to a common share being issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur "Qualifying Expenditures" (as that term is defined in the Subscription Agreement) and to renounce such expenditures in favour of the investor. In this regard, the Company has agreed to incur the Qualifying Expenditures in an amount equal to the gross proceeds raised in connection with the Offer by 31 December 2026, and to renounce such Qualifying Expenditures to the Investors effective no later than 31 December 2025. If the Company and the Investors comply with the rules under the Tax Act, the Investors will generally be entitled to deduct an amount equal to the Qualifying Expenditures renounced in computing income for Canadian income tax purposes and receive additional federal tax credits for expenditures targeting critical minerals, all subject to the detailed rules in the Tax Act. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares accrues only to the initial subscriber of the Shares and is not transferable.</p> <p>The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of the Qualifying Expenditures to Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.</p> <p>There is no guarantee that an amount equal to the total proceeds of the sale of the Shares will be expended on Qualifying Expenditures on or prior to 31 December 2026, or that the renunciation of such expenditures or the expected tax deductions and credits will be accepted by the Canada Revenue Agency.</p> <p>If the Company does not renounce to the Investors effective on or before 31 December 2025, Qualifying Expenditures equal to the purchase price (per Share) multiplied by the number of Shares subscribed and paid for pursuant to the Subscription Agreement and offered under this Prospectus, the Company shall indemnify and hold harmless the Investors and each of the partners thereof if the Investor is a partnership or a limited partnership (for the purposes of this paragraph an "Indemnified Person") as to, and pay to the Indemnified Person on or before the 20th Business Day following 31 March 2026, an amount equal</p>

RISK CATEGORY	RISK
	<p>to the amount of any tax (within the meaning of paragraph (c) of the definition "excluded obligation" at subsection 6202.1(5) of the Regulations) payable under the Tax Act (and under the corresponding provincial legislation) by any Indemnified Person as a consequence of such failure.</p> <p>In the event that the amount renounced by the Company to the Investors is reduced pursuant to subsection 66(12.73) of the Tax Act, the Company shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the receipt, by an Indemnified Person, of a notice of assessment or reassessment issued by the Canada Revenue Agency (or any applicable provincial tax authority), an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of "excluded obligation" at subsection 6202.1(5) of the Regulations) payable under the Tax Act (and under the corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction.</p> <p>This indemnity is in addition to and not in derogation of any other recourse, rights or remedies that the Investors may have against the Company; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity. For certainty, the foregoing indemnity shall have no force or effect, and the Investors shall not have any recourse or rights of action to the extent that such indemnity would otherwise cause the Shares offered pursuant to this Prospectus to be "prescribed shares" within the meaning of section 6202.1 of the Regulations.</p>
Contractual Risk	<p>The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company may also require the involvement of a number of third parties, including consultants, contractors and suppliers. For example, the Company relies on third parties to perform contractual obligations and there are risk of non-performance by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and the possibility of future disputes, any of which may adversely impact the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.</p>
Exploration risks	<p>The mineral claims comprising the projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>The proposed exploration programs, and estimated costs thereof, are based on assumptions that are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.</p> <p>There can be no assurance that future exploration of these claims, or any other mineral claims that may be acquired in the future, will result in the discovery of further mineral deposits. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p>

RISK CATEGORY	RISK
Future capital requirements	<p>The Company will require further financing in the future, in addition to amounts raised under the Offer.</p> <p>Any additional equity financing undertaken by the Company in the future may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth.</p> <p>Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.</p> <p>The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Securities issued or granted (as the case may be) and the possibility of sales of Shares issued may have a depressive effect on the price of Shares. In addition, as a result of such additional Securities, the voting power of the Company's existing Shareholders will be diluted.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) 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 (b) 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.
Related Party Risk	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p>

RISK CATEGORY	RISK
	<p>Further, the operations of the Company will require involvement of related parties and other third parties including suppliers, manufacturers and customers. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>
Financing Risks	<p>The Company has no history of earnings and no source of operating cash flow and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its Shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers.</p>
Taxes and Tax Audits	<p>The Company is partly financed by the issuance of flow-through Shares. There is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors or the Company. The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest and penalties, which would negatively affect the Company's financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on the Company's business.</p>
Conflicts of Interest	<p>Some of the directors and officers of the Company are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving the Company will be in conformity with their duties and obligations to act fairly and in good faith with the Company and these other corporations. Moreover, these directors and officers will declare their interests and abstain from voting on any issue which could give rise to a conflict of interest.</p>

