

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION, if you are in any doubt about the contents of this Document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

This Document comprises a prospectus relating to Citius Resources Plc (the "**Company**") which has been approved by the Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 and as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019. Such approval should not be considered as an endorsement of the quality of the securities that are, or the Company which is, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application will be made to the FCA for all of the Shares in the Company (issued and to be issued in connection with the Placing) (the "**Shares**") to be admitted to the Official List of the UK Listing Authority (the "**Official List**") (by way of a standard listing under Chapter 14, respectively of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the "**Listing Rules**") and to the London Stock Exchange Plc (the "**London Stock Exchange**") for such Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities (together, "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, at 8.00 a.m. on 25 August 2021.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 10 OF THIS DOCUMENT.

The Directors, whose names appear on page 27 of this Document, and the Company, accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

CITIUS RESOURCES PLC

(Incorporated in England and Wales with company number 12557958)

Placing of 14,000,000 Shares of 0.5 pence each at £0.04 per Share

**Admission of the Enlarged Share Capital to the Official List
(by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on
the London Stock Exchange's Main Market for listed securities**

Financial Adviser and Broker

BRANDON HILL CAPITAL LIMITED

Issued share capital immediately following Admission

43,250,000 Fully Paid Shares of 0.5 pence each

Brandon Hill Capital Limited ("**Brandon Hill**" or the "**Broker**") has been appointed by the Company as its financial adviser and broker in connection with the Placing and Admission. The Broker, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no one else in relation to the Placing and Admission. Brandon Hill will not regard any other person (whether or not a recipient of this Document) as its client in relation to the Placing and Admission and will not be responsible to anyone (other than the Company in respect of Admission) for protections afforded to the clients of Brandon Hill or for providing any advice in relation to Admission or the Placing, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Brandon Hill for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible. However, nothing in this paragraph excludes or limits any responsibility which Brandon Hill may have under the Financial Services and Market Act 2000 or the regulatory regime established thereunder, or which, by law or regulation cannot otherwise be limited or excluded.

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

OVERSEAS SHAREHOLDERS

This admission document is not a 'prospectus', 'product disclosure statement' or other 'disclosure document' for the purposes of the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and is not required to be lodged with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**"). Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Shares, or distribute this admission document where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions, except if:

- (a) the amount payable by the transferee in relation to the Shares is A\$500,000 or more or if the offer or invitation to the transferee is otherwise an offer or invitation that does not require disclosure to investors in accordance with part 6D.2 or part 7.9 of the Corporations Act; or
- (b) the offer or invitation does not constitute an offer to a 'retail client' under Chapter 7 of the Corporations Act.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Application has been made for the Shares to be admitted to the Official List by way of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the UK Listing Authority will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules that the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

This Document is dated 18 August 2021

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SUMMARY

This summary has been drawn up as a short document written in a concise manner and of a maximum length of seven sides of A4-sized paper when printed. In accordance with Article 7 of the Prospectus Regulation this summary is made up of the following four sections: (A) an introduction, containing warnings; (B) key information on the issuer; (C) key information on the securities; and (D) key information on the offer of securities to the public and/or the admission to trading on a regulated market.

SECTION A – INTRODUCTION AND WARNINGS

Introduction

The legal and commercial name of the issuer is Citius Resources Plc (the “**Company**”) with the registered address at Walton House, 25 Bilton Road, Rugby, Warwickshire CV22 7AG and telephone number + 44 (0)1624 681250. The Company’s international securities identification number (ISIN) is GB00BMGRFP88 and its legal entity identifier (LEI) is 213800TNHZ0A4JIZK687.

This Document has been approved on 18 August 2021 by the Financial Conduct Authority (the “**FCA**”), as competent authority under Regulation (EU) 2017/1129 and as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019. The FCA’s contact details are 12 Endeavour Square, London, E20 1JN, telephone 0800 111 6768.

Warnings

This summary should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole by the investor. The Investor could lose all or part of the invested capital.

Where a claim relating to the information contained in this Document is brought before a court the plaintiff investor might, under national law, have to bear the costs of translating this Document before legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

SECTION B – KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Securities?

Issuer: The Company was incorporated as a company with limited liability on 15 April 2020 under the laws of England and Wales under the Companies Act with an indefinite life and with company number 12557958 and LEI, 213800TNHZ0A4JIZK687.

Principal Activities

As at the date of this Document, the Company does not have any current operations or principal activities, no products are sold or services performed by the Company, the Company does not operate or compete in any specific market, and the Company has no subsidiaries.

Strategy

The Company was formed to undertake an acquisition of a target company or business (the “**Acquisition**”). The Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business until after Admission. The Directors have criteria which will be used when reviewing potential transactions, which include, amongst other things, identifying opportunities which have the best chance of success, with good management, after conducting thorough due diligence. The Directors believe that their networks, the Company’s cash resources and profile following Admission, mean that the Company will target an Acquisition where the target company has a minimum net present value of £5 million up to £50 million. It is intended that the Acquisition will be undertaken by way of share consideration (in whole or part). However, if only part of the consideration is satisfied in shares, the Company will consider whether a further equity raising will be required, and the amount of such raising or whether to undertake debt financing. This will depend on the nature of the Acquisition opportunity

that arises, the form of consideration the Company uses to make the Acquisition (which cannot be determined at this time) and the need for working capital following the Working Capital Period.

Following completion of an Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through additional complementary acquisitions following the Acquisition. The Acquisition and any future acquisition will be long-term investments for the Company. If the Acquisition is a company or business which is in the exploration or development phase, the Company will not generate returns in the short to medium term. If the Acquisition is a company or business which has production assets, the Company will have returns in the short to medium term, the level of which will be dependent on the quantum of production.

Major Shareholders

The Directors are aware of the following persons, who, as at the date of this Document and at Admission, following completion of the Placing of 14,000,000 Shares at a price of £0.04 per Share (the “**Placing**”) will have a notifiable, direct or indirect, interest in the Company’s capital or Voting Rights of five per cent. (5 per cent.) or more:

| <i>Shareholder</i> | <i>Number of Shares as at the date of this Document</i> | <i>Percentage of Current Issued Share Capital</i> | <i>Number of Shares on Admission</i> | <i>Percentage of Issued Shares on Admission</i> |
|--------------------------------|---|---|--------------------------------------|---|
| Cameron Pearce | 6,000,000 | 22.22 | 6,000,000 | 13.87 |
| Azalea Family Holding Pty Ltd* | 3,000,000 | 11.11 | 3,000,000 | 6.94 |
| Optiva Securities Ltd | 2,666,667 | 9.88 | 2,666,667 | 6.17 |
| West End Ventures Pty Ltd | 1,666,667 | 6.17 | 1,666,667 | 3.85 |
| Shard Capital Partners LLP | 1,600,000 | 5.93 | 2,800,000 | 6.47 |

On Admission, such Shareholders will not have special Voting Rights in relation to the Shares and the Shares owned by them will rank *pari passu* in all respects with other Shares.

** Winton Willesee is a Connected Person to Azalea Family Holding Pty Ltd. Azalea Family Holding Pty Ltd. is a corporate trustee for a trust which trust is the beneficial holder of the Shares.

Directors: Cameron Pearce, Winton Willesee and Daniel Rootes are Directors.

Statutory Auditors: The Company’s auditors are Crowe U.K. LLP whose address is 55 Ludgate Hill, London, EC4M 7JW which is regulated by the FCA with registration number 400456.

What is the key financial information regarding the issuer?

The tables below set out selected key financial information for the Company for the period from incorporation on 15 April 2020 to 30 April 2021. Prospective investors should review the following selected historical financial information together with the whole of this Document and should not rely on the selected information itself. The Company has not yet commenced operations. During the period, the Company issued 9,999,800 Shares at nominal value as well as a further 8,333,334 Shares at 3 pence per Share as part of the Pre-IPO Subscriptions.

On 13 August 2021, the Company issued share warrants to all Pre-IPO Subscribers to the 3 pence per share issue. One warrant was issued for every two Shares held. The warrants are fully vested and entitle the holder to purchase one Share for a price of 4 pence. The warrants expire three years after the date of Admission.

During the period from incorporation on 15 April 2020 to 30 April 2021, £300,000 of cash was received in relation to the issue of Shares. The cash flows from operating activities within the period from incorporation on 15 April 2020 to 30 April 2021 consisted of cash flows from administrative expenses of £128,612, the increase in other receivables of £18,000 and cash received in advance of £214,500. There were also no cash flows from investing activities due to the Company not trading.

Summary statement of financial position of the Company

| | <i>Audited As at 30 April 2021 £</i> |
|--------------|--|
| Total assets | 385,888 |
| Total equity | <u>141,388</u> |

Summary statement of comprehensive income of the Company

| | <i>Audited period ended 30 April 2021 £</i> |
|--------------------|---|
| Revenue | — |
| Operating loss | <u>(158,612)</u> |
| Net loss | <u>(158,612)</u> |
| Earnings per Share | <u>(1.05)</u> |

Summary statement of cash flows of the Company

| | <i>Audited period ended 30 April 2021 £</i> |
|--|---|
| Cash used in operating activities | <u>(146,612)</u> |
| Cash inflows from financing activities | <u>514,500</u> |
| Net cash increase | <u>367,888</u> |

Pro forma financial information

Not applicable. No pro forma financial information is included in this Document.

Qualifications to audit report

Not applicable. There are no qualifications in the accountant's report relating to the historical financial information of the Company.

What are the key risks that are specific to the Issuer?

- The Company is a newly formed entity with no operating results. The Company lacks an operating history, and therefore, Investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating a company or business.
- The Company will not generate any revenues from operations unless it completes the Acquisition.
- The success of the Company's business strategy is dependent on its ability to identify sufficient suitable acquisition opportunities. The Company cannot estimate how long it will take to identify suitable acquisition opportunities or whether it will be able to identify any suitable acquisition opportunities at all within one year after the date of Admission.

- If the Company fails to complete a proposed acquisition it may be left with substantial unrecovered transaction costs, potentially including substantial break fees, legal costs or other expenses. Furthermore, even if an agreement is reached relating to a proposed acquisition, the Company may fail to complete such acquisition for reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire another target business.
- In the event that the Acquisition has not been announced within 18 months of Admission, the Board will ask Shareholders to approve to either continue pursuing the Acquisition for a further year or the liquidation and dissolution of the Company and distribution of the remaining assets of the Company to Shareholders. Upon distribution of assets on a liquidation, such costs and expenses will result in Investors receiving less than the initial Placing Price and investors who acquired Shares after Admission potentially receiving less than they invested and may, in either case, result in all shareholders losing the entirety of their investment.

SECTION C – KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities subject to Admission are a total of 43,250,000 Shares of 0.5 pence each in the capital of the Company, including the new shares issued pursuant to the Placing at the Placing Price of £0.04 per Share, all of which are fully paid. The Shares are denominated in UK Pounds Sterling and the Placing Price is payable in UK Pounds Sterling. The Shares are registered with ISIN number GB00BMGRFP88.

Each of the Placing Shares are issued as Shares and shall on Admission rank *pari passu* for Voting Rights, dividends and distributions and return of capital on winding up (whether this be a solvent or insolvent winding up) with the Existing Shares. Each Share confers the right to receive notice of and attend all meetings of Shareholders. Each holder of Shares present at a general meeting in person or by proxy or by its authorised corporate representative has one vote, and, on a poll, one vote for every Share of which he is a holder. In the case of joint holders of Shares, if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member. If only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners, and if two or more of the joint owners are present in person or by proxy they must vote as one. No pre-emption rights exist in respect of future share issues carried out by the Company wholly or partly other than for cash. Subject to the Companies Act, on a winding up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, to the holders of Shares pro rata to the number of such fully paid up Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Shares.

Where will the securities be traded?

Application will be made for the Shares to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's Main Market for listed securities ("**Admission**"). It is expected that Admission will become effective and that dealings in Shares will commence at 8.00 a.m. on 25 August 2021.

What are the key risks that are specific to the securities?

- The issue of the Placing Shares will dilute existing shareholders of the Company.
- Investors may not be able to realise returns on their investment in Shares within a period that they would consider to be reasonable as an investment in Shares may be relatively illiquid due to the limited number of Shareholders which may contribute to infrequent trading and volatile Share price movements. In particular, dividend payments on the Shares are not guaranteed and the Company does not intend to pay dividends in the short term and at least until completion of the Acquisition.
- There is currently no market for the Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Shares may not develop, which would affect adversely the liquidity and price of the Shares.

SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

General Terms and Conditions

The Placing Shares will be distributed pursuant to the Placing arranged by Brandon Hill as agent for the Company and the Placing is conditional on Admission occurring and becoming effective by 8.00 a.m. London time on, or prior to, 25 August 2021 (or such later date as may be agreed by Brandon Hill and the Company) but in any event no later than 31 August 2021 (the “**Long Stop Date**”) and the Placing not having been terminated by Brandon Hill in accordance with the terms of the Placing Agreement. Each Placee of the Placing Shares under the Placing has given an irrevocable commitment to subscribe for the Placing Shares (other than any condition relating to Admission) and the Placing is subject to certain conditions as set out in the Placing Agreement. If the Placing Agreement terminates and the Placing does not take place, the Admission of the Company will not take place.

Expected Timetable

| | |
|--|----------------------------------|
| Publication of this Document | 18 August 2021 |
| Admission and commencement of unconditional dealings in Shares | 8.00 a.m. on 25 August 2021 |
| Crediting of Shares to CREST Accounts | 25 August 2021 |
| Share Certificates dispatched | Week commencing 6 September 2021 |

Details of Admission to Trading

Application will be made for the entire issued share capital of the Company, being the Existing Shares and the Placing Shares, to be admitted to listing as a Standard Listing on the Official List and to trading on the London Stock Exchange’s Main Market. The securities subject to Admission are a total of 43,250,000 Shares comprising 26,999,999 Pre-IPO Shares, 14,000,000 Placing Shares and 2,250,001 Consultants Shares issued in connection with Admission.

Immediate Dilution Pursuant to the Placing

Pursuant to the Placing, 14,000,000 Shares have been conditionally subscribed for by Placees at the Placing Price, representing 32.37 per cent. of the Enlarged Share Capital. The Placing will result in the Existing Share Capital being diluted so as to constitute 62.43 per cent. of the Enlarged Share Capital.

Total Expenses of the Issue

The total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are approximately £126,000. No expenses will be charged to the Investors.

Why is this Prospectus being produced?

The objective of the Company is to raise funds in order to identify and undertake an Acquisition.

Net Placing Proceeds

Prior to Admission, the Company raised gross proceeds of £560,000 through the Pre-IPO Subscriptions, of which £324,000 has been expensed to date, resulting in a cash balance as at the date of this Document of £236,000. Conditional only on Admission, the Company will raise a further £560,000 through the Placing. Total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission are £126,000, such that the net proceeds of the Placing will be £434,000 (“**Net Placing Proceeds**”). The balance of the Pre-IPO Subscription monies and the Net Placing Proceeds will be held in the Company’s bank account and utilised as set out below.

It is anticipated that, from the date of this Document, the Company’s aggregate cash resources of £405,166 as at 30 June 2021 and the Net Placing Proceeds of £434,000, will be used as follows:

| <i>Use of cash resources and Net Placing Proceeds</i> | £ |
|---|----------------|
| Costs of identifying and undertaking due diligence in respect of a suitable Acquisition | 100,000 |
| Costs for undertaking a reverse takeover on identification of a suitable Acquisition | 150,000 |
| Directors’ fees and salary | 44,000 |
| General working capital requirements | 545,166 |
| Cash resources and Net Placing Proceeds | 839,166 |

The Placing is not underwritten but each Placee has provided a firm commitment to subscribe for the Placing Shares.

The most material conflicts of interest pertaining to the Placing and Admission

The Directors do not believe there are any material conflicts of interest pertaining to the Placing and Admission.

RISK FACTORS

The risks noted above do not necessarily comprise all those faced by the Company. The Directors have presented the risks which they currently consider are material to the Company, although additional risks may exist, however the risks presented are those material risks which the Directors are currently aware of. There may be special risks if an investor holds Shares in certain jurisdictions.

An investment in Shares is speculative and may not be suitable for all recipients of this Document. Potential UK investors are accordingly advised to consult a person authorised under the FSMA who specialises in advising in investments of this kind before making any investment decisions. Non-UK investors are advised to consult another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK

The Company is a newly formed entity with no operating history and has not yet identified any potential target company or business for the Acquisition

The Company is a newly formed entity with no operating results. The Company lacks an operating history, and therefore, Investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating a company or business. Currently, there are no plans, arrangements or understandings with any prospective target company or business regarding the Acquisition and the Company may acquire a target company or business that does not meet the Company's stated acquisition criteria. The Company will not generate any revenues from operations unless it completes the Acquisition.

Although the Company will seek to evaluate the risks inherent in a particular target business (including the industries and geographic regions in which it operates), it cannot offer any assurance that it will make a proper discovery or assessment of all of the significant risks. Furthermore, no assurance may be made that an investment in Shares will ultimately prove to be more favourable to Investors than a direct investment, if such opportunity were available, in any target company or business. Because the Company does not expect that Shareholder approval will be required in connection with the Acquisition, investors will be relying on the Company's and the Director's ability to identify potential targets, evaluate their merits, conduct or monitor diligence and conduct negotiations.