RISK CATEGORY	RISK
Foreign Operation Risk	The Company has mineral interests in Canada and Ecuador. Any changes in regulation or shift in the political attitudes in these countries are beyond the Company's control and may adversely affect its business and perception of same within the market environment and could have an adverse impact on the Company's valuation or the price of its Shares.
Foreign Currency Exchange Rate Fluctuations	Currency exchange rates may impact the cost of exploring the Company's projects. The Company's financings are usually in Australian dollars and its exploration costs have been incurred primarily in Australian dollars and Canadian dollars. Fluctuations in the exchange rates between these currencies may impact the Company's exploration activities and financial results, and there is no assurance that such fluctuations, if any, will not adversely affect the Company's operations.
Indigenous Rights	The Company may operate and explore on properties which are subject to Indigenous traditional land use. In such circumstances, the Company, under local laws and regulations, is committed to consult with the First Nations group about any impact of its potential rights or claims, and traditional land use. This may potentially cause delays in making decisions or project operations. Further, there is no assurance of favourable outcomes of these consultations. The Company may have to face potential adverse consequences such as significant expenses on account of lawsuits and loss of reputation.
Acquisition Risk	The Company uses its best judgment to acquire mining properties for exploration and development. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance such acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot guarantee that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition will ultimately benefit the Company.
Permits and Licenses; Surface Rights and Access	The operations of the Company may require licenses and permits from various governmental authorities as well as rights of access for the purpose of carrying on mineral exploration activities. There can be no assurance that the Company will be able to obtain all necessary licenses, permits and rights that may be required to carry out exploration, development and mining operations at its projects. Inability to obtain such licenses, permits and rights could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.
Land Title	Any of the Company's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. The Company has no knowledge of any material defect in the title of any of the properties in which the Company has or may acquire an interest.
Disputed Ecuadorian tax liability	The Company operates in several jurisdictions in a highly regulated industry. The cost of compliance with laws and regulations can have a material adverse effect on its operating results and financial condition. Failure to appropriately operate within each regulatory jurisdiction could lead to fines, penalties and unfavourable tax assessments that could adversely affect the Company's business and its operating results. In particular, the Company is currently disputing a tax liability claim for a total

RISK CATEGORY	RISK
	of US\$420,142 assessed by Ecuadorian taxation authorities. The Court ruled in August 2024 entirely in favour to the Company that the tax liability was nil. Ecuadorian taxation authorities are appealing the ruling, which is yet to be heard by the Court. There can be no guarantee on the outcome of the disputed tax liability claim. If the Company is unsuccessful in disputing the liability claim, it may impact adversely on the Company's operations, financial performance and financial position.

4.2 Industry specific

RISK CATEGORY	RISK
Risk Inherent in the Mining and Metals Business	Mining exploration and operations generally involve a high degree of risk. The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Development of the Company's mineral properties will only follow upon obtaining satisfactory exploration results. There can be no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercially viable bodies or ore.
Competition	The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities. Competition in the mining business could adversely affect the Company's ability to acquire suitable properties or prospects for mineral exploration or development or to attract and retain suitably qualified and experienced people to develop corporate growth strategies and to efficiently execute corporate plans.
Commodity Prices	The price of the Shares and the Company's financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in metal prices. Metal prices fluctuate widely and are affected by numerous factors beyond the Company's control. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of Tempus' exploration projects, cannot be accurately predicted.
Operating Hazards and Other Uncertainties	<p>The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:</p> <ul style="list-style-type: none"> (a) environmental hazards; (b) discharge of pollutants or hazardous chemicals; (c) industrial accidents; (d) labour disputes and shortages; (e) supply and shipping problems and delays; (f) shortage of equipment and contractor availability; (g) unusual or unexpected geological or operating conditions; (h) fire; (i) changes in the regulatory environment; and (j) natural phenomena such as inclement weather conditions, floods and earthquakes. <p>These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and</p>