There is no assurance that the Company will identify suitable acquisition opportunities in a timely manner or at all which could result in a loss on your investment

The success of the Company's business strategy is dependent on its ability to identify sufficient suitable acquisition opportunities. The Company cannot estimate how long it will take to identify suitable acquisition opportunities or whether it will be able to identify any suitable acquisition opportunities at all within one year after the date of Admission. If the Company fails to complete a proposed acquisition (for example, because it has been outbid by a competitor) it may be left with substantial unrecovered transaction costs, potentially including substantial break fees, legal costs or other expenses. Furthermore, even if an agreement is reached relating to a proposed acquisition, the Company may fail to complete such acquisition for reasons beyond its control. Any such event will result in a loss to the Company of the related costs incurred, which could materially adversely affect subsequent attempts to identify and acquire another target business. The ability to carry out due diligence with respect to any target Acquisition may also be impacted by the limitations put in place in many jurisdictions due to COVID-19 relating to national and international travel and also access to personnel operating any Acquisition target. This could extend the time to undertake any Acquisition.

In the event that the Acquisition has not been announced within 18 months of Admission, the Board will ask Shareholders to approve to either continue pursuing the Acquisition for a further year or the liquidation and dissolution of the Company and distribution of the remaining assets of the Company to Shareholders. In such circumstances, there can be no assurance as to the particular amount or value of the remaining assets at such future time of any such distribution either as a result of costs from an unsuccessful Acquisition or from other factors, including disputes or legal claims which the Company is required to pay out, the cost

of the liquidation and dissolution process, applicable tax liabilities or amounts due to third party creditors. Upon distribution of assets on a liquidation, such costs and expenses will result in Investors receiving less than the initial Placing Price of 4 pence per Share and investors who acquired Shares after Admission potentially receiving less than they invested and may, in either case, result in all shareholders losing the entirety of their investment.

The Company may choose to use Shares as consideration for the Acquisition

The Company may issue Shares (and/or cash) as consideration for the Acquisition. There is no guarantee that consideration shares will be an attractive offer for the shareholders of any company or business which the Company identifies as a suitable acquisition opportunity. If the Company fails to identify a target company which is willing to accept share consideration, it may have to raise additional cash funds (or, if the circumstances require, use debt financing) and may be left with substantial unrecovered transaction costs, potentially including fees, legal costs, accounting costs, due diligence or other expenses

Even if the Company completed the Acquisition, there is no assurance that any operating improvements will be successful or, that they will be effective in increasing the valuation of any business acquired

Following the Acquisition, the Company intends to endeavour to generate Shareholder value through capital adequacy, operational improvements, economies of scale and through an acquisition programme. However, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any company or business which the Company acquires. In addition, even if the Company completes the Acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of these operational improvements to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition.

The Company may face significant competition for acquisition opportunities

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, special purpose acquisition companies and public and private investment funds many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure Investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case.

Any due diligence by the Company in connection with the Acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular acquisition target or the consideration payable for an Acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential acquisition, the Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations.

There can be no assurance that the due diligence undertaken with respect to a potential acquisition will reveal all relevant facts that may be necessary to evaluate such acquisition including the determination of the price the Company may pay for an acquisition target, or to formulate a business plan. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgements regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in a target company or business, or if the Company

considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and have a material adverse effect on the Company's financial condition and results of operations.

The Company may be unable to complete the Acquisition or to fund the operations of the target business if it does not obtain additional funding

Although the Company has not identified a prospective target company or business and cannot currently predict the amount of additional capital that may be required, once an Acquisition has been made, if the target is not sufficiently cost generative, further funds may need to be raised.

If, following the Acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity or debt financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete the Acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon the Acquisition, or proceed with the Acquisition on less favourable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete the Acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in the acquired business. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business.

The Company may be unable to hire or retain personnel required to support the Company after the Acquisition

Following completion of the Acquisition, the Company will evaluate the personnel of the acquired business and may determine that it requires increased support to operate and manage the acquired business in accordance with the Company's overall business strategy. There can be no assurance that existing personnel of the acquired business will be adequate or qualified to carry out the Company's strategy, or that the Company will be able to hire or retain experienced, qualified employees to carry out the Company's strategy.

The Company will be subject to restrictions in offering its Shares as consideration for the Acquisition in certain jurisdictions and may have to provide alternative consideration, which may have an adverse effect on its operations

The Company may offer its Shares or other securities as part of the consideration to fund, or in connection with, the Acquisition. However, certain jurisdictions may restrict the Company's use of its Shares or other securities for this purpose, which could result in the Company needing to use alternative sources of consideration, including the need to raise additional equity. Such restrictions may limit the Company's available acquisition opportunities or make a certain acquisition more costly.

As a UK public company, the City Code may apply to an Acquisition. If the Company were to implement an Acquisition by way of a takeover offer, the City Code, broadly, will apply in connection with an offer for the Company as a UK public company. If the consideration shares were to exceed 30 per cent. of the issued shares of the Company, a derogation, to be granted by the Takeover Panel, may be required to implement such consideration structure under the City Code, and such derogation is not certain. Otherwise, the holder(s) of the consideration shares may be required under the City Code to make an offer to all shareholders for the entirety of their Shares. There can be no assurance that the Takeover Panel would grant such a derogation (most particularly where the target has a more than insignificant percentage of US shareholders that are not Qualified Institutional Buyers (as that term is defined by Rule 144A of the Securities Act)). This need to comply with the City Code in a takeover offer may adversely impact the Company's ability to implement the most efficient structure for acquiring a target company or business which is subject to the City Code.

If the Acquisition is completed, the Company will be a holding company whose principal source of operating cash will be income received from the business it has acquired

If the Acquisition is completed, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses and operating cash requirements (if any). The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of the Company. If the acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and dividends on the Shares.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is Pounds Sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in Pounds Sterling. Any business the Company acquires may denominate its financial information in a currency other than Pounds Sterling, conduct operations or make sales in currencies other than Pounds Sterling. When consolidating a business that has functional currencies other than Pounds Sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into Pounds Sterling. Due to the foregoing, changes in exchange rates between Pounds Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

The Company has not identified any particular geographic regions in which it will seek to acquire a target company or business and may be subject to risks particular to one or more countries in which it ultimately operates, which could negatively impact its operations

Although, given the experience of the Directors and the Board, the Company expects to focus on acquiring an exploration or production company or business in the precious and base metals sectors with all or a substantial portion of its operations in Europe, Africa, and the Middle East, the Company's efforts in identifying a prospective target company or business are not limited to a particular industry or geographic region. The Company may therefore acquire a target company or business in, or with substantial operations in, a number of jurisdictions, any of which may expose it to considerations or risks associated with companies operating in such jurisdictions, including but not limited to: regulatory and political uncertainty; tariffs, trade barriers and regulations related to customs and import/export matters; international tax issues, such as tax law changes and variations in tax laws; cultural and language differences; rules and regulations on currency conversion or corporate withholding taxes on individuals; currency fluctuations and exchange controls; employment regulations; crime, strikes, riots, civil disturbances, terrorist attacks and wars; and deterioration of relevant political relations. Any exposure to such risks due to the countries in which the Company operates following the Acquisition could negatively impact the Company's operations.

The Company has not identified any particular countries in which it will seek to acquire a target company or business and may be subject to risks particular to one or more countries in which it operates

Although the Company expects to focus on acquiring a target company or business in the precious and base metals sector, the Company's efforts in identifying a prospective target company or business is not limited to a particular market sector or country. The Company may therefore acquire a target company or business in, or with substantial operations in, a number of jurisdictions, any of which may expose it to considerations or risks associated with a company operating in such jurisdiction, including but not limited to:

- (a) regulatory and political uncertainty;
- (b) tariffs, trade barriers and regulations related to customs and import/export matters;
- (c) international tax issues, such as tax law changes and variations in tax laws;

- (d) cultural and language differences;
- (e) rules and regulations on currency conversion or corporate withholding taxes on individuals;
- (f) currency fluctuations and exchange controls;
- (g) employment regulations;
- (h) crime, strikes, riots, civil disturbances, terrorist attacks and wars; and
- (i) deterioration of relevant political relations.

Any exposure to such risks due to the country in which the Company operates following the Acquisition could negatively impact the Company's operations.

RISKS RELATING TO THE PRECIOUS AND BASE METALS SECTOR

Global supply and demand changes due to COVID-19 and/or a potential future economic downturn may adversely affect the business, cash flows, results of operations, and financial condition of the Company.

Global supply and demand affects commodity prices. COVID-19 has significantly affected the demand for natural resources, including precious and base metals. Supply has been affected as industries which have a requirement for precious and base metals cannot operate as normal given the restrictions in many jurisdictions and demand for goods has been significantly reduced. At present, COVID-19 has impacted the supply of natural resources due to the need to lock-down operations in many countries. It cannot be ascertained how long COVID-19 will continue to affect businesses. COVID-19 has also affected commodity prices. For example, from March 2020 (when the UK went into its first lockdown), the price for gold initially fell to £1210 an ounce, rose to £1575 in August 2020, and has since gradually fallen back to pre-COVID-19 levels. It cannot be known what trading activities by market participants have been undertaken seeking either to secure access to commodities or to hedge against commercial risks which may affect commodity prices as well. Changes in commodity prices will give rise to commodity price risk which may impact the price payable by the Company for any Acquisition and following any Acquisition and may affect the returns available to the Company. Commodity prices are subject to substantial fluctuations and cannot be accurately predicted.

In the event of a substantial global economic downturn, and if that downturn depresses the economy for the medium to long term, whether this is caused by COVID-19 or otherwise, the Company's ability to grow or sustain revenues in the future years may be adversely affected, and with respect to certain long term price levels for a given commodity, extractive operations may not remain economically feasible.

Disadvantageous economic conditions can also limit the Company's ability to predict revenues and costs which may affect the Company's capability to conduct planned projects anticipated following the Acquisition.

Governmental instability including political, legal and commercial instability in the countries and territories in which the precious and base metals sector operates may affect the viability of the Company's operations after the Acquisition

After the Acquisition, the Company may operate in regions with varying degrees of commercial, legal and political stability. These jurisdictions will not be limited to a particular geographic region. Regional changes in the political landscape by civil and social pressures could cause regime change, policy reforms or changes in legal or governmental regulations. These changes may result in expropriation or nationalisation of a target's assets. Nullification or renegotiation concerning pre-existing concessions, agreements, leases and permits held by a target business, changes to economic policies, including but not limited to taxes or royalty rates, or currency restrictions are all possibilities. Regional instability due to corruption, bribery and generally underdeveloped corporate governance policies have the potential to lead to similar consequences. These risks could have a materially adverse effect on the profitability, the ability to finance, or in extreme cases, the viability of an operation.

Moreover, political pressures and fiscal constraints could lead governments to impose higher taxes on operations in the precious and base metals sector. These taxes or other types of expropriation of assets could be imposed on the Company by any jurisdiction both before and after the Acquisition. The Company's earnings growth may be constrained by delays or shutdowns as a result of political, commercial or legal

instability, and may be constrained if subjected to increased taxation or other expropriation. The ability of the Company to generate long term value of Shareholders could be impacted by these risks.

Currency exchange rate fluctuations may negatively affect the Company after the Acquisition

The Placing will raise proceeds denominated in British pounds sterling. However, the markets for the commodities produced are typically listed in US dollars. The Net Placing Proceeds will be held in the Company's bank account. The Company does not intend to hedge the Net Placing Proceeds against risks associated with disadvantageous movements in the currency exchange rates until after it has identified the Acquisition target. Therefore, currency exchange rate fluctuations from the closing date of the Placing until the date it hedges the currency exchange rate in connection with the Acquisition may negatively affect the Company. The Company does not intend to enter into such hedging activities until after it has identified the Acquisition.

Additionally, after the Acquisition, the Company may be exposed to ongoing currency risk. While the Company's financial statements are stated in British pounds sterling, and certain ongoing management costs will be denominated in British pounds sterling, the price of its products (and thus its revenues) will be determined by world commodities markets which are typically expressed in US dollars, and depending on the location of an acquired target, the Company may have operating expenses denominated in another currency. Consequently, changes in the exchange rates of these currencies may negatively affect the Company's cash flows, operating results or financial condition to a material extent.

Safety, health and environmental exposures and related regulations may expose the Company to increased litigation, compliance costs, interruptions to operations, unforeseen environmental remediation expenses and loss of reputation

The precious and base metals sector involves extractive enterprises. These endeavours often make the sector a hazardous industry. The industry is highly regulated by health, safety and environmental laws. The Company's operations following the Acquisition may be subject to these kinds of governmental regulations in any region in which it operates. Operations are subject to general and specific regulations and restrictions governing drilling and production, mining and processing, land tenure and use, environmental requirements (including site specific environmental licences, permits and remediation requirements), workplace health and safety, social impacts and other laws.

The Company's operations may create environmental risks including dust, noise or leakage of polluting substances from its operations. Failing to adequately manage environmental risks or to provide safe working environments could cause harm to the Company's employees or the environment surrounding the operations site. Facilities are subject to closure by governmental authorities and the Company may be subject to fines and penalties, liability to employees and third parties for injury, statutory liability for environmental remediation and other financial consequences, which may be significant. The Company may also suffer impairment of reputation, industrial action or difficulty in recruiting and retaining skilled employees. Subsequent changes in regulations, laws or community expectations that govern the Company's operations could result in increased compliance and remediation costs. Any of the foregoing developments could have a materially adverse effect on the Company's results of operations, cash flows or financial condition.

Natural disasters may affect drilling operations and have a material impact on the productivity of the operations and may not be covered by insurance

Natural disasters, including earthquakes, drought, floods, fire, tropical storms and the physical effects of climate change, all of which are outside the Company's control, may adversely affect the Company's operations after the Acquisition. Operating difficulties, such as unexpected geological variations that could result in significant failure, could affect the costs and feasibility of its operations for indeterminate periods. Damage to or breakdown of a physical asset, including as a result of fire, explosion or natural catastrophe, can result in a loss of assets and financial losses. Insurance may provide protection from some, but not all, of the costs that may arise from unforeseen events. Although the Company intends to maintain adequate insurance, the Company's insurance may not cover every possible risk connected with its operations. Adequate insurance at a reasonable cost is not always available. The Company's insurance may not cover its liability or the consequences of any business disruptions such as equipment failure or labour dispute. The occurrence of a significant adverse event not fully covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Labour disruptions could adversely affect the Company's results of operations, cash flows and financial condition

Strikes and the potential of conflict with unions or employees may occur at any one of the Company's operations or in any regions in which the Company operates after the Acquisition. A significant portion of the Company's workforce may be unionized after the Acquisition. Labour interruptions may be employed to advocate labour, political or social goals. Labour interruptions have the potential to increase operational costs and decrease revenues by suspending the business activities or increasing the cost of substitute labour, which may not be available. If such disruptions are material, they may adversely affect the Company's results of operations, cash flows and financial condition.

Competition

The precious and base metals sector is competitive in all of its phases. The Company faces strong competition from other companies in connection with the acquisition of mineral properties producing, or capable of producing, as well as for the recruitment and retention of qualified employees. Larger companies, in particular, may have access to greater financial resources, operational experience and technical capabilities than the Company which may give them a competitive advantage.

RISKS RELATING TO THE SHARES

Dilution of their percentage ownership of the Company if the Company decides to offer additional Shares in the future

If the Company decides to offer additional Shares in the future, for example, for the purposes of or in connection with the Acquisition or to raise additional funds, this could dilute the interests of Investors and/or have an adverse effect on the market price of the Shares.

The pre-emption rights contained in the Act may be disapplied for Shareholders in certain circumstances and the Company may issue securities or incur substantial debt to raise capital or complete a further acquisition, which may dilute the interests of Shareholders or affect the Company's results of operations (due to increased interest expense) and liquidity.

The Company may in the future issue a substantial number of additional Shares or incur substantial indebtedness to raise capital or complete further acquisitions.

The proposed Standard Listing of the Shares will afford Investors a lower level of regulatory protection than a Premium Listing

Application will be made for the Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford Investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled Consequences of a Standard Listing on page 21 of this Document.

Illiquid market

Notwithstanding the fact that the Company intends to make an application for the Enlarged Issued Share Capital to be admitted to trading on the Standard Segment of the Main Market of the London Stock Exchange, this should not be taken as implying that there will be a "liquid" market in the Shares. An active liquid market for the Shares may not develop and the market price of the Shares may be lower than the Placing Price and may be highly volatile. The market for shares in smaller public companies is less liquid than for larger public companies. The Company cannot predict the effects on the price of the Shares if a liquid and active market for the Shares does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Shares and sales of a significant number of Shares may be difficult to execute at a stable price. Shareholders accordingly may not be able to realise their investment at or above the Placing Price.

The Company may be unable to transfer to a Premium Listing or other appropriate listing venue following the Acquisition

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Upon completion of an Acquisition, the Directors may seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that a transfer to a Premium Listing or other appropriate listing venue will be achieved. For example, such eligibility criteria may not be met, due to the circumstances and internal control systems of the acquired business or if the Company acquires less than a controlling interest in the target. In addition, there may be a delay, which could be significant, between the completion of the Acquisition and the date upon which the Company is able to seek or achieve a Premium Listing or a listing on another stock exchange.

If the Company does not achieve a Premium Listing or the Directors decide to maintain the Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time after the Acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards should the Company meet the eligibility criteria for re-admission to a Standard Listing following the Acquisition. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining FTSE indexation and may have an adverse effect on the valuation of the Shares. Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards of corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled Consequences of a Standard Listing on page 20 of this Document.

If the Company proposes making an Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition or the target, the Company's Shares may be suspended from listing and may not be readmitted to listing thereafter, which will reduce liquidity in the Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them

The Acquisition, if it occurs, will be treated as a Reverse Takeover (within the meaning given to that term in the Listing Rules).

Generally, when a Reverse Takeover is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the Disclosure Guidance and Transparency Rules; or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction was to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of the transaction on its financial position, the Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant

information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure Guidance and Transparency Rules and the Listing Rules (for example, where the target business is not itself already subject to a public disclosure regime), and the period during which the Shares would be suspended may therefore be significant.

On 30 April 2020 the FCA circulated a consultation paper CP21/10 entitled “Investor protection measures for special purpose acquisition companies (SPAC): Proposed changes to the Listing Rules”. The consultation was in respect of proposed changes to the Listing Rules to provide an alternative route to market for SPACs demonstrating higher levels of investor protection. On 27 July 2021 the FCA circulated policy statement PS21/10 entitled “Investor protection measures for special purpose acquisition companies: Changes to Listing Rules”. The policy statement summarised the feedback the FCA received to their consultation paper and set out their policy response. It also included the final rules and confirmed amendments to the FCA’s technical note on cash shell companies. On 10 August 2021 the new rules and guidance came into force. The new rules and guidance dis-applied the presumption of suspension if a SPAC had certain structural features embedding investor protections, and if it provided adequate disclosure to mitigate key risks for investors. The Directors confirm that the Company does not meeting any of the conditions required by the new rules and guidance arising from the policy statement, and as such the existing guidance set out above would continue to apply.

There is currently no market for the Shares, notwithstanding the Company’s intention to be admitted to trading on the London Stock Exchange. A market for the Shares may not develop, which would adversely affect the liquidity and price of the Shares

There is currently no market for the Shares. Therefore, Investors cannot benefit from information about prior market history when making their decision to invest. The price of the Shares after the Placing also can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company’s general business condition and the release of its financial reports. Although the Company’s current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure you that it will always do so. In addition, an active trading market for the Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Shares may decline.

Future Acquisition may be affected by a change in regulation

On 30 April 2020 the FCA circulated a consultation paper CP21/10 entitled “Investor protection measures for special purpose acquisition companies (SPAC): Proposed changes to the Listing Rules”. The consultation was in respect of proposed changes to the Listing Rules to provide an alternative route to market for SPACs demonstrating higher levels of investor protection. The consultation paper considered, amongst other things, an amendment to the change the required minimum aggregate market value of an issuer’s shares at admission from £700,000 to £50,000,000. If the Listing Rules were amended to require a minimum aggregate market value of £50,000,000 then this would require the Company to acquire a company or business that, once aggregated with the Company’s market capitalisation prior to the Acquisition, would mean the aggregate market value of the Company on re-admission would be equal to or greater than £50,000,000. This may prevent the Company from making a smaller Acquisition and will limit the potential Acquisitions that the Company may undertake. In the event that the Listing Rules were amended and the Company was to undertake an Acquisition that meant the aggregate market value of the Company on re-admission would not be equal to or greater than £50,000,000 then the Company would need to seek admission to an alternative investment exchange such as, but not limited to, the Alternative Investment Market of the London Stock Exchange or the Aquis Stock Exchange.

Investors may not be able to realise returns on their investment in Shares within a period that they would consider to be reasonable

Investments in Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Shares on the London Stock Exchange and to volatile share price movements. Investors should not expect that they will necessarily be able to realise their investment in Shares within a period that they would regard as reasonable. Accordingly, the Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the

Shares. Even if an active trading market develops, the market price for the Shares may fall below the Placing Price.

Dividend payments on the Shares are not guaranteed

It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business, to the extent any are generated. Additionally, the Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date, depending upon the generation of sustainable profits and the Company's financial position, when it becomes commercially prudent to do so. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute the Acquisition and the loss of the services of the Directors could materially adversely affect it

The Company will rely heavily on a small number of key individuals, in particular the Directors, to identify potential acquisition opportunities and to execute the Acquisition. The retention of their services cannot be guaranteed. Accordingly, the loss of any such key individual may have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute the Acquisition.

In addition, there is a risk that the Company will not be able to recruit executives of sufficient expertise or experience to identify and maximise any opportunity that presents itself, or that recruiting and retaining those executives is more costly or takes longer than expected. The failure to attract and retain those individuals may adversely affect the Company's ability to complete the Acquisition.

The Directors may allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Acquisition. There could also be a conflict of interest for Cameron Pearce in presenting potential acquisitions to the Company

Mr. Cameron Pearce has undertaken to commit a minimum of 20 hours per week to the Company's affairs. Although the other Directors, as non-executive directors have not made the same commitment, each of the Directors confirms he understands his obligations as a director and sufficient time available to carry out his role. The Directors are engaged in other business endeavours and, other than Mr. Pearce, are not obligated to devote any specific number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to consummate the Acquisition or following the Acquisition to operate the business and create value for the shareholders. However, the Company has also retained a number of consultants to assist in identifying and carrying out potential acquisitions to provide further personnel time.

In addition, although the Directors must act in the Company's best interests and owe certain fiduciary duties to the Company, they are not necessarily obligated to present business opportunities to the Company. In particular, Cameron Pearce is a director of Blencowe Resources plc, a company listed on the Main Market as a Standard Listing which has itself completed a reverse takeover of a graphite mining business. However, given that Blencowe Resources plc and the Company are currently seeking to undertake business in different sectors, with Blencowe Resources plc being primarily interested in the industrial minerals sector (although this may be changed from time to time) and the Company seeking to undertake business in the precious and base metals sector, there is a limited risk a conflict may arise for Mr Pearce in presenting business opportunities to the Company rather than Blencowe Resources plc. Cameron Pearce will remain as a director of both entities and will make the proper declarations to each board should he believe that a potential conflict of interest has arisen pursuant to the Conflicts Policy that is to be adopted by the Board.

The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company on the one hand and the Directors on the other hand

The Directors and one or more of their affiliates may in the future enter into agreements other than related to their engagement or employment with the Company, although at present none are under contemplation. For example, relating to identifying acquisitions and/or operating or providing services to the Company or any subsidiary that may be established or acquired by the Company. While the Company will not enter into any related party transaction without the approval of a majority of the non-conflicted Directors, it is possible that the entering into of such an agreement would give rise to a conflict between the interest of the Company and that of the relevant Director and may lead to the Company not achieving the contractual terms that it might otherwise have been able to achieve with an unrelated party.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside of the UK may reduce any net return to Shareholders

To the extent that the assets, company or business which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by Shareholders from an investment in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of Shareholders of Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner. It is intended that the Company will act as the holding company to a trading group including any company or assets acquired in any acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

CONSEQUENCES OF A STANDARD LISTING

An application will be made for Admission of the Share Capital to the Official List by means of a Standard Listing and to trading on the Main Market of the London Stock Exchange pursuant to Chapter 14 of the Listing Rules which sets out the requirements for Standard Listings. The Company will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company will also comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meetings its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Re- Admission;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have no authority to purchase its own Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company’s compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in Shares prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under the FSMA, Prospectus Rules, Listing Rules and Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed Section D (Risks) of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 10 of this Document.

Neither the Broker nor any person acting on its behalf makes any representations or warranties, express or implied, with respect to the completeness or accuracy of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Placing or Admission. The Broker accordingly disclaims all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Document or any such statement. The Broker nor any person acting on its behalf accepts no responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to its attention after the date of this Document, and the distribution of this Document shall not constitute a representation by Brandon Hill, or any such person, that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof.

The Broker and any affiliate thereof acting as an Investor for its or their own account(s) may subscribe for, retain, purchase or sell Shares for its or their own account(s) and may offer or sell such securities otherwise than in connection with the Placing. The Broker does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company and the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Shares including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for

that purpose is required. Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any person.

This admission document is not a 'prospectus', 'product disclosure statement' or other 'disclosure document' for the purposes of the Australian Corporations Act and is not required to be lodged with ASIC or the ASX. Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Shares, or distribute this admission document where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions, except if:

- (a) the amount payable by the transferee in relation to the Shares is A\$500,000 or more or if the offer or invitation to the transferee is otherwise an offer or invitation that does not require disclosure to investors in accordance with part 6D.2 or part 7.9 of the Corporations Act; or
- (b) the offer or invitation does not constitute an offer to a 'retail client' under Chapter 7 of the Australian Corporations Act. The Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of South Africa, the Republic of Ireland, Canada or Japan. Subject to certain exceptions, the Shares may not be, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, South Africa, the Republic of Ireland, Canada or Japan or to any national, resident or citizen of South Africa, the Republic of Ireland, Canada or Japan.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Shares for an indefinite period. Prospective investors are also notified that the Company may be classified as a passive foreign investment company for United States federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to U.S. holders of Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Shares for any year in which the Company is a passive foreign investment company.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, Investment or any other related matters concerning the Company and an investment therein

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved. At this time, the Company does not intend to make accommodations regarding its financial information to assist any holders with their tax obligations.

It should be remembered that the price of the Shares and any income from such Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum of Incorporation of the Company and the Articles, which investors should review.

Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements", including those contained in Part I of this Document. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should", "could" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including any further acquisition. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the “Risk Factors” section of this Document for a discussion of additional factors that could cause the Company’s actual results to differ materially, before making an investment decision. **For the avoidance of doubt, nothing in this Document constitutes a qualification of the working capital statement contained in paragraph 9 “Working Capital” of Part VIII “Additional Information” of this Document.**

There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Document will, in fact, occur. These forward-looking statements are correct only as at the date of this Document. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Document except as required by law or by regulatory authority, including the Listing Rules, Prospectus Rules, DTR and Market Abuse Regulations.

Third party data

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties.

Currency presentation

Unless otherwise indicated, all references in this Document to “£”, “Pound Sterling” or “Pounds” are to the lawful currency of the U.K., and to “\$” or “US Dollars” are to the lawful currency of the United States.

International Financial Reporting Standards

As required by the Act and Article 4 of the European Union IAS Regulation, the financial statements of the Company for the current financial year ending 30 April 2021 will be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 160/2002 as it applies in the European Union (“**EU IFRS**”).

For the year ending 30 April 2022, the financial statements of the Company will be prepared in accordance with UK-adopted international accounting standards (“**UK IFRS**”).

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Definitions

A list of defined terms used in this Document is set out in “Definitions” beginning at page 82.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|--|-------------------------------------|
| Publication of this Document | 18 August 2021 |
| Admission and commencement of dealings in the Enlarged Share Capital | 25 August 2021 |
| Crediting of new Shares to CREST Accounts | 25 August 2021 |
| Share certificates for new Shares dispatched | Week commencing 6 September 2021 |

All references to time in this Document are to London time unless otherwise stated

STATISTICS

| | |
|--|-----------------|
| Total number of Shares in issue as at the date of this Document | 26,999,999 |
| Total number of Placing Shares to be issued on Admission | 14,000,000 |
| Total number of Consultants Shares to be issued on Admission | 2,250,001 |
| Gross Placing Proceeds | £560,000 |
| The Enlarged Share Capital in issue on Admission | 43,250,000 |
| Number of Shares to be issued on Admission pursuant to the Placing as a percentage of the Enlarged Share Capital | 32.37 per cent. |
| Number of Warrants to be in issue on Admission | 21,633,333 |
| Estimated costs in relation to the Placing and Admission | £126,000 |
| Net Placing Proceeds | £434,000 |
| Placing Price for the Placing | 4 pence |
| Market capitalisation of the Company at the Placing Price | £1,730,000 |

DEALING CODES

| | |
|-------|----------------------|
| ISIN | GB00BMGRFP88 |
| SEDOL | BMGRFP8 |
| LEI | 213800TNHZ0A4JIZK687 |
| TIDM | CRES |

DIRECTORS, SECRETARY AND ADVISERS

| | |
|--|--|
| Directors on Admission | <u>Cameron</u> William Leslie Pearce (<i>Chief Executive Officer – Director</i>) <u>Winton</u> William Willesee (<i>Non-Executive Chairman</i>) <u>Daniel</u> James Rootes (<i>Non-Executive Director</i>) |
| Manager with responsibility for Finance | Cameron Pearce |
| Registered Office and principal place of business | Walton House 25 Bilton Road Rugby Warwickshire CV22 7AG |
| Company website | www.citiusresources.co.uk |
| Company Secretary, Administration and Financial Functions | FIM Capital Limited 55 Athol Street Douglas Isle of Man IM1 1LA |
| Auditors and Reporting Accountants | Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW |
| Financial Adviser and Broker | Brandon Hill Capital Limited Acre House 11/15 William Road London NW1 3ER |
| Company's Solicitors | Mildwaters Consulting LLP Walton House 25 Bilton Road Rugby Warwickshire CV22 7AG |
| Registrar | Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR |
| Principal bankers | Barclays Bank Plc PO Box 9 Barclays House, Victoria Street Douglas Isle of Man IM99 1AJ |

PART I

INFORMATION ON THE COMPANY AND ITS STRATEGY

1. INTRODUCTION

- 1.1 The Company was incorporated as a private company with limited liability under the laws of England and Wales under the Companies Act on 15 April 2020 with number 12557958. On 3 August 2020 the Company was re-registered as a public limited company to become Citius Resources Plc. The principal legislation under which the Company was created and operates is the Companies Act 2006 and the regulations made thereunder. The Company's registered office is located at Walton House, 25 Bilton Road, Rugby, Warwickshire CV22 7AG. The Company's financial year ends on 30 April.
- 1.2 On Admission, the Company will be authorised to issue one class of shares (the Shares). It is intended that the Shares will be admitted by the FCA to a Standard Listing and to trading on the London Stock Exchange's Main Market for listed securities.
- 1.3 The Board considers that a listing on the Main Market may attract greater opportunities, both from the perspective of Investors, who may not be willing or able to invest in a company whose shares are listed on a different securities exchange, and from the perspective of the target company, which may only consider accepting share consideration as part of the Acquisition, from a company whose shares are admitted to the Official List.

2. COMPANY'S OBJECTIVE

- 2.1 The Company was formed to undertake an acquisition of a target company or business. The Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business until after Admission. The Company's efforts in identifying a prospective target company or business will not be limited to a particular industry or geographic region. However, given the experience of the Directors, the Company expects to focus on acquiring an exploration or production company or business in the precious and base metals sector with either all or a substantial portion of its operations in Europe, Africa, and the Middle East. The Directors have criteria which will be used when reviewing potential transactions, which include, amongst other things, identifying opportunities which have the best chance of success, with good management after conducting thorough due diligence. There is no specific expected target value for the Acquisition. It is intended that the Acquisition will be undertaken by way of share consideration (in whole or part), which will leave cash available for working capital purposes. However, if only part of the consideration is satisfied in shares, the Company will consider whether a further equity raising will be required, and the amount of such raising or whether a debt financing should be undertaken. This will depend on the nature of the Acquisition opportunity that arises, the form of consideration the Company uses to make the Acquisition (which cannot be determined at this time) and the need for working capital following the Working Capital Period.
- 2.2 Following completion of the Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through additional complementary acquisitions following the Acquisition. Following the Acquisition, the Company intends to seek re-admission of the Company's securities to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange. The Acquisition and any future acquisition will be long-term investments for the Company. If the Acquisition is a company or business which is in the exploration or development phase, the Company will not generate returns in the short to medium term. If the Acquisition is a company or business which has production assets, the Company will have returns in the short to medium term, the level of which will be dependent on the quantum of production.
- 2.3 The Directors believe that due to their current business and operations Mining, Metals & Minerals plc which is a cash shell seeking an acquisition, Panther Metals plc, and Mila Resources plc, a cash shell which has identified an acquisition target, each in the precious and base metals sector or wider natural resources sector and as each may in the future undertake additional acquisitions, internationally, including in the geographic areas in which the Company anticipates seeking acquisitions, are the current and expected market competitors to the Company. However, the Director's believe this will not

prevent the Company from carrying out its strategic objectives set out above and that sufficient acquisition targets exist for the Company.

- 2.4 Mr. Cameron Pearce is also a director of Blencowe Resources plc, a company listed on the Main Market as a Standard Listing which has itself completed a reverse takeover of a graphite mining business. However, given that Blencowe Resources plc and the Company are currently seeking to undertake business in different sectors, with Blencowe Resources plc being primarily interested in the industrial minerals sector (although this may be changed from time to time) and the Company seeking to undertake business in the precious and base metals sector, there is a limited risk a conflict may arise for Mr Pearce in presenting business opportunities to the Company rather than Blencowe Resources plc. Cameron Pearce will remain as a director of both entities and will make the proper declarations to each board should he believe that a potential conflict of interest has arisen pursuant to the Conflicts Policy that is to be adopted by the Board. As noted above, the Directors do not believe the position of Mr. Cameron will prevent the Company from carrying out its strategic objectives set out above and that sufficient acquisition targets exist for the Company.
- 2.5 The Company's efforts in identifying a prospective target company or business will not be limited to a particular industry or geographic region. However, given the experience of the Directors, the Company expects to focus on acquiring an exploration or production company or business in the precious and base metals sector with either all or a substantial portion of its operations in Europe, Africa, and the Middle East. Due to a lack of capital available for companies in the precious and base metals sector, the Board believe this sector can provide the Company with attractive opportunities. The precious and base metals sector has been through a difficult period following the decline in commodity prices. The sector has suffered asset value write downs. At the junior end risk appetite to invest in early stage projects through to full development, due to financing constraints, has decreased. For these reasons, investors have chosen to reduce their exposure to the sector. However, the Directors believe that utilising their experience and the market conditions, there are numerous opportunities to generate returns for Shareholders.
- 2.6 Although the Directors have experience in the precious and base metals sectors and in undertaking acquisitions, the Company has engaged Lionshead Consultants Limited to provide acquisition and take over process management, corporate and regulatory services, Canterbury Enterprises Limited to provide asset acquisition and evaluation services and PSARTS Limited to provide Australian corporate and legal services. Further details of the consultancy agreements are set out in paragraphs 20.4 – 6 of Part VIII "Additional Information". In addition, the Company's accountants and lawyers may be required to give advice in relation to the Acquisition.
- 2.7 In assessing the potential Acquisition, the Board will pay particular attention to the following overriding factors:
- 2.7.1 the existence of production and/or potential production which will over time provide cash flow for the business;
 - 2.7.2 strong exploration potential in known precious and base metals producing areas;
 - 2.7.3 the quality of the management; and
 - 2.7.4 an established track record of developing precious and base metals assets.
- 2.8 No Director is entitled to any additional remuneration, bonus or other payment on completion of the Acquisition.
- 2.9 Following Admission, the Directors will be responsible for procuring investment and acquisition opportunities to be considered by the Company. The Company has recruited a Board it believes is well suited for the purposes of implementing its business strategy mixing a strong track record of growing diversified business groups in both the precious and base metals sector and financial sector (including, *inter alia*, the mining, oil and gas, energy, and corporate finance sectors), considerable public company experience and a wide network of global contacts. Based on the Directors collective experience in growing such businesses in the natural resource sector, including precious and base metals, the Directors consider that there are opportunities to create value for Shareholders in the precious and base metals sector. The Company will utilise outside consultants and advisers as the situation demands, at the Board's discretion.