RISK CATEGORY	RISK
	possible legal liability. The Company could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Company's financial position and results of operations.
Shareholder Activism	There has been increased shareholder activism in the mining industry. Should an activist shareholder engage with the Company, it could cause disruption to its strategy, operations and leadership organization, resulting in a material unfavourable impact on the financial performance and longer-term value creation strategy of the Company.
Environmental Protection and Permitting	All phases of the Company's operations are subject to environmental protection regulation in the various jurisdictions in which it operates. Environmental protection legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental protection regulations, if any, will not adversely affect the Company's operations.
Decommissioning and Site Rehabilitation Costs	<p>The costs of performing the decommissioning and reclamation must be funded by the Company's operations. We are also required by various governments in the jurisdictions in which we operate to provide financial assurances to cover any reclamation obligations we may have at our mine sites. The amount of these financial assurances is significant and is subject to change from time to time by the governments in the jurisdictions in which we operate, and may exceed our estimates for such costs. The amount and nature of our financial assurance obligations depend on a number of factors, including our financial condition and reclamation cost estimates.</p> <p>Changes to the form or amount of our financial assurance obligations in respect of reclamation obligations could significantly increase our costs. Increases in financial assurance requirements could severely impact our credit capacity and our ability to raise capital for other projects or acquisitions. We may be unable to obtain letters of credit or surety bonds to satisfy these requirements, in which case we may be required to deposit cash as financial assurance. If we are unable to satisfy these requirements, we may face loss of permits, fines and other material and negative consequence. Although we currently make provisions for our reclamation obligations, there can be no assurance that these provisions will be accurate in the future. Any underestimated or unanticipated reclamation costs could materially affect our business, operations and financial condition. Failure to provide regulatory authorities with the required financial assurances could potentially result in the closure of one or more of our operations, which could result in a material adverse effect on our operations and therefore our profitability.</p> <p>The Company cannot predict what level of decommissioning and reclamation may be required in the future by regulators. These costs can be significant and are subject to change. Reclamation cost estimates can escalate because of new regulatory requirements, changes in site conditions or conditions in the receiving environment, or changes in analytical methods or scientific understanding of the impacts of various constituents in the environment.</p>

RISK CATEGORY	RISK
	<p>The Company notes that \$4,732,768 is being provisioned for potential rehabilitation costs in relation to the Company's Blackdome Project in Canada. This project is owned by a wholly owned subsidiary of the Company. The provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined at the Blackdome Project. The Company group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.</p>

4.3

General risks

RISK CATEGORY	RISK
Economic	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Uninsurable Risks	<p>In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Securities.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, 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,</p>

RISK CATEGORY	RISK
	financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>

4.4 Investment Highly 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 Shares offered under this Prospectus.

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Shares. 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.

5. ADDITIONAL INFORMATION

5.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

5.2 **Company is a Disclosing Entity**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares issued pursuant to this Prospectus are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Shares in the Company and the rights attaching to the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.3 below).

5.3 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 Offer, a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

DATE LODGED	TITLE OF ANNOUNCEMENT
10 December 2025	Proposed issue of securities – SMM
10 December 2025	\$3.7m Placement to fund aggressive exploration
8 December 2025	Trading Halt
27 November 2025	Results of Meeting
24 November 2025	Coppermine Drilling Confirms Thick High-Grade Copper
5 November 2025	Multiple high-grade intercepts, including 18.3m @ 3.14% Cu
31 October 2025	Quarterly Activities/Appendix 5B Cash Flow Report
28 October 2025	Letter to Shareholders - Notice of Annual General Meeting
28 October 2025	Notice of Annual General Meeting/Proxy Form
27 October 2025	Corporate Presentation- High-Grade Cu Hits & Bigger Targets
20 October 2025	Geophysics Suggests Mineralisation Extends to At Least 600m
9 October 2025	Date of Annual General Meeting
7 October 2025	First Assays Received include 19.8m @ 3.54% Cu
2 October 2025	Notification regarding unquoted securities - SMM
2 October 2025	Notification regarding unquoted securities - SMM
2 October 2025	Cleansing Notice
2 October 2025	Application for quotation of securities - SMM
2 October 2025	Application for quotation of securities - SMM
30 September 2025	Appendix 4G and Corporate Governance Statement
30 September 2025	Annual Report to shareholders

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

5.4 Information Excluded from Continuous Disclosure Notices

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act.

Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table in Section 5.3.

5.5 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares under this Prospectus.

5.6 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (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 Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Shares offered under this Prospectus.

5.7 Directors' Interests in Securities

The Directors' relevant interests in Securities at the date of this Prospectus are detailed below:

DIRECTOR	NO. OF SHARES	NO. OF PERFORMANCE RIGHTS	NO. OF OPTIONS
Christopher Hansen	31,585,079	15,367,837	5,268,833
Michael Edwards	1,111,111	4,500,000	555,556
Melanie Ross	216,000	2,000,000	800,000

5.8 Directors' Remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. This does not apply to the remuneration of the Managing Director.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

DIRECTOR	FY ENDING 30 JUNE 2025	FY ENDING 30 JUNE 2026
Christopher Hansen	\$482,664 ¹	\$305,000 ⁴
Michael Edwards	\$133,737 ²	\$57,618 ⁵
Melanie Ross	\$79,534 ³	\$36,000 ⁶

Notes:

1. Includes Director fees of \$227,083, superannuation payments of \$26,115 and share based payments of \$229,466.
2. Includes Director fees of \$48,118, superannuation payments of \$5,534 and share based payments of \$80,085.
3. Includes Director fees of \$36,000 and share based payments of \$43,534
4. Includes Director fees of \$275,000 and superannuation payments of \$30,000
5. Includes Director fees of \$50,000, superannuation payments of \$6,000 and share based payments of \$1,618
6. Includes Director fees of \$36,000

5.9 Substantial Shareholders

Based on publicly available information and notices provided to the Company, as at the date of this Prospectus no Shareholder has a voting power of above 5% in the Company.