- 2.10 The Board believes that the precious and base metals sector can provide the Company and its Shareholders with attractive opportunities due to certain special situations following a period of capital outflows in the sector. The Board has noticed that many junior companies in both the mining, precious and base metals and oil & gas sectors have been unable to access sufficient capital in recent years in order to advance projects from development into production. This is mostly due to negative investor sentiment towards the sectors. Therefore, the Board believes there is an opportunity to provide capital in an astute and judicious manner to unlock value from projects that are economically viable and robust that may be currently overlooked by the investor community.
- 2.11 The precious and base metals sector has been through a turbulent period notably in the last six years following the decline in commodity prices generally. Similarly, in the mining sector, leading commodities has fallen significantly in the same period.
- 2.12 Given the fundamental changes in commodity prices, a number of companies in the sector have been through a period of rationalisation and restructuring so that their business plans adapt to the new pricing environment. A number of the major mining, precious and base metals and oil & gas companies have sought to reduce capital commitments, divest assets and raise capital to improve balance sheet strength.
- 2.13 Many of the major companies including Anglo American plc and Glencore Plc, have been required to impair assets, complete disposals to reduce debt and raise new capital. As a result of this period of restructuring in the sector, investor sentiment has been negatively affected and reduced appetite to further invest in the sector. The junior resources sector, which is largely prevalent on the AIM market, has seen a considerable change in its ability to access capital in particular to develop pre-revenue projects due to a substantial loss of confidence and appetite by investors generally to deploy new funds into the precious and base metals sector.
- 2.14 However, in the recent period a number of commodity prices have increased and investors have been rewarded with the performance of equities across the precious and base metals sector responding to the improvement in the commodity prices and investor sentiment towards the sector. The improvement in both the equity markets and commodity prices have led many observers to suggest that the cycle has now reached the bottom and is staging a recovery. Notwithstanding the recent recovery, the Board and the equity capital market believe that there continues to be a relative scarcity of capital for early stage or development projects.
- 2.15 As a result of the contraction of funding in equity capital markets a number of private equity funds dedicated to precious and base metals were founded to exploit the lack of equity generally available. However, a number of these private equity groups have not deployed capital as expected and have since lost their capital commitments due to a failure to identify transactions and deploy capital. The Board will aim to exploit their collective experience of identifying, structuring and financing resources projects to generate value for the Company. The Board is optimistic that the recent improvement in commodity prices and general sentiment in the equity markets towards natural resource companies will present opportunities.
- 2.16 As stated above, the Acquisition which the Company is targeting to make within a 12-month timeframe from Admission, will be treated as a Reverse Takeover, requiring an application for the Company to have its Shares re-admitted to the Official List and to trade on the Main Market for listed securities of the London Stock Exchange or, in the event this is not carried out, the Board currently intends to apply for the Company's Shares to be admitted to another stock exchange. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to the Acquisition. The Acquisition will be subject to Board approval. On 30 April 2020 the FCA circulated a consultation paper CP21/10 entitled "Investor protection measures for special purpose acquisition companies (SPAC): Proposed changes to the Listing Rules". The consultation was in respect of proposed changes to the Listing Rules to provide an alternative route to market for SPACs demonstrating higher levels of investor protection. On 27 July 2021 the FCA circulated policy statement PS21/10 entitled "Investor protection measures for special purpose acquisition companies: Changes to Listing Rules". The policy statement summarised the feedback the FCA received to their consultation paper and set out their policy response. It also included the final rules and confirmed amendments to the FCA's technical note on cash shell companies. On 10 August 2021 the new rules and guidance came into force. The new rules and guidance dis-applied the presumption of suspension if a SPAC

had certain structural features embedding investor protections, and if it provided adequate disclosure to mitigate key risks for investors. The Directors confirm that the Company does not meet any of the conditions required by the new rules and guidance arising from the policy statement, and as such the existing guidance set out above would continue to apply.

2.17 The Company has not engaged or retained any agent or other representative to identify or locate any suitable Acquisition candidate, to conduct any research or take any measures, directly or indirectly, to locate or contact a target company or business. To date, the Company's efforts have been limited to organisational activities as well as activities related to the Placing. The Company may subsequently seek to raise further capital for purposes of the Acquisition. The determination of the Company's post-Acquisition strategy and whether any of the Directors will remain with the combined company and on what terms, will be made at or prior to the time of the Acquisition.

2.18 In conjunction with the Admission, in addition to the Pre-IPO Subscribers, the Company has raised £560,000 (before expenses), being approximately £434,000 after expenses, conditional on Admission, through the Placing of the Placing Shares with Investors. The Net Placing Proceeds will be deployed by the Company in accordance with its strategy to complete the Acquisition.

2.19 Application will be made for the Shares to be admitted to trading on the London Stock Exchange's Standard Listing for listed securities and the Placing is conditional on Admission. It is expected that Admission will become effective and that trading in the Shares will commence on 25 August 2021 or such later time as the Company and the Broker may agree. Further details of the Placing are set out in Part III "*The Placing and Admission*" of this Document.

3. BUSINESS STRATEGY AND EXECUTION

The Company has identified the following criteria that it believes are important in evaluating a prospective target company or business. The Acquisition and any future acquisition will be long-term investments for the Company. It will generally use these criteria in evaluating acquisition opportunities. However, it may also decide to enter into the Acquisition with a target company or business that does not meet the below criteria.

The Directors intend to take an active approach to completing the Acquisition and to adhere to the following criteria, insofar as reasonably practicable:

- **Geographic focus:** The Company intends, but is not required to, seek to acquire an exploration or production company or business with operations in precious and base metals in Europe, Africa, and the Middle East with: (i) strong underlying fundamentals and clear broad-based growth drivers; (ii) a meaningful population and an identifiable market; (iii) established financial regulatory systems; (iv) stable political structures; and (v) strong or improving governance and anti-corruption ratings.
- **Sector focus:** The Company intends to search initially for acquisition opportunities in the precious and base metals sector, but the Company shall not be limited to such sector. The Company intends to seek opportunities which are in pre-production at an exploration and/or development stage. The Directors believe that opportunities exist to create value for Shareholders through a properly executed, acquisition-led strategy in the precious and base metals industry, however the Directors will consider other industries and sectors where they believe that value may be created for Shareholders.
- **Identifiable routes to value creation:** The Company intends, but is not required to, seek to acquire a company or business in respect of which the Company can: (i) play an active role in the optimisation of strategy and execution which for opportunities in pre-production would enable the Company to create value; (ii) enhance existing management capabilities through the Directors' proven management skills and depth of experience; (iii) effect operational changes to enhance efficiency and profitability; and (iv) provide capital to support significant, credible, growth initiatives.
- **Management of the Acquisition:** The Acquisition may be made by direct purchase of an interest in a company, partnership or joint venture, or a direct interest in a project, and can be at any stage of development. Following the completion of the Acquisition, the Directors will work in conjunction with incumbent management teams to develop and deliver a strategy for performance improvement and/or strategic and operational enhancements.

The Directors believe that their broad, collective experience, together with their extensive network of contacts, will assist them in identifying, evaluating and funding suitable acquisition opportunities, particularly

in the precious and base metals sector, where the Directors believe that their experience will enable value creation. External advisers and professionals may be engaged as necessary to assist with sourcing and due diligence of prospective acquisition opportunities. The Directors may consider appointing additional directors with relevant experience if the need arises.

Any evaluation relating to the merits of a particular Acquisition will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant to the Company's business objective by the Directors. In evaluating a prospective target company or business, the Company expects to conduct a due diligence review which will encompass, among other things, meetings with incumbent management and employees, document reviews, inspection of facilities, as well as a detailed review of financial and other information which will be made available. The time required to select and evaluate a target company or business and to structure and complete the Acquisition, and the costs associated with this process, are not currently ascertainable with any degree of certainty.

The Company expects that the Acquisition will be to acquire a controlling interest in a target company or business. The Company (or its successor) may consider acquiring a controlling interest constituting less than the whole voting control or less than the entire equity interest in a target company or business if such opportunity is attractive; provided, the Company (or its successor) would acquire a sufficient portion of the target entity such that it could consolidate the operations of such entity for applicable financial reporting purposes. Future complementary acquisitions may be non-controlling.

The determination of the Company's post-Acquisition strategy and whether any Directors will remain with the combined company and, if so, on what terms, will be made following the identification of the target company or business but at or prior to the time of the Acquisition.

4. REGULATORY ENVIRONMENT

As detailed above the Company expects to focus on acquiring an exploration or production company or business in the precious and base metals sectors with all or a substantial portion of its operations in Europe, Africa, and the Middle East. The Company may therefore acquire a target company or business in, or with substantial operations in, overseas jurisdictions. Businesses within the precious and base metals sectors are usually regulated by the local government or governmental agencies with licences, permits and authorisations usually required from such governmental agencies to operate the operations. Following the Acquisition, any production may also be subject to royalties, tariffs and regulations related to customs and import/export matters.

5. CAPITAL AND RETURNS MANAGEMENT

As well as the balance of funds raised from the Pre-IPO Subscriptions of £236,000 as at the date of this Document, the Company will raise Gross Placing Proceeds of £560,000 from the Placing, with Net Placing Proceeds being £434,000 after associated costs of the Placing and Admission of £126,000. The Directors believe that, in order to implement the Acquisition, further equity capital raisings and/or debt financing may be required by the Company to complete the Acquisition and for working capital purposes as the Company pursues its objectives going forward. Given that the anticipated operating costs of the Company prior to the Acquisition will be minimal, the Company is of the opinion that the working capital available to the Company is, for at least the next 12 months from the date of this Document sufficient for its present requirements and further funding will not be required in the first 18 months or prior to the Acquisition, whichever is earlier.

It is intended that the Acquisition will be undertaken by way of Share consideration (in whole or part). However, if only part of the consideration is satisfied in Shares, the Company will consider whether a further equity raising will be required, and the amount of such raising. This will depend on the nature of the Acquisition opportunity that arises and the form of consideration the Company uses to make the Acquisition (which cannot be determined at this time) and the need for working capital.

Any Acquisition made by the Company will represent a Reverse Takeover pursuant to the Listing Rules, requiring an application for the Company to have its Shares admitted to the Official List and to trade on the Main Market for listed securities of the London Stock Exchange or, in the event this is not carried out, the Board currently intends to apply for the Company's Shares to be admitted to another stock exchange.

Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to the Acquisition. The Acquisition will be subject to Board approval.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Shares and any dividends paid pursuant to the Company's dividend policy set out below in paragraph 6 of this Part I "*Information on the Company and its Strategy*".

If the Acquisition has not been announced within 18 months of Admission, the Board will recommend to Shareholders either that the Company continue to pursue the Acquisition for a further 12 months from such date or that the Company be wound up (in order to return capital to Shareholders, to the extent assets are available). The Board's recommendation will then be put to a Shareholder vote (from which the Directors holding Shares will abstain). In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. An ordinary resolution of Shareholders is required to voluntarily wind-up the Company unless the Directors resolve to petition the High Court to wind up the Company.

6. DIVIDEND POLICY

The Company is primarily seeking to achieve capital growth for its Shareholders.

It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business, to the extent any are generated. The Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date after the completion of the Acquisition and depending upon the generation of sustainable profits and the Company's financial position.

The Board can give no assurance that it will pay any dividends in the future, nor, if a dividend is paid, what the amount of such dividend will be. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

PART II

THE COMPANY, BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

1. SHARE CAPITAL

1.1 Issued Share Capital

The Company has on the date of this Document an issued share capital of 26,999,999 Shares of a single class each of 0.5 pence per share. Following the Placing and Admission, the Company will have 43,250,000 issued Shares.

During the period covered by the historical financial information and up to the date of this Document, the Company has issued and allotted Shares, as follows:

| <i>Date of Issue</i> | <i>Description</i> | <i>No. of Shares</i> | <i>Total No. of Shares</i> |
|----------------------|--|---|----------------------------|
| 15 April 2020 | Incorporation | 1 share of £1 | 1 |
| 16 April 2020 | Sub-division | 1 share of £1 divided into 200 shares of 0.5 pence | 200 |
| 19 April 2020 | Issue to certain seed investors | 8,333,334 | 8,333,534 |
| 23 June 2020 | Issue to certain seed investors | 9,999,800 | 18,333,334 |
| 26 May 2021 | Issue to additional Pre-IPO Shareholders | 8,666,665 | 26,999,999 |

1.2 Details of Share Options

The Company has entered into share option deeds with the following directors and consultants granting the following options, subject to Admission (the “Initial Options”):

| <i>Name of Option Holder</i> | <i>Number of Options</i> | <i>Date of Grant</i> | <i>Expiry of Option Period</i> | <i>Exercise Price (pence)</i> |
|-------------------------------|--------------------------|----------------------|--------------------------------|-------------------------------|
| Cameron Pearce | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Winton Willesee* | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Daniel Rootes | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Lionshead Consultants Limited | 950,000 | 16 August 2021 | 16 August 2026 | 4 |

* the Initial Options for Winton Willesee have been issued to Azalea Family Holding Pty Ltd to which Winton Willesee is a Connected Person.

The Initial Options will vest upon the Company undertaking a Reverse Takeover. Further details of the share option deeds are set out in paragraphs 5 and 20.10 of Part VIII (Additional Information).

After Admission, the Company may consider the adoption of a share option plan, to enable the Company to grant share options over Shares. The terms of such options would be determined at the time of grant including any relevant vesting and performance conditions.

1.3 Details of Outstanding Warrants

As at the date of this Document, the Company has granted warrants over 13,500,000 Shares in the Company to all Pre-IPO Subscribers. The warrants are fully vested and entitle the holder to purchase one Share for a price of 4 pence. The warrants expire three years after the date of Admission. The warrants issued to the Pre-IPO Subscribers shall represent approximately 31.21 per cent. of the Enlarged Share Capital. As from Admission, the Company will have granted (i) warrants over an additional 7,000,000 Shares to the Placees which entitle the holder to purchase one Share for a price of 6 pence and expire three years after the date of Admission and (ii) warrants over an additional 1,133,333 Shares being issued to the Broker, which entitle the Broker to subscribe for (A) 433,333 Shares at a price of 3 pence and (B) 700,000 Shares at a price of 4 pence, each of which expire 3 years after the date of Admission. This gives a total of warrants over 21,633,333 Shares as at Admission, which shall represent approximately 50.02 per cent. of the Enlarged Share Capital. Further

details of the outstanding warrants are set out in paragraphs 20.7 – 20.9 of Part VIII (*Additional Information*).

2. DIRECTORS

2.1 The Directors believe the Board comprise a knowledgeable and experienced group of professionals with relevant experience for sourcing, evaluating, structuring and executing the business strategy of the Company in order to complete the Acquisition. The Board will have full responsibility for its activities. The Directors are of the opinion that their respective track records demonstrate their ability to source, structure and complete acquisitions, return value to Investors and introduce and complete operational improvements to companies. Mr Pearce has specific knowledge and experience in undertaking an IPO in the UK market and with Blencowe Resources plc undertaking a reverse takeover. Mr Willesee is an experienced company director and company secretary for a variety of companies in a number of sectors and bring strong corporate governance experience. Mr Rootes has significant experience as part of his funds management experience in identifying acquisition targets, instructing and managing due diligence and assessing the results. He also has access to significant potential investors with experience in precious and base metal sector investments. The Directors will bring their extensive experience, skills and expertise to bear, initially in sourcing, evaluating, structuring and executing the Acquisition. Mr Jamie Dwyer was appointed a director of the Company on 16 April 2020, however, he resigned on 1 November 2020 to pursue other business interests in Australia and elsewhere.

2.2 As at the date of this Document, the Company has the following Directors:

Cameron William Leslie Pearce (*Chief Executive Officer*), aged 49 (date of birth 13 February 1972)

Cameron Pearce was a founder of the Company and has extensive professional experience in both the Australian and United Kingdom finance industries. He is a chartered accountant by training having begun his career at KPMG in Australia. He moved into investment banking in the United Kingdom, eventually establishing Pangaea Energy, a energy focussed corporate finance company. In recent times he has provided corporate, strategic, financial and advisory assistance to private and public companies in both Australia and the United Kingdom. Mr Pearce is a member of the Australian Institute of Chartered Accountants and has been in commerce over twenty years holding senior financial and management positions in both publicly listed and private enterprises in Australia, Europe, Asia, Africa and Central America. He is currently Executive Chairman of Blencowe Resources plc. Mr Pearce has considerable corporate and international expertise and over the past decade has focussed on mining and exploration activities. Mr. Pearce was appointed as a director on 16 April 2020.

Winton William Willesee (*Non-Executive Chairman*), aged 51 (date of birth 6 May 1970)

Winton Willesee is an experienced company director and company secretary with particular experience with publicly listed companies. Mr Willesee is currently the Chairman of ASX listed New Zealand Coastal Seafoods Limited, a company specialising in the secondary processing of premium seafood products and premium marine nutraceutical ingredients, and UUV Aquabotix Limited, a company previously developing products for the defence industry and now seeking suitable M&A opportunities. He has a track record in M&A having previously been Chairman of ASX listed Metallum Limited, Cove Resources Limited, Basper Limited, Coretrack Limited and BioProspect Limited, all of which ultimately underwent successful M&A transactions under Mr Willesee's Chairmanship prior to his retirements. He was Chairman of Birimian Limited when it identified and acquired the world class Goulamina Lithium Project and Chairman of Ding Sheng Xin Finance Co Limited during its period as an ASX listed company and for a period in the ASX top 300.

He is currently a director of ASX listed companies MMJ Group Holdings Limited, a listed investment company specialising in cannabis investments, Nanollose Limited, a company developing a unique and patented eco-friendly fibre for the clothing industry and other uses, and Neurotech International Limited, a company researching and developing treatments for neurological disorders.

He was previously a director of nine other ASX listed companies in various industries including Base Resources Limited from its initial ASX listing and through the period when it acquired the Kwale mineral sands project, raised several hundred millions of dollars, dual listed on the London AIM market and built the large scale production plant in Kenya.

Mr Willesee is also currently the company secretary of three ASX listed companies and has previously held the role with another nineteen ASX listed companies over his career.

He has a Master of Commerce, a Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Education and a Bachelor of Business. He is also a Fellow of the Financial Services Institute of Australasia, a Fellow of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators, a Graduate member of the Australian Institute of Company Directors, and a Member of CPA Australia.

Daniel Rootes (*Non-Executive Director*), aged 32 (date of birth 2 March 1989)

Daniel is an experienced funds management executive. He has spent the last 2 years working with institutional investors & family offices across Asia advising on emerging companies in all sectors with Perth based boutique firm JP Equity. Daniel is now responsible for the investment of in excess of AUD25,000,000 of funds under management and invests money on a regular basis in different asset classes, although predominately in the resources sector. Daniel's role is to source and construct and complete due diligence for corporate deal flow for clients and corporately was involved in listing 3 successful IPOs in 2020. These sectors included resources, mining services and aged care. His experience in marketing listed companies to investors means he has built strong relationships with institutional and private investors, corporate advisers, wealth managers and marketing companies which he can bring to the Company. Prior to this Daniel worked in Funds Management sales and distribution for Colonial First State, the former wealth management business of Commonwealth Bank Australia. Daniel is an accredited Wholesale Investment Advisor, RG146 compliant in Tier 1 Securities and holds an Advanced Business Diploma in Management Marketing from the Macleay College in NSW. Mr. Rootes was appointed as a director on 16 April 2020.

3. DIRECTORS EXECUTIVE SERVICE AGREEMENT AND LETTERS OF APPOINTMENT

3.1 Cameron Pearce

Pursuant to an executive services agreement dated 24 November 2020, between the Company and Cameron Pearce, Mr Pearce is employed as the Chief Executive Officer and Director of the Company. The agreement takes effect from 1 November 2020, with his salary under the executive services agreement being payable from this date. Mr Pearce is required to commit a minimum of 20 hours per week in carrying out his role. He will receive a salary of £36,000 per annum, subject to the usual deductions. The appointment can be terminated by the Company or Mr Pearce on giving six months written notice, or immediately by the Company on certain breaches or acts. On termination Mr Pearce is subject to restrictive covenants given in favour of the Company. The Director is not entitled to any additional remuneration, bonus or other payment on completion of the Acquisition.

3.2 Winton Willesee

Pursuant to a letter of appointment dated 24 November 2020, between the Company and Winton Willesee, Mr Willesee is engaged as a Non-Executive Director of the Company with fees of £6,000 per annum, which will be payable from the date of appointment. The appointment is for an initial term of 24 months and thereafter can be terminated by the Company on six months written notice or Mr Willesee on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr. Willesee will be entitled to 100 per cent. of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Willesee chooses to terminate his appointment within 12 months following a change of control. The Director is not entitled to any additional remuneration, bonus or other payment on completion of the Acquisition.

3.3 Daniel Rootes

Pursuant to a letter of appointment dated 16 April 2020, as amended by deed of amendment dated 24 November 2020, between the Company and Daniel Rootes, Mr Rootes is engaged as a Non-Executive Director of the Company with fees of £6,000 per annum, which fee is payable from the date of the deed of amendment. Under the deed of amendment Mr. Rootes agreed to reduce his director's fee and the higher fee was paid from the date of his appointment to the date of the deed of amendment. The appointment is for an initial term of 24 months and thereafter can be terminated by the Company on six months written notice or Mr Rootes on three months written notice. If there is a change of control (as defined in the letter of appointment), Mr Rootes will be entitled to 100 per cent.

of his annual fee as a lump sum payment if the Company terminates his employment, or if Mr Rootes chooses to terminate his appointment within 12 months following a change of control. The Director is not entitled to any additional remuneration, bonus or other payment on completion of the Acquisition.

4. CORPORATE GOVERNANCE

4.1 Corporate Governance

As at the date of this Document, the Company complies with the corporate governance regime as set out below.

The Company intends to voluntarily observe the requirements of the UK Corporate Governance Code, save as set out below. As at the date of this Document the Company is, and at the date of Admission will be, in compliance with the UK Corporate Governance Code with the exception of the following:

- Given the composition of the Board, certain provisions of the UK Corporate Governance Code (in particular the provisions relating to the division of responsibilities between the Chairman and chief executive and executive compensation), are considered by the Board to be inapplicable to the Company.
- In addition, the Company does not comply with the requirements of the UK Corporate Governance Code in relation to the requirement to have a senior independent director and the Board's committees will not, at the outset, have three independent non-executive directors.
- The UK Corporate Governance Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Company following the Acquisition.

Until the Acquisition is made, the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following the Acquisition, the Board intends to put in place nomination, remuneration, audit and risk committees.

As at the date of this Document, the Board has a share dealing code that complies with the requirements of the Market Abuse Regulations. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission.

Following the Acquisition and subject to eligibility, the Directors may, in future, seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. However, in addition to or in lieu of a Premium Listing, the Company may determine to seek a listing on another stock exchange. Following such a Premium Listing, the Company would comply with the continuing obligations contained within the Listing Rules and the Disclosure Guidance and Transparency Rules in the same manner as any other company with a Premium Listing.

4.2 Voluntary compliance with Listing Rules

The Company will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company will also comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. Therefore, the Company shall:

- take reasonable steps to enable its directors to understand their responsibilities and obligations as directors;
- act with integrity towards its shareholders and potential shareholders;
- ensure that each class of shares that is admitting to trading shall carry an equal number of votes on any shareholder vote. The Company currently only has one class of Shares and the Articles

which are summarised in paragraph 7 of Part VIII, confirms that each Share carries the right to vote;

- ensure that it treats all holders of the same class of shares equally in respect of the rights attaching to those shares; and
- communicate information to its shareholders and potential shareholders in such a way as to avoid the creation or continuation of a false market in those shares.

5. COMPANY POLICIES

5.1 *Anti-bribery and Anti-corruption Policy*

It is the Company's policy, as set out in the Anti-bribery and Anti-corruption Policy, to conduct all of its business in an honest and ethical manner and to take a zero-tolerance approach to bribery and corruption. The Company is committed to:

- (a) acting professionally, fairly and with integrity in all of its business dealings and relationships wherever it operates; and
- (b) implementing and enforcing effective systems to counter bribery and corruption, including the adoption of this Policy.

The purpose of the Policy is to set out the Company's responsibilities, and the responsibilities of those working for the Company, in observing and upholding its position on anti-bribery and anti-corruption and to provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

5.2 *Conflicts of interest Policy*

It is the Company's policy, as set out in the Conflicts of Interest Policy, to identify any potential conflict of interest that a Director may have. The Policy sets out the requirements for the Director to notify the Board of any potential conflict and for the Board to agree any restrictions on the Director being involved with discussions on the matter and or voting in respect of such matter.

5.3 *Share Dealing Policy*

The Company has adopted a share dealing policy regulating dealing in securities of the Company by the Board and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the LSE and subject to MAR. The Company will take all reasonable steps to ensure compliance by the Board and any relevant employees with the terms of that share dealing policy. The Directors consider that this share dealing policy is appropriate for a company whose shares are admitted to trading on the LSE.

PART III

THE PLACING AND ADMISSION

1. THE PLACING AND ADMISSION

Placees have agreed to subscribe for the Placing Shares at a Placing Price of £0.04 per Placing Share. The Placing comprises in aggregate 14,000,000 Placing Shares representing approximately 51.85 per cent., of the Company's Existing Share Capital and will therefore raise approximately £560,000 (before expenses). The Placing Shares will represent approximately 32.37 per cent. of the Company's Enlarged Issued Share Capital following Admission and 21.58 per cent. of the Company's Enlarged Issued Share Capital on a fully diluted basis.

Each Placee of the Placing Shares under the Placing has given an irrevocable committed to subscribe for the Placing Shares (other than any condition relating to Admission) and the Placing is subject to certain conditions as set out in the Placing Agreement including, amongst other things, fulfilment of the following conditions:

- (a) the Placing Agreement having become unconditional in all respects save for completion of the Placing;
- (b) the Company having complied with its obligations under the Placing Agreement in all material respects to the extent that such obligations are required to be performed prior to Admission; and
- (c) Admission having become effective at or before 8.00 a.m. on 25 August 2021

The Placees do not have any statutory right of withdrawal. If any of the conditions to the Placing are not satisfied, the Placing will not take place and any Placing monies will be returned to the relevant Placee and Admission will not take place.

The Directors believe that raising funds by way of a placing and subscription (as opposed to a rights issue or open offer) will provide the certainty required for the Company's funding requirements and is more cost effective than a rights issue or open offer.

The Placing Shares will, when issued as fully paid, rank *pari passu* in all respects with the existing issued Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue and in respect of Voting Rights.

A summary of the material terms of the Placing Agreement is set out in paragraph 20.1 of Part VIII of this Document.

Application will be made for the entire issued share capital of the Company, being the Existing Shares and the Placing Shares, to be admitted to listing as a Standard Listing on the Official List and to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 25 August 2021.

Copies of this Document and other documents the Company is required to make available for inspection will be available to the public, free of charge, from the Company's registered office for a period of 14 days from the date of dealings. Such documents will also be made available on the Company's website at www.citiusresources.co.uk from the date of publication of this Document.

The Company and the Directors have ensured that the Company shall have sufficient Shares in public hands, as defined in the Listing Rules. 11,066,665 of the Shares in issue prior to the Placing and issue of the Consultants Shares are held by shareholders that fall within the Listing Rule 14 definition of shares in public hands. As such the Board have ensured that a minimum of 11,200,000 Shares have been allocated to Placees whose individual and unconnected shareholdings will each equate to less than 5 per cent. the Enlarged Issued Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

2. PAYMENT FOR THE PLACING SHARES

Each Placee must pay the Placing Price for the Placing Shares issued to the Placee in the manner directed by the Company.

If any investor fails to pay as so directed by the Company, the relevant investor's application for Placing Shares may be rejected.

If Admission does not occur, placing monies will be returned without interest at the risk of the applicant.

3. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Shares under the CREST system. Accordingly, settlement of transactions in the Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and investors who wish to receive and retain certificates for their securities will be able to do so. Except as otherwise described herein, the Placees may elect to receive Shares in uncertificated form if such Shareholder is a member (as defined in the CREST Regulations) in relation to CREST.

4. OVERSEAS SHAREHOLDERS

This Document is not a 'prospectus', 'product disclosure statement' or other 'disclosure document' for the purposes of the Australian Corporations Act and is not required to be lodged with ASIC or the ASX. Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Shares, or distribute this admission document where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions, except if:

- (a) the amount payable by the transferee in relation to the Shares is A\$500,000 or more or if the offer or invitation to the transferee is otherwise an offer or invitation that does not require disclosure to investors in accordance with part 6D.2 or part 7.9 of the Corporations Act; or
- (b) the offer or invitation does not constitute an offer to a 'retail client' under Chapter 7 of the Australian Corporations Act.

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Canada or Japan. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, South Africa, the Republic of Ireland, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States, although the Company may sell the Shares in a private placement transaction in the United States pursuant to an exemption from registration.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Shares have been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

5. TRANSFERABILITY

The Company's Shares are freely transferable, free from all liens and tradable and there are no restrictions on transfer.

6. DEALING ARRANGEMENTS

Application has been made to the UK Listing Authority for all the Shares to be listed on the Official List and application has been made to the London Stock Exchange for the Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities as a Standard Listing.

It is expected that Admission will take place and unconditional dealings in the Shares will commence on the London Stock Exchange at 8.00 a.m. on 25 August 2021. This date and time may change. It is intended that settlement of Shares allocated to Placees will take place by means of crediting relevant CREST stock accounts on Admission. Dealings in advance of crediting of the relevant CREST stock account shall be at the risk of the person concerned. When admitted to trading, the Shares will be registered with ISIN GB00BMGRFP88 and SEDOL number BMGRFP8.

PART IV

SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES, ACCOUNTING POLICIES

1. SHARE CAPITAL

The Company was incorporated on 15 April 2020 under the Companies Act. Details of the current issued Shares of the Company are set out in paragraph 3 of Part VIII “*Additional Information*” of this Document. The currency of the securities issue is Pounds Sterling. As at Admission, there will be 43,250,000 issued Shares of 0.5 pence each.

All of the issued Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN number of the Shares is GB00BMGRFP88. The SEDOL number of the Shares is BMGRFP8.

2. FINANCIAL POSITION

The Company has not yet commenced operations. The Company Financial Information upon which the Reporting Accountant has provided the accountant’s report included in Part VI (A) “*Accountant’s Report on the Historical Financial Information of the Company*” as at 23 June 2020 is set out in Part VI (B) “*Historical Financial Information of the Company*” of this Document.

3. LIQUIDITY AND CAPITAL RESOURCES

3.1 Sources of cash and liquidity

The Company’s initial source of cash will be proceeds from the Pre-IPO Subscriptions and the Net Placing Proceeds. It will use such cash to fund: (i) the expenses of the Placing, the Pre-IPO Subscriptions and Admission of £126,000; (ii) on-going costs and expenses (primarily the UKLA eligibility and vetting fees totalling £17,000 London Stock Exchange listing fee of £13,125, Registrar’s base fees of an initial handling fee of £2.50 per Shareholder and an annual register maintenance fee on open accounts of £1.60 per shareholder per annum (with a minimum charge of £550.00 per quarter), plus VAT, auditor’s fees of £17,500 plus VAT per year and London Stock Exchange fees of £4,890.41 for the year ending 31 December 2021); and (iii) the costs and expenses to be incurred in connection with seeking to identify and effect the Acquisition. The costs and expenses of any Acquisition will likely comprise legal, financial and tax due diligence in relation to the target company, however, the Company would only reach this stage after the Directors have carried out an initial commercial review of the target and the Company has entered into a non-disclosure agreement and/or heads of terms. The Company intends to use share consideration (in whole or part) in relation to the Acquisition. The Company may raise additional capital from time to time. Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings.

The Company may also make the Acquisition, or fund part the Acquisition, through a share-for-share exchange. Any such exchange will be subject to the restrictions on the issue of Shares set out in paragraph 3.18 of Part VIII “*Additional Information*”.

Although the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of the Acquisition with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission. The Company envisages that debt financing may be necessary if, for example, a target company has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

Any associated debt financing (if any) for the Acquisition will be assessed with reference to the projected cash flow of the target company or business and may be incurred at the Company level or by any subsidiary of the Company. Any costs associated with the debt financing will be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating

covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised (including cash from any subsequent share offers) is expected to be used for working capital, following the Acquisition, the Company's future liquidity will depend in the medium to longer term primarily on: (i) the profitability of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from subsidiary companies.

3.2 **Cash uses and Use of Proceeds**

The Company's principal use of its current cash resources and the Net Placing Proceeds will be to identify a suitable acquisition target, undertake appropriate financial and legal due diligence on that acquisition target and to then fund part or all of the costs of the Acquisition, although there may also potentially be debt financing in relation to the Acquisition and, potentially (depending on the cost to the Company of the Acquisition), to finance the target after the completion of the Acquisition. The Company's current intention is to retain earnings for use in its business operations and it does not anticipate declaring any dividends in the foreseeable future. In addition to using cash to make the Acquisition, the Company will incur day-to-day expenses that will need to be funded. Initially, the Company expects these expenses will be funded through the Net Placing Proceeds (and income earned on such funds). Such expenses include:

- all costs relating to the Placing, including fees and expenses incurred in connection with the Placing such as those incurred in the establishment of the Company, Placing and Admission fees, fees and expenses payable to the Broker, legal, accounting, registration, printing, advertising and distribution costs and any other applicable expenses;
- transaction costs and expenses — the Company will bear all due diligence costs, legal, underwriting, investment banking, broking, merger and acquisition, tax advice, public relations and printing costs and, where an acquisition is not consummated, all such costs and expenses incurred, including any abort fees due;
- all costs relating to raising capital or in connection with debt financings in connection with, or in anticipation of, the Acquisition, including fees and expenses incurred by the Company for its financial, tax, accounting, technical and other advisers, as the case may be;
- Directors' fees; and
- operational and administrative costs and expenses which will include (but will not be limited to): (i) the fees and expenses of the Registrar; and (ii) regulatory, custody, audit and licence fees, trademark fees, insurance and other similar costs.

A summary of the projected use of the Company's existing cash resources and Net Placing Proceeds is as follows:

| | |
|---|----------------|
| | £ |
| Pre-IPO Subscription | 820,000 |
| Cash expensed up to the date of this Document | (414,835) |
| Cash resources at the date of this Document | 405,166 |
| Gross Placing Proceeds | 560,000 |
| Costs of the Placing and Admission | (126,000) |
| Net Placing Proceeds | 434,000 |
| Cash resources and Net Placing Proceeds | 839,166 |
| Costs of identifying and undertaking due diligence in respect of an Acquisition | 100,000 |
| Costs to effect a subsequent reverse takeover of an Acquisition | 150,000 |
| Directors' fees and salary | 44,000 |
| General working capital | 545,166 |
| Use of cash resources and Net Placing Proceeds | 839,166 |

The Board intends to be prudent so as to preserve Company funds as far as possible and will keep costs within the Company's cash reserves at all times, for example, the Board is unlikely to commence detailed due diligence without first having agreed capped fees with its advisers in order that total transaction fees are ascertainable.