It is not expected that any holders will have a voting power of above 5% in the Company on completion of the Offer.

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 Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities 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 Securities offered under this Prospectus.

5.11 Expenses of Offer

The estimated expenses of the Offer payable by the Company (exclusive of GST) are as follows:

DESCRIPTION	AMOUNT
ASIC Fees	\$3,206
ASX Fees	\$11,990
Share Registry	\$10,000
Joint Lead Manager Fee	\$115,290
Legal Fees ¹	\$20,000
Total	\$160,486

Note:

1. Fees payable to the Company's Australian counsel.

5.12 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

5.13 Interests of experts and advisers

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

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

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

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

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Canaccord Genuity (Australia) Limited has acted as a joint lead manager to the Offer and Institutional Placement. The Company estimates it will pay Canaccord Genuity (Australia) Limited \$69,227 (excluding GST and disbursements) for services provided in relation to the Offer and Institutional Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord Genuity (Australia) Limited has received \$240,000 (excluding GST) in fees from the Company.

Cygnnet Capital Pty Limited has acted as a joint lead manager to the Offer and Institutional Placement. The Company estimates it will pay Cygnnet Capital Pty Limited \$46,063 (excluding GST and disbursements) for services provided in relation to the Offer and Institutional Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Cygnnet Capital Pty Limited has not received any fees from the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. Further amounts may be paid to Steinepreis Paganin for other legal work not directly related to the Offer in accordance with standard charge-out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$163,320.50 (excluding GST) in fees and disbursements from the Company.

5.14 Consents

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

Each of the parties referred to in this Section:

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

Canaccord Genuity (Australia) Limited has given its written consent to being named in this Prospectus as a Joint Lead Manager to the Company.

Cygnit Capital Pty Limited has given its written consent to being named in this Prospectus as a Joint Lead Manager to the Company.

Pitcher Partners BA&A Pty Ltd given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2025 audited balance sheet of the Company in Section 3.3. Pitcher Partners BA&A Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named in this Prospectus as Australian solicitors to the Company.

6. DIRECTORS' STATEMENT AND CONSENT

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

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

For personal use only

7. GLOSSARY

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

\$ or A\$ means Australian dollars.

Acceptance means a valid acceptance of Shares under the Offer made pursuant to this Prospectus on an Application Form.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2025 includes the corporate directory, Director's report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, notes to the consolidated financial statements, together with an independent auditor's report for the period to 30 June 2025.

Applicant means a person who submits an Application Form.

Application means a valid application under an Offer made on an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus.

Application Monies means the monies paid by Applicants in respect of Shares the subject of an Application.

ASIC means the Australian Securities and Investments Commission.

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

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Business Day means a day on which the principal chartered banks are open for the transaction of regular business in the City of Toronto, Ontario and Perth, Western Australia.

C\$ means Canadian dollars.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the date on which the Offer closes.

Company means Somerset Minerals Limited ACN 625 645 338.

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

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

Directors mean a director of the Company as at the date of this Prospectus.

Group means the Company and its related bodies corporate.

Investors has the meaning given in Section 2.1.

Joint Lead Managers means Canaccord Genuity (Australia) Limited ACN 075 071 466 and Cygnet Capital Pty Limited ACN 103 488 606.

Listing Rules means the listing rules of ASX.

Offer has the meaning given in Section 2.1.

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

Opening Date means the date on which the Offer opens.

PearTree means PearTree Securities Inc.

Prospectus means this prospectus dated 15 December 2025.

Regulations means the regulations to the Tax Act and any specific proposed amendments thereto publicly announced by the Minister of Finance (Canada) prior to the date of execution of the Subscription Agreement, to have effect prior to that date.

Section means a section of this Prospectus.

Securities mean any securities (including Shares) issued or granted by the Company.

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

Shareholder means a holder of Shares.

Subscription Agreement means the subscription and renunciation agreement between the Company and PearTree Securities Inc. dated 9 December 2025.

Tax Act means the *Income Tax Act* (Canada) and any specific proposed amendments thereto publicly announced by the Minister of Finance (Canada) prior to the date of execution of the Subscription Agreement, to have effect prior to that date.