It is intended that the company or business acquired pursuant to the Acquisition, which is expected to be an operating company or business, will pay all of its own expenses associated with operating such company or business as well as any funding costs associated with any debt raised in conjunction with the Acquisition.

3.3 **Indebtedness**

As at the date of this Document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

(a) *Interest rate risks*

The Company may incur indebtedness to finance and leverage the Acquisition and to fund its liquidity needs. Such indebtedness may expose the Company to risks associated with movements in prevailing interest rates. Changes in the level of interest rates can affect, among other things: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its assets; (ii) the Company's ability to make an Acquisition when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the companies and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances. This exposure may be reduced by introducing a combination of a fixed and floating interest rates or through the use of hedging transactions (such as derivative transactions, including swaps or caps). Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes. See paragraph 3.3(b) – Hedging arrangements and risk management below.

(b) *Hedging arrangements and risk management*

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transaction and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

4. CAPITALISATION AND INDEBTEDNESS

Capitalisation

The following table shows the Company's capitalisation as at 30 April 2021, as extracted from the audited Company Financial Information as at that date:

| | <i>Audited As at 30 April 2021 £</i> |
|---|--|
| Total Current Debt | |
| – Guaranteed | – |
| – Secured | – |
| – Unguaranteed/Unsecured | – |
| Total Non-Current Debt (excluding current portion of long-term debt) | |
| – Guaranteed | – |
| – Secured | – |
| – Unguaranteed/Unsecured | – |
| Total debt | – |
| Shareholder's Equity | |
| a) Share capital | 91,667 |
| b) Share premium | 208,333 |
| c) Accumulated deficit | <u>(158,612)</u> |
| Total capitalisation | <u><u>141,388</u></u> |

Statement of material change

Since 30 April 2021, the accumulated deficit has increased by £8,221 to 30 June 2021 as a result of the Company incurring further administrative expenditure.

On 26 May 2021 the Company issued 8,666,666 Ordinary Shares at a price of £0.03 pence each providing net proceeds of £260,000.

Indebtedness

The following table shows the Company's indebtedness as at 30 June 2021, as extracted from the unaudited management accounts of the Company as at that date:

| | <i>Unaudited As at 30 June 2021 £</i> |
|--|---|
| A. Cash | 405,166 |
| B. Cash equivalent | – |
| C. Trading securities | – |
| D. Liquidity (A) + (B) + (C) | <u>405,166</u> |
| E. Current financial receivable | – |
| F. Current bank debt | – |
| G. Current portion of non-current debt | – |
| H. Other current financial debt | – |
| I. Current Financial Debt (F) + (G) + (H) | <u>–</u> |
| J. Net Current Financial Indebtedness (I) – (E) – (D) | <u>(405,166)</u> |
| K. Non-current bank loans | – |
| L. Bonds issued | – |
| M. Other non-current loans | – |
| N. Non-current Financial Indebtedness (K) + (L) + (M) | <u>–</u> |
| O. Net Financial Indebtedness (J) + (N) | <u><u>(405,166)</u></u> |

Statement of material change

There have been no material changes to the Company's indebtedness since 30 June 2021.

Capital resources

As at 30 June 2021, the Company had cash resources of £405,166.

PART V

OPERATING AND FINANCIAL REVIEW OF THE COMPANY

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company Financial Information included in Part VI(B) "Historical Financial Information of the Company" of this Document, and the unaudited Company Interim Financial Information included in Part VI(C) "Interim Financial Information of the Company" of this Document, prepared in accordance with EU IFRS. The following discussion should be read in conjunction with the other information in this Document.

The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" on pages 10 to 21 of this Document.

Overview

The Company was incorporated in England and Wales, on 15 April 2020. In the period from incorporation to 30 April 2021, the Company did not carry out a trade. The Company accumulated share capital within this period, for the purpose of re-registering as a public limited company.

Summary income statement

Summarised below is the audited income statement of the Company for the period from incorporation on 15 April 2020 to 30 April 2021:

| | <i>Audited period ended 30 April 2021 £</i> |
|--|---|
| Administrative fees and other expenses | (158,612) |
| Total comprehensive loss for the period | (158,612) |

Source: Company Financial Information

Summary statement of financial position

Summarised below is the audited statement of financial position of the Company as at 30 April 2021:

| | <i>Audited As at 30 April 2021 £</i> |
|--|--|
| Other receivables | 18,000 |
| Cash | 367,888 |
| Total Current Assets and Assets | 385,888 |
| Share capital | 91,667 |
| Share premium | 208,333 |
| Accumulated losses | (158,612) |
| Total Equity | 141,388 |
| Current liabilities | 244,500 |
| Total liabilities | 244,500 |
| Total Equity and Liabilities | 385,888 |

Source: Company Financial Information

Summary cash flow statement

Summarised below is the audited cash flow statement of the Company for the period from incorporation on 15 April 2020 to 30 April 2021:

| | <i>Audited period ended 30 April 2021 £</i> |
|---|---|
| Operating activities | |
| Loss after tax | (158,612) |
| Increase in trade and other receivables | (18,000) |
| Increase in trade and other payables | 30,000 |
| Total cash flows from financing activities | <u>(146,612)</u> |
| Financing activities | |
| Shares issued (net of issue costs) | <u>514,500</u> |
| Total cash flows from financing activities | <u>514,500</u> |
| Net cash flows in the period | <u>367,888</u> |
| <i>Cash and cash equivalents at the beginning of the period</i> | <u>–</u> |
| Cash and cash equivalents at the end of the period | <u>367,888</u> |

Source: Company Financial Information

Results for the period from incorporation to 30 April 2021

Trading results

During the period from incorporation on 15 April 2020 to 30 April 2021, the Company incurred expenditure of £158,612, comprising:

- £56,500 of Directors' fees;
- £80,000 of professional fees and listing fees;
- £12,000 of audit fees;
- £9,000 of administrative expenses; and
- £1,112 of miscellaneous expenses.

Assets, liabilities and equity

The Company was incorporated on 15 April 2020 with 1 ordinary share with a nominal value and price of £1, fully paid-up. On 16 April 2020, the Company performed a sub-division of its ordinary shares, with the 1 fully-paid up ordinary share with a £1 nominal value being divided into 200 Shares with a nominal value of 0.5 pence each. On the 19 June 2020, the Company undertook a Pre-IPO Subscription, issuing 8,333,334 Shares at a price of 3 pence per Share. On the 23 June 2020, the Company issued 9,999,800 Shares at par value of 0.5 pence per share, which were fully paid-up.

As at 30 April 2021, the Company had a cash balance of £367,888, representing all the cash paid to the Company to date. The Company had share capital of £91,667, share premium of £208,333, accumulated losses of £158,612, other receivables of £18,000 and other current liabilities of £244,500.

Cash flows

During the period from incorporation on 15 April 2020 to 30 April 2021, £514,500 of cash was received in relation to the issue of Shares. The cash flows from operating activities within the period from incorporation on 15 April 2020 to 31 October 2020 consisted of cash flows from losses of £158,612, the increase in other receivables of £18,000. There were also no cash flows from investing activities due to the Company not trading.

Following the above, total net cash flows for the period were £367,888, resulting in cash increasing from a balance of £nil on incorporation to £367,888 as at 30 April 2021.

Events after 30 April 2021

On 26 May 2021 the Company issued 8,666,666 Ordinary Shares at a price of £0.03 pence each providing net proceeds of £260,000. For every two Ordinary Shares subscribed for, the Company shall issue to such Subscriber a warrant to acquire one Ordinary Share for a period of 4 years from the Admission date at a price of £0.04 per Ordinary Share. This increased share capital to £135,000 and share premium to £425,000.

From 1 May 2021 to 30 June 2021, bank charges of £223 were incurred as well as £8,000 of Director fees. Liabilities decreased £214,500 (being the amounts received in advance for the May share issue). Cash increased by £37,277 to £405,165. This was the net effect of the remaining £45,500 received from the share issue, less the payment of £8,223 expenditure incurred within the period to 30 June 2021.

PART VI (A)

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



18 August 2021

The Directors
Citius Resources Plc
25 Bilton Road
Rugby CV22 7AG

Crowe U.K. LLP
Chartered Accountants
Member of Crowe Global
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Dear Sirs and Madams,

We report on the audited historical financial information of Citius Resources Plc (the "Company") for the period from incorporation on 15 April 2020 to 30 April 2021 (the "Company Financial Information").

Opinion

In our opinion, the Company Financial Information gives, for the purpose of the Company's prospectus dated 18 August 2021 (the "Document"), a true and fair view of the state of affairs of the Company as at 30 April 2021 and of its losses, cash flows, statement of comprehensive income and changes in equity for the period then ended in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("EU IFRS").

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Company Financial Information in accordance with EU IFRS.

It is our responsibility to form an opinion on the Company Financial Information, and to report our opinion to you.

Basis of preparation

The Company Financial Information has been prepared for inclusion in Section (B) "Historical Financial Information of the Company" of Part VII "Financial Information of the Company" of the Document, on the basis of the accounting policies set out in note 2 to the Company Financial Information. This report is given for the purpose of complying with item 18.3.1 of Annex 1 to the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (together, the "PR Regulation"), and is given for the purpose of complying with that requirement and for no other purpose.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of the Company in accordance with the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Company Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Company Financial Information and whether the accounting policies are appropriate to the Company's circumstances consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Company Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

We have not identified a material uncertainty related to events or conditions that, individually or collectively, may cast doubt on the ability of the Company to continue as a going concern for a period of at least 12 months from the date of this Document. We therefore conclude that the Directors' use of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

For the purposes of Prospectus Rule PRR 5.3.2R(2)(f), we are responsible for this report as part of this Document and we declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the PR Regulation.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

PART VI (B)

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Statement of financial position

The audited statement of financial position of the Company as at 30 April 2021 is stated below:

| | Note | Audited As at 30 April 2021 £ |
|-------------------------------------|------|---|
| Assets | | |
| <i>Current assets</i> | | |
| Other receivables | | 18,000 |
| Cash | | 367,888 |
| Total Assets | | <u>385,888</u> |
| Equity & Liabilities | | |
| Equity | | |
| Share capital | 11 | 91,667 |
| Share premium | 11 | 208,333 |
| Accumulated losses | | (158,612) |
| Total Equity | | <u>141,388</u> |
| Liabilities | | |
| Trade and other current liabilities | 10 | 244,500 |
| Total Liabilities | | <u>244,500</u> |
| Total Equity and Liabilities | | <u>385,888</u> |

Statement of comprehensive income

The audited statement of comprehensive income of the Company for the period from incorporation on 15 April 2020 to 30 April 2021 is stated below:

| | Note | Audited For the period from incorporation to 30 April 2021 £ |
|---|------|--|
| Revenue | | – |
| Administrative expenditure | 5 | (158,612) |
| Operating loss | | <u>(158,612)</u> |
| Income tax | 8 | – |
| Loss and total comprehensive loss for the period | | <u>(158,612)</u> |
| Basic and diluted earnings per Share | 9 | (1.05) |

Statement of changes in equity

The audited statement of changes in equity of the Company for the period from incorporation on 15 April 2020 to 30 April 2021 is stated below:

| | <i>Share capital</i> £ | <i>Share premium</i> £ | <i>Accumulated losses</i> £ | <i>Total equity</i> £ |
|--|---------------------------|---------------------------|--------------------------------|--------------------------|
| Balance as at 15 April 2020 on incorporation | 1 | – | – | 1 |
| Total comprehensive loss | – | – | (158,612) | (158,612) |
| New shares issued (Note 11) | 91,666 | 208,333 | – | 250,000 |
| As at 30 April 2021 | <u>91,667</u> | <u>208,333</u> | <u>(158,612)</u> | <u>141,388</u> |

Statement of cash flows

The audited statement of cash flows of the Company for the period from incorporation on 15 April 2020 to 30 April 2021 is stated below:

| | <i>Note</i> | <i>Audited For the period from incorporation to 30 April 2021</i> £ |
|---|-------------|--|
| <i>Cash flows from operating activities</i> | | |
| Loss for the period | | (158,612) |
| <i>Changes in working capital</i> | | |
| Increase in trade and other receivables | | (18,000) |
| Increase in trade and other payables | 10 | 30,000 |
| Total cash flows from operating activities | | <u>(146,612)</u> |
| <i>Cash flows from financing activities</i> | | |
| Proceeds from the issue of Shares | 11 | 514,500 |
| Total cash flows from financing activities | | <u>514,500</u> |
| Net cash flows in the period | | <u>367,888</u> |
| <i>Cash and cash equivalents at the beginning of the period</i> | | – |
| Cash and cash equivalents at the end of the period | | <u>367,888</u> |

NOTES TO THE COMPANY FINANCIAL INFORMATION

1. General information

The Company is a public limited company limited by shares incorporated and registered in England and Wales on 15 April 2020 with registered company number 12557958. Its registered office is situated in England and Wales at 25 Bilton Road, Rugby, CV22 7AG. The Company was incorporated under the name 'Citius Resources Limited', and the Company changed its name to 'Citius Resources Plc' on 3 August 2020.

The Company was formed to undertake an acquisition of a trading entity and was not revenue generating during the year.

2. Accounting policies

2.2 Basis of preparation

The principal accounting policies applied in the preparation of the Company's financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The Company's financial statements have been prepared in accordance with EU-endorsed International Accounting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006. The Company financial statements have been prepared on a historical cost basis.

The Company financial statements are presented in £, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise stated.

2.3 New standards and interpretations issued

The following were new standards and amendments to existing standards which were relevant to the Company and were effective for annual periods commencing on or after 1 April 2020:

- IFRS 3 Definition of a Business (Amendments to IFRS 3)
- IAS 1 and IAS 8 Definition of Material (Amendments to IAS 1 and IAS 8)
- IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform

Adoption of these new and amended standards has had no material impact on the financial statements of the Company.

2.4 Accounting Standards or interpretations, not yet early adopted

A number of new standards, amendments to existing standards and interpretations which have been issued or amended by IASB, are not yet effective and have not been applied in preparing these financial statements. The Directors are considering the standards, however, at this time they are not expected to have a material impact on the Company.

2.5 Going concern

The Company is an investment company, and currently has no income stream until a suitable acquisition is identified, it is therefore dependent on its cash reserves to fund ongoing costs.

The Directors have reviewed the Company's ongoing activities including its future intentions in respect of acquisitions and having regard to the Company's existing working capital position and its ability to potentially raise finance, if required, the Directors are of the opinion that the Group has adequate resources to enable it to continue in existence for a period of at least 12 months from the date of these financial statements.

2.6 Comparative figures

No comparative figures have been presented as the Company Financial Statements covers the period from incorporation on 15 April 2020.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Exchange differences arising on translation are recognised in profit or loss.

3.2 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive potential ordinary shares.

3.3 Income tax

Income tax expense comprises current tax and deferred tax.

Current income tax

Current tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the period when the related asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

3.4 Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and deposits held at call with banks.

3.5 Financial instruments

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

The Company's financial assets consist of other receivables and cash and cash equivalents. Other receivables are recognised initially at fair value and subsequently measured at amortised cost. Cash and cash equivalents include cash in hand and deposits held at call with banks. They are subsequently measured at amortised cost.

Financial liabilities and equity

Liabilities are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.6 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

4. Critical accounting estimates and judgments

In preparing the Company financial statements, the Directors have to make judgments on how to apply the Company’s accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the Company financial statements.

5. Administrative expenditure

| | <i>Period ended 30 April 2021 £</i> |
|----------------------------------|---|
| Directors’ remuneration (note 6) | 56,500 |
| Professional fees | 80,000 |
| Audit fees | 12,000 |
| Administration fees | 9,000 |
| Miscellaneous fees | 1,112 |
| Total | <u>158,612</u> |

The company did not employ any staff during the period other than Directors. The Directors are the only members of key management and their remuneration related solely to short term employee benefits.

6. Employees

Number of employees

The average monthly number of employees (including Directors) during the year was:

| | <i>Period ended 30 April 2021</i> |
|-----------|---|
| Directors | <u>3</u> |
| | <u>3</u> |

Employment costs

| | <i>Period ended 30 April 2021 £</i> |
|--------------------------------------|---|
| Remuneration for qualifying services | 56,500 |

7. Taxation

Analysis of charge in the year

| | <i>Period ended 30 April 2021 £</i> |
|--|---|
| Current tax: | |
| UK Corporation tax on loss for the year | – |
| Deferred tax | – |
| | <hr/> |
| Tax on loss on ordinary activities | – |
| | <hr/> <hr/> |
| Loss on ordinary activities before tax | (158,612) |
| Loss on ordinary activities multiplied by rate of corporation tax in the UK of 19% | (30,136) |
| Tax losses carried forward | (30,136) |
| | <hr/> |
| Current tax charged | – |
| | <hr/> <hr/> |

Total tax losses available to be carried forward is £30,136.

8. Loss per share

The calculation of the basic and diluted loss per share is based on the following data:

| | <i>Period ended 30 April 2021 £</i> |
|--|---|
| Earnings | |
| Loss from continuing operations for the period attributable to the equity holders of the Company | (158,612) |
| Number of shares | |
| Weighted average number of Ordinary Shares for the purpose of basic and diluted earnings per share | 15,092,141 |
| | <hr/> |
| Basic and diluted loss per share (pence) | (1.05) |
| | <hr/> |

There are no potentially dilutive shares in issue.

9. Creditors: Amounts falling due within one year

| | <i>Period ended 30 April 2021 £</i> |
|--------------------------|---|
| Trade payables | 18,000 |
| Cash received in advance | 214,500 |
| Accruals | 12,000 |
| | <hr/> |
| Total | 244,500 |
| | <hr/> |

10. Share capital

| | <i>Number of shares issued</i> | <i>Nominal value per share £</i> | <i>Share capital £</i> | <i>Share premium £</i> | <i>Total share capital £</i> |
|----------------------------|------------------------------------|--|--------------------------------|--------------------------------|--|
| On incorporation | 200 | 0.005 | 1 | – | 1 |
| Issue of ordinary shares 1 | 8,333,334 | 0.005 | 41,667 | 208,333 | 250,000 |
| Issue of ordinary shares 2 | <u>9,999,800</u> | <u>0.005</u> | <u>49,999</u> | <u>–</u> | <u>49,999</u> |
| At 30 April 2021 | <u>18,333,334</u> | | <u>91,667</u> | <u>208,333</u> | <u>300,000</u> |

The Company was incorporated on 15 April 2020. On incorporation, one Ordinary Share was issued at the par value of £1.

On 16 April 2020, the Company changed the share structure from one Ordinary Share of nominal value £1 to 200 Ordinary Shares of nominal value £0.005.

On 19 June 2020 8,333,334 Ordinary Shares were issued at a price of £0.03.

For every two ordinary shares subscribed for, the Company issued a warrant to acquire one ordinary share for a period of four years from the Company's IPO date at a price of £0.04 per ordinary share.

On 23 June 2020 the Company issued a further 9,999,800 Ordinary Shares at £0.005 each.

Both the shares issued, with same nominal values, are classed as Ordinary Shares and have same rights attached to them.

11. Financial instruments

11.1 Categories of financial instruments

| | <i>Period ended 30 April 2021 £</i> |
|------------------------------|---|
| Financial assets | |
| Trade and other receivables | 18,000 |
| Cash and cash equivalents | 367,888 |
| Financial liabilities | |
| Trade and other payables | 244,500 |

11.2 Financial risk management objectives and policies

The Company's major financial instruments include bank balances, trade and other payables and accrued expense. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments, and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

11.3 Currency risk

As the majority of monetary assets, all liabilities and the majority of transactions of the Company are denominated in its functional currency, the directors consider that the Company is not exposed to significant foreign currency risk.

12. Related party transactions

There are no related party transactions during the period except for the Director's remuneration, which has been disclosed in note 6.

13. Events after the reporting date

On 26 May 2021 the Company issued 8,666,666 Ordinary Shares at a price of £0.03 pence each providing net proceeds of £260,000. For every two Ordinary Shares subscribed for, the Company shall issue to such Subscriber a warrant to acquire one Ordinary Share for a period of 3 years from the Admission date at a price of £0.04 per Ordinary Share.

14. Ultimate controlling party

The Directors do not consider there to be an ultimate controlling party.

15. Nature of Company Financial Information

The Company Financial Information presented above does not constitute statutory accounts for the period under review.

PART VII

TAXATION

1. TAXATION

1.1 Taxation in the United Kingdom

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

1.1.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- (i) who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- (ii) who intend to acquire Shares as part of tax avoidance arrangements; or
- (iii) who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

1.1.2 Dividends

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £2,000 per annum dividend tax allowance. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

1.1.3 Disposals of Shares

Any gain arising on the sale, redemption or other disposal of Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. and 20 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to a Shareholder's corporate taxable profits is currently 19 per cent. In the Budget on 3 March 2021, it was announced that the rate would increase to 25 per cent. after 1 April 2023.

1.1.4 Further information for Shareholders subject to UK income tax and capital gains tax "Transactions in securities"

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

1.1.5 Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of ordinary shares pursuant to the placing.

Most investors will purchase existing ordinary shares using the crest paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5 per cent. Where ordinary shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5 per cent. if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO HIS TAX POSITION OR WHERE HE IS RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT HIS PROFESSIONAL ADVISER.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility statement

The Directors, whose names appear on page 26 of this Document, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

2. The Company

- 2.1 The Company was incorporated with limited liability under the laws of England and Wales under the Companies Act on 15 April 2020 with number 12557958. On 3 August 2020 the Company was re-registered as a public limited company to become Citius Resources Plc.
- 2.2 The principal legislation under which the Company operates and under which the Shares are created and issued is the Companies Act.
- 2.3 The Company's registered office is at Walton House, 25 Bilton Road, Rugby, Warwickshire CV22 7AG. The telephone number for the Company is +44 (0)1624 681250.
- 2.4 On 20 July 2020 the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association. The Company operates in conformity with its Articles and the laws of England and Wales.
- 2.5 As at 16 August 2021, the latest practicable date prior to publication of this Document, the Company did not have any subsidiaries, nor did it own any shares in any company.
- 2.6 Following Admission, the Company will be subject to the Listing Rules, Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

3. Share capital

The following is a summary of the changes in the issued share capital of the Company from incorporation:

Issue of Shares

- 3.1 On incorporation of the Company, one fully paid subscriber ordinary share of £1 was issued to Kieren Mildwaters.
- 3.2 On 16 April 2020 each ordinary share of £1 was sub-divided into 200 Shares of 0.5 pence each.
- 3.3 On 16 April 2020 the 200 Shares held by the subscriber were transferred to Cameron Pearce.
- 3.4 On 19 June 2020, an additional 8,333,334 Shares were issued fully paid.
- 3.5 On 23 June 2020, an additional 9,999,800 Shares were issued fully paid.
- 3.6 On 26 May 2021, an additional 8,666,665, Shares were issued fully paid.
- 3.7 The Shares issued to the persons pursuant to paragraphs 3.3 – 3.6 are together the "**Pre-IPO Subscribers**".
- 3.8 Subject to completion of the Placing and Admission the Company shall issue 14,000,000 Placing Shares in aggregate pursuant to the Placing to certain institutional and other investors at the Placing Price.
- 3.9 Subject to Admission, the Company shall issue 2,250,001 Shares in satisfaction of the payments due to Lionshead Consultants Limited, Canterbury Enterprises Limited and PSARTS Limited, as detailed in paragraphs 20.4 – 6 of this Part VIII below (together the "**Consultants Shares**").

- 3.10 The issued share capital of the Company at the date of this Document, not including the Placing Shares, (issued conditional upon Admission) is as follows:

| <i>Issued (fully paid)</i> | <i>Number</i> |
|----------------------------|---------------|
| Shares | 26,999,999 |

- 3.11 Upon Admission, the issued share capital of the Company will be as follows:

| <i>Issued (full paid)</i> | <i>Number</i> |
|---------------------------|---------------|
| Shares | 43,250,000 |

Grant of Warrants and Options

- 3.12 As at the date of this Document, the Company has granted warrants over 13,500,000 Shares in the Company to all Pre-IPO Subscribers. The warrants are fully vested and entitle the holder to purchase one Share for a price of 4 pence. The warrants expire three years after the date of Admission. The warrants issued to the Pre-IPO Subscribers shall represent approximately 31.21 per cent. of the Enlarged Share Capital.
- 3.13 As from Admission, the Company will have granted (i) warrants over an additional 7,000,000 Shares to the Placees which entitle the holder to purchase one Share for a price of 6 pence and expire three years after the date of Admission and (ii) warrants over an additional 1,133,333 Shares being issued to the Broker, which entitle the Broker to subscribe for (A) 433,333 Shares at a price of 3 pence and (B) 700,000 Shares at a price of 4 pence, each of which expire 3 years after the date of Admission. This gives a total of warrants over 21,633,333 Shares as at Admission, which shall represent approximately 50.02 per cent. of the Enlarged Share Capital.
- 3.14 Further details regarding the terms of the Warrants are set out at paragraphs 20.7 – 20.9 of this Part VIII “*Additional Information*” of this Document.
- 3.15 The Company has entered into share option deeds with each Director and Lionshead Consultants Limited, details of which are set out in paragraph 20.10 of this Part VIII “*Additional Information*” of this Document.

General

- 3.16 All the issued Shares are in registered form and are capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the Company’s register of members and arranging for it to be kept at a location within the United Kingdom. Temporary documents of title will not be issued. The ISIN of the Shares is GB00BMGRFP88. The SEDOL of the Shares is BMGRFP8.
- 3.17 The Existing Shares rank in full for all dividends or other distributions hereafter declared, made or paid on the Existing Shares and the Placing Shares will rank *pari passu* in all other respects with other Existing Shares in issue on Admission.
- 3.18 The resolutions passed on 16 April 2020 disapplied the pre-emption rights in the Articles in respect of the issue for cash of Shares with an aggregate nominal amount of £681,250 (“**Authorised Limit**”) and, therefore, statutory pre-emption rights do not apply. Such authority is till the annual general meeting of the Company, unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be issued or granted after such expiry and the Directors of the Company may issue or grant equity securities in pursuance of any such offer or agreement notwithstanding that the authority given to the Directors of the Company pursuant to the above resolution have expired.
- 3.19 On completion of the Acquisition, application will be made for the Enlarged Issued Share Capital to be admitted to the Official List, by way of a Standard Listing, and to trading on the London Stock Exchange’s main market for listed securities. A Standard Listing will afford investors in the Company

a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules. It should be noted that the UKLA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules that the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

3.20 Save as disclosed in paragraph 3 of this Part VIII "*Additional Information*" as at the date of this Document:

- (a) no issued Shares of the Company are under option or have been agreed conditionally or unconditionally to be put under option;
- (b) no Share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- (c) no commission, discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the Share or loan capital of the Company;
- (d) no persons have preferential subscription rights in respect of any Share or loan capital of the Company or any subsidiary; and
- (e) no amount or benefit has been paid or is to be paid or given to any promoter of the Company.
- (f) the Company will have no short, medium or long-term indebtedness.

4. Substantial Shareholders

4.1 Save for the interests of the Directors which are set out in paragraph 6 of this Part VIII "*Additional Information*", the Company is aware of the following persons who hold, or will on Admission hold, directly or indirectly, voting rights representing five per cent. or more of the Voting Rights of the Company:

| <i>Shareholder</i> | <i>Number of Shares as at the date of this Document</i> | <i>Percentage of Current Issued Share Capital</i> | <i>Number of Shares on Admission</i> | <i>Percentage of Issued Shares on Admission</i> |
|----------------------------|---|---|--|---|
| Optiva Securities Ltd | 2,666,667 | 9.88 | 2,666,667 | 6.17 |
| West End Ventures Pty Ltd | 1,666,667 | 6.17 | 1,666,667 | 3.85 |
| Shard Capital Partners LLP | 1,600,000 | 5.93 | 2,800,000 | 6.47 |

4.2 The Company is not aware of any person who, either as at the date of this Document or immediately following the Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

4.3 Any person who is directly or indirectly interested in five per cent. (5 per cent.) or more of the Company's Voting Rights, is required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules, and such interests will be notified by the Company to the public.

4.4 No Shareholder of the Company holds any class of share that at the date of this Document or following Admission will have different Voting Rights from other holders of Shares.

5. Options

5.1 Following Admission, the Company may adopt a share option plan (the "**Share Option Plan**") under which share options may be awarded to Directors, eligible employees and consultants by the remuneration committee or the Board. Shares under the Share Option Plan will not exceed 10 per cent. of the Company's issued Shares from time to time without the prior approval of the Shareholders. The terms of such options shall be determined at the time of grant including any relevant vesting and performance conditions.

- 5.2 The Company has entered into share option deeds with the following directors and consultants granting the following options, subject to Admission (the “**Initial Options**”):

| <i>Name of Option Holder</i> | <i>Number of Options</i> | <i>Date of Grant</i> | <i>Expiry of Option Period</i> | <i>Exercise Price (pence)</i> |
|-------------------------------|--------------------------|----------------------|--------------------------------|-------------------------------|
| Cameron Pearce | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Winton Willesee | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Daniel Rootes | 950,000 | 16 August 2021 | 16 August 2026 | 4 |
| Lionshead Consultants Limited | 950,000 | 16 August 2021 | 16 August 2026 | 4 |

* the Initial Options for Winton Willesee have been issued to Azalea Family Holding Pty Ltd to which Winton Willesee is a Connected Person.

The Initial Options will vest upon the Company undertaking a Reverse Takeover. Further details of the share option deeds are set out in paragraph 20.10 of this Part VIII “*Additional Information*”.

6. Directors’ interests

- 6.1 The interests of the Directors and their respective Connected Persons (within the meaning of section 252 of the Companies Act) in the issued share capital of the Company, on Admission, all of which are beneficial, are as follows:

| <i>Name</i> | <i>Number of Shares as at the date of this Document and Admission</i> | <i>Number of Placing Shares subject to Admission</i> | <i>% interest in Issued Shares on Admission*</i> |
|--------------------------------|---|--|--|
| Cameron Pearce | 6,000,000 | Nil | 13.87% |
| Azalea Family Holding Pty Ltd* | 3,000,000 | Nil | 6.94% |
| Daniel Rootes | 1,000,000 | Nil | 2.31% |

* Winton Willesee is a Connected Person to Azalea Family Holding Pty Ltd. Azalea Family Holding Pty Ltd. is a corporate trustee for a trust which trust is the beneficial holder of the Shares

- 6.2 Save as disclosed in paragraph 5.2 above and this paragraph 6 and the Warrants disclosed in paragraphs 3.12 and 3.13 of this Part VIII “*Additional Information*”, as at the date of this Document, no Director or member of the administrative, management or supervisory bodies have any interests in options or warrants or in the issued share capital of the Company.

7. Summary of Memorandum and Articles of Association

The Company is incorporated in England and Wales as a company under the provisions of the Companies Act and therefore is subject to English law. Set out below is a summary of the main provisions of the constitutional documents of the Company and is not intended to provide a comprehensive review of the applicable law, or of all provisions.

7.1 Memorandum of Association

The provisions contained in the Company’s Memorandum of Association determining its objects state that the Company’s main activity is that of a general commercial company.

7.2 Shares

Subject to any limitation or provisions to the contrary contained in the memorandum or articles of association of a company, the issuance of shares and other securities in a company are under the control of its Directors. Under the Articles all unissued shares in the Company shall be at the disposal of the Board who, subject to being authorised to do so by the Company by an ordinary resolution, may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as the Board may decide.

7.3 **Articles of Association**

The Articles of the Company, contain, *inter alia*, the following provisions relating to the rights attaching to Shares:

- (a) There are no rights of pre-emption in respect of transfers of issued Shares. However, in certain circumstances, the Company's Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to place new shares for allotment of existing Shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares are offered to the Company's Shareholders.
- (b) In order to transfer Shares, the instrument of transfer of any such shares must be in any usual form or in such other form as may be approved by the Directors and must be executed by or on behalf of the transferor and, if the shares are not fully paid, by or on behalf of the transferee. The Articles contain no restrictions on the free transferability of fully paid shares, provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.
- (c) Each Share confers the rights to receive notice of and attend all meetings of shareholders. Each holder of Shares present at a general meeting in person or by proxy has one vote, and, on a poll, one vote for each Share of which he is the holder.
- (d) On a winding up a liquidator may, with the sanction of an extraordinary resolution of the Company, divide amongst the holders of the Company's shares (in specie or in kind) the whole or any part of the assets of the Company, and may, with the like sanction, determine how such diversion is to be carried out.
- (e) The Shares confer upon their holders the right to participate in any profits which the Company may from time to time determine to distribute in respect of any financial period.
- (f) Subject to the provisions of the Companies Act and if the profits of the Company justify such payments, the Directors may declare and pay interim dividends on shares of any class of such amounts as and when they think fit. All dividends are apportioned and paid pro-rata according to the amounts paid on the shares. No dividend or other monies payable on or in respect of a share will bear interest as against the Company. The Directors may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply them towards the satisfaction of the debts, liability or engagements in respect of a lien. A dividend may be retained if a shareholder has failed to comply with the statutory disclosure requirements of the Companies Act. Any dividend unclaimed for twelve years will be forfeited and revert to the Company.
- (g) Subject to the provisions of the Companies Act, the Company may purchase any of its own shares, provided that the terms of any contract under which the Company will or may become entitled or obliged to purchase its own shares be authorised by an ordinary resolution of the Company in a general meeting before the Company enters into such a contract.
- (h) All or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class. At every such separate general meeting the quorum is two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.
- (i) The Company may make arrangements for any class of its shares to be issued in uncertificated form and in accordance with and subject as provided in The Uncertificated Securities Regulations 2001 and transfer of title of those shares shall be effected by means of relevant system in the manner provided for and subject as provided for in the Uncertificated Securities Regulations 2001. Shares held in certificated form and those held in uncertificated form may be changed to certificated form.

Shares are defined in the Articles as “shares in the Company”. The rights attaching to the shares, as set out in the Memorandum and the Articles, and other key provisions, are set out as follows.

7.3.1.1 *Rights of Shareholders*

The Articles provide that each Share confers upon the Shareholder:

- (a) the right to one vote on a show of hands and on a poll to one vote for every share of which he is the holder at a meeting of the Shareholders;
- (b) the right to receive dividends according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid by the Company; and
- (c) the right in the distribution of the surplus assets of the Company on its liquidation to a share in proportion to the amount to which, at the commencement of the winding, the shares held by him are paid up.

7.3.1.2 *Variation of rights*

Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles. The foregoing provisions of this paragraph shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

7.3.1.3 *Transfers of shares*

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the Uncertificated Regulations. Any written instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

7.3.1.4 The Directors may also, in their absolute discretion, refuse to register any transfer of a certificated share unless the following conditions are satisfied:

- (a) it is in respect of only one class of shares;
- (b) it is in favour of a single transferee or not more than four joint transferees;
- (c) it is duly stamped (if so required); and
- (d) it is delivered for registration to the registered office of the Company or such other place as the Directors may decide, accompanied by the certificate for the shares to which it relates (except in the case of a person to whom the Company is not required by sections 769, 776, 777 or 778 of the Companies Act to issue a certificate, or in the case of a renunciation) and such other evidence as the Directors may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that if the Directors refuse to register the transfer, the instrument of transfer must be returned to the transferee as soon as practicable and in any event within 2 months, with the notice of refusal and reasons for refusal unless they suspect that the proposed transfer may be fraudulent. The Board will not exercise such discretion if it would conflict with the Listing Rules.

Purchase and Redemption of shares

Shares may be purchased, redeemed or otherwise acquired for any consideration provided that such redemption or acquisition does not contravene the requirements of the Companies Act.

7.3.1.5 Payment of dividends

Subject to the provisions of the Companies Act and the Articles, the Company may, by ordinary resolution declare that dividends out of the Company's profits may be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.

The Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Directors that the profits available for distribution justify the payment. If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. If the Directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

All dividends, interest or other sum payable and unclaimed after having been declared and become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

7.3.1.6 Return of capital

Under the Articles, on a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different lands; and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine.

7.3.1.7 Borrowing powers

The business and affairs of the Company may be managed by, or under the direction or supervision of the Board. The Board has all the powers necessary for managing and for directing and supervising, the business and affairs of the Company. Subject to the Articles and to the provisions of the Companies Act, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, and all or any part of its property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors

- (a) Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than two and there shall be no more than 15 Directors.
- (b) At every annual general meeting at least one third of the Directors who are subject to retirement by rotation, provided that if there is only one Director who is subject to retirement by rotation, he shall retire.
- (c) Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall hold office only until the annual general

meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

- (d) The Company may by resolution remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to the Articles) by resolution appoint another person who is willing to act to be a Director in his place.
- (e) No shareholding qualification is required by a Director.
- (f) The Directors may by resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient.

7.3.1.8 *Meetings of Shareholders*

Subject to the Companies Act, the Company must hold an annual general meeting in each period of six months beginning with the day following its accounting reference date (in addition to any other general meeting held in that period). Any annual general meeting so convened shall be held at such a time and place as the Board may determine.

The Directors may call a general meeting whenever they think fit. At any meeting so convened (or any meeting requisitioned pursuant to section 303 of the Companies Act) no business shall be transacted except that proposed by the Board or stated by the requisition. If there are not sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

Any annual general meeting shall be convened by not less than twenty-one clear days' notice in writing. Other general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that a meeting is convened by a shorter notice than that specified in the Articles, it shall be deemed to have been properly convened if it is so agreed by all members entitled to attend and vote in the meeting.

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending the meeting do not constitute a quorum. If the Company has only one member entitled to attend and vote at the general meeting, one qualifying person present at the meeting and entitled to vote is a quorum; provided that in all cases two qualifying persons present at the meeting and entitled to vote are a quorum.

If a general meeting was requisitioned by members and the persons attending the meeting within 30 minutes of the time at which the meeting was due to start (or such longer time as the chairman of the meeting decides to wait) do not constitute a quorum, or if during the meeting a quorum ceases to be present, the meeting is dissolved. In the case of a general meeting other than one requisitioned by members, if the persons attending the meeting within 30 minutes of the time at which the meeting was due to start (or such longer time as the chairman of the meeting decides to wait) do not constitute a quorum, or if during the meeting a quorum ceases to be present, the chairman of the meeting must adjourn it. The continuation of a general meeting adjourned for lack of quorum is to take place either: on a day that is not less than 14 days but not more than 28 days after it was adjourned and at a time and/or place specified for the purpose in the notice calling the meeting; or where no such arrangements have been specified, on a day that is not less than 14 days but not more than 28 days after it was adjourned and at such time and/or place as the chairman of the meeting decides (or, in default, the Directors decide). At an adjourned meeting the quorum is one qualifying person present and entitled to vote. If a quorum is not present within five minutes from the time fixed for the start of the meeting, the adjourned meeting is dissolved.

7.3.1.9 *Pre-emption rights of Shareholders*

Shareholders have pre-emption rights as set out in the Companies Act, subject to any additional authority given by special resolution. The pre-emption provisions shall not apply to

the allotment of any shares for a consideration other than cash or in connection with an employees' share scheme, and, accordingly, the Directors may allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit.

A reference in the foregoing paragraphs to the allotment of any shares includes the grant of a right to subscribe for, or to convert any securities into, shares but such reference does not include the allotment of any relevant shares pursuant to such a right.

7.3.1.10 Management

Subject to the provisions of the Companies Act, the Memorandum and the Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the Memorandum or the Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained in the Articles as to any specific power of the Board shall not be deemed to limit the general powers given by the Articles.

7.3.1.11 Accounting and auditing requirements

Under the Articles the Directors must ensure that accounting records are kept in accordance with the Companies Act. The accounting records shall be kept at the registered office of the Company or, subject to the Companies Act, at another place decided by the Directors and shall be available during business hours for the inspection of the Directors and other officers. No member (other than a Director or other officer) has the right to inspect an accounting record or other document except if that right is conferred by the Companies Act or he is authorised by the Directors or by an ordinary resolution of the Company.

The Directors may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report, the strategic report, the directors' remuneration report, the auditors' report on those accounts and on the auditable part of the directors' remuneration report are those persons entered on the register at the close of business on a day determined by the Directors; provided that, if the Company is a participating issuer, the day determined by the Directors may not be more than 21 days before the day that the relevant copies are being sent.

A printed copy of the Directors' and auditors' reports accompanied by printed copies of the annual accounts (including every document required by law or regulations applicable to the Company to be comprised in them or annexed or attached to them) shall not less than twenty-one clear days before the meeting before which they are to be laid, be delivered, sent by post or sent by Electronic Communication to every member who is entitled to receive notices from the Company and holder of debentures of the Company and to the auditors and to every other person who is entitled to receive notice of general meetings.

7.3.1.12 Winding up

The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

Under the Articles, on a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different lands; and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he, with the like sanction, shall determine.

If the Company is wound up the liquidator may, set the value he deems fair on a class or classes of property; and determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be earned out between members or

classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner

7.3.1.12 *Disclosure of Interests in shares*

The provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules and section 793 of the Companies Act apply to the disclosure of interests in shares.

Chapter 5 details the circumstances in which a person may be obliged to notify the Company that he has an interest in voting rights in respect of shares (a “**notifiable interest**”). An obligation to notify the Company arises: (a) when a person becomes or ceases to be interested (by way of a direct or indirect holding of shares or of certain “Qualifying Financial Instruments” (as defined in the Disclosure Guidance and Transparency Rules) or other instruments creating a long position on the economic performance of the shares) in three per cent. or more of the voting rights attaching to the shares; and (b) where such person’s interests alters by a complete integer of one per cent. of the voting rights attaching to the shares.

The Companies Act permits the Company to serve a notice on any person where the Company has reasonable cause to believe such person is interested in the shares or has been interested in the shares at any time during the three years immediately preceding the date on which the notice is issued. Such notice may require the person to confirm or deny that he has or was interested in the shares and, if holds, or has during that time held, any such interest to give such further information as may be required in accordance with the Articles. Where such Shareholder fails to comply with the terms of the notice within the period specified in such notice the Shareholder will be in default (such Shareholder’s shares being referred to as “**Default Shares**”). The Board may direct that voting rights and dividend rights be suspended in respect of Default Shares.

Under the Disclosure Guidance and Transparency Rules, a person must notify the Company of the percentage of its voting rights if, at any time after the date on which the Articles came into force the percentage of voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (or a combination of such holdings):

- (a) reaches, exceeds or falls below 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.; or
- (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Articles.

A person shall not be required to aggregate his holdings in the circumstances prescribed in rule 5.4 of the Disclosure Guidance and Transparency Rules.

The Company must at the end of each calendar month during which an increase or decrease has occurred, notify to a Regulatory Information Service for distribution to the public the total number of voting rights and capital in respect of each class of share which it issues.

An obligation to give a notice to the Company in relation to notifying of the change in his percentage of voting rights shall be fulfilled as soon as possible and in any event before the end of the second working day after the relevant person learns the relevant threshold was reached or crossed.

In addition, under the Articles, and in accordance with the process set out under the Articles, where notice is served by the Company under section 793 of the Act (a “**section 793 notice**”) on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the “**default shares**”, which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the

prescribed period from the date of service of the section 793 notice, the following sanctions apply, unless the Directors otherwise decide:

- (1) the member shall not be entitled in respect of the default shares to be present or to vote (either in person, by proxy or by corporate representative) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll; and
- (2) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any share of their class held as treasury shares):
 - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member shall not be entitled to elect, under article 106, to receive shares instead of a dividend, and
 - (b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer; or
 - (I) the member is not himself in default in supplying the information required; and
 - (II) the member proves to the satisfaction of the Directors that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

7.4 **Dividends and distributions**

Subject to the provisions of the Companies Act, the Company's memorandum and articles of association, Directors may declare dividends in money, shares or other property provided they determine the company will pass the solvency test (i.e. the value of the company's assets will exceed its liabilities and it will be able to meet its debts as they fall due).

8. **City Code on Takeovers and Mergers**

The City Code will apply to the Company following Admission.

The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where *inter alia*, the offeree company is a public company which has its registered office in the United Kingdom, the Isle of Man or the Channel Islands, if the company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Admission and its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital, whether voting or non-voting, and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Save where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in

the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

9. Working capital

The Company is of the opinion that the working capital available to the Company is for at least the next 12 months from the date of this Document sufficient for its present requirements (the “**Working Capital Period**”).

10. Further Disclosures on Directors

10.1 The Directors have or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document, other than the Company:

| <i>Director</i> | <i>Current directorships and partnerships</i> | <i>Previous directorships and partnerships</i> |
|-----------------|--|---|
| Winton Willesee | Azalea Consulting (International Services) Pty Ltd Azalea Consulting Pty Ltd Azalea Family Holdings Pty Ltd Burke Copper Pty Ltd Burke Minerals Pty Ltd Chincherinchee Nominees Pty Ltd Cobra Resources Pty Ltd Colony Homewares Proprietary Ltd Ding Sheng Xin Finance Co. Limited DSX Finance Australia Pty Ltd Fortitude Security Group Limited Lancaster Resources Pty Ltd Mas Parea Proprietary Ltd Meta Minerals Pty Ltd MMJ Group Holdings Limited Nanollose Limited Neurotech International Limited New Zealand Coastal Seafoods Limited Ofoten Minerals Pty Ltd Old Seeds Pty Limited Peony Assets Pty Ltd Proficient Capital Pty Limited Pythagoras Resources Pty Limited Rio Verde Holdings Pty Ltd Silverinch Pty Limited Stanford Rocks Pty Ltd Stonehorse Nominees Pty Ltd Topia Resources Pty Ltd UUV Aquabotix Ltd Valle Corporate Pty Ltd VGI VMall Limited Wattle Collective Pty Ltd Wisteria Ventures Pty Ltd | Alpha Resources Pty. Limited Atlas Aaila Pty Ltd Atacama Holdings Pty. Ltd Ausco Brake and Axle Pty Ltd BidEnergy Limited Blenheim Resources Pty Ltd Bonvoyolo Pty Limited Comval Property Pty Ltd DroneShield Limited eSense-Lab Ltd Firefinch Limited Kopore Metals Limited MNE Holdings Pty Ltd Phil-Aust Holdings Pty Ltd Rendezvous Property Pty Ltd VGI Big Bang Pty Ltd Volition Investment Holdings Pty Ltd |

| <i>Director</i> | <i>Current directorships and partnerships</i> | <i>Previous directorships and partnerships</i> |
|-----------------|--|--|
| Cameron Pearce | Blencowe Resources plc Polish Coal Resources Limited JLP Nominees Pty Ltd Waitaki Pty Ltd | CEB Resources plc Black Gibb Pty Ltd Pangaea Energy Limited Forum Energy Limited Kabuni Limited Mantle Diamonds Limited Glenwick plc Stallion Resources plc Emmerson plc |
| Daniel Rootes | No relevant appointments | |

10.2 At the date of this Document no Director:

- (a) has had any convictions in relation to fraudulent offences within the previous five years prior to the date of this Document;
- (b) has been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years prior to the date of this Document which has entered into any bankruptcy, receivership or liquidation proceedings;
- (c) has been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) within the previous five years prior to the date of this Document;
- (d) has been disqualified by a court from acting as a director of any company or as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of any company within the previous five years prior to the date of this Document;
- (e) has any family relationship with any of the other Directors;
- (f) has had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to the Company, or any such interest in any contract or arrangement subsisting at the date of this Document and which is significant to the business of the Company; and
- (g) other than Cameron Pearce being a director of Blencowe Resources Plc as set out in Section 2.4 of Part I “*Information on the Company and its Strategy*” of this Document, has any potential conflict of interest between his duties to the Company and his private interests or other duties.

11. Directors’ terms of service

A summary of each Director’s Letter of Appointment and executive services agreement are set out in Section 3 of Part II “*The Company, Board of Directors and Corporate Governance*” of this Document. Mr Jamie Dwyer resigned as a director on 1 November 2020.

12. Pension arrangements

12.1 There are no existing arrangements or proposals existing in connection with the Admission whereby any member of the administrative, management or supervisory bodies of the Company or any other person which provide for benefits upon termination of employment or in connection with retirement from office with the Company or any of its subsidiaries

13. Employees and premises

13.1 Other than Cameron Pearce, the Company has no other employees as at Admission.

13.2 As at the date of this Document, the Company has no premises.

14. Subsidiaries

14.1 At the date of this Document and on Admission, the Company will not have any subsidiaries.

15. Dilution of Share capital

15.1 The issue of the Placing Shares will constitute 32.37 per cent. of the Enlarged Share Capital and the interests of Existing Shareholders will be diluted accordingly.

15.2 The Directors are authorised to issue Shares pursuant to the grant of the Warrants as set out in paragraphs 20.7 to 20.9 of this Part VIII "*Additional Information*" of this Document. In addition, the Company may issue Shares pursuant to the Share Option Plan constituting in aggregate up to 10 per cent. of the issued Shares from time to time. Subject to Admission, the Warrants outstanding on Admission entitle holders to subscribe for a total of 21,633,333 Shares representing 33.34 per cent. of the fully diluted Issued Shares of the Company upon Admission, assuming full exercise of such Warrants.

16. Related party transactions

Since the incorporation of the Company on 15 April 2020, the Company has not completed any related party transactions of a kind set out in the Standards adopted according to Regulation (EC) No 1606/ 2002.

17. Sources of cash, liquidity and cash uses

The Company's ability to finance its strategy in the 12 months following Admission and to meet the Company's obligations as they become due will be fulfilled by cash currently held by the Company and the Net Placing Proceeds. All cash, including the Net Placing Proceeds will be held in the Company's bank account. It will use such cash primarily to provide working capital to enable it to execute its strategy as described under Sections 2 and 3 of Part 1 this Document. As at 30 June 2021, the Company had cash resources of £405,166.

18. Significant change

Since 30 April 2021 (being the date to which the audited Company Financial Information included in Part VI (B) "*Financial Information of the Company*" of this Document has been published), save for:

- the issue on 26 May 2021 of an additional 8,666,665 Shares at 3 pence per Share for cash consideration of £260,000;
- the issue on 26 May 2021 of warrants to such of the Pre-IPO Shareholders that made an investment in the Company during May 2021, on the basis of one warrant for every two Shares held; and
- expenditure in the ordinary course of the Company's business of £8,223,

(all of which have caused a significant change in the financial position of the Company), there has been no significant change in either the financial performance or the financial position of the Company to the date of this Document.

19. CREST

The Shares to be issued in connection with the repayment and settlement of the Placing, will be in registered form and may be held in either certificated form or uncertificated form, except as otherwise described herein. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles permit the holding of Shares in CREST. Accordingly, settlement of transactions in the Shares following Admission may take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. The records in respect of Shares held in uncertificated form will be maintained by Euroclear and the Company's Registrars, Share Registrars Limited.

20. Material contracts

The following material contracts are those contracts which have been entered into by the Company: (a) in the two years immediately preceding the date of this Document (other than in the ordinary course of business); and (b) which contain any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this Document (other than those entered into in the ordinary course of business):

Documents relating to Admission

20.1 *Placing Agreement*

The Company entered into a placing agreement with Brandon Hill on 16 August 2021, pursuant to which Brandon Hill has agreed (conditional on Admission taking place no later than 25 August 2021), as agent for the Company, to use their reasonable endeavours to place the Placing Shares at the Placing Price with the subscribers selected by them. Under the Placing Agreement and subject to it becoming unconditional:

- (a) the Company will pay to Brandon Hill the commission and issue the warrants referred to in the Broker Agreement;
- (b) the Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing including all fees and expenses payable in connection with Admission, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses; and
- (c) the Placing Agreement contains warranties and indemnities given by the Company to Brandon Hill as to the accuracy of the information contained in this Document and other matters relating to the Company and its business.

Brandon Hill is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission.

20.2 *Directors' lock-in agreements*

Pursuant to the terms of the lock-in and orderly marketing agreements, with Cameron Pearce, Daniel Rootes and Azalea Family Holding Pty Ltd, as a Connected Person to Winton Willesee, (each a "**Locked-in Party**") each dated 16 August 2021, the following lock-in restrictions and orderly market arrangements have been agreed.

- (a) each Locked-in Party has, in respect of the Shares held by it/him (directly or indirectly) on Admission, agreed that they shall not, for a period of 12 months from Admission, dispose of such Shares; and
- (b) each Locked-in Party, for a further 12 months thereafter has agreed to only dispose of such Shares after the Company's Broker has been given an exclusive opportunity to place such shares (on specified minimum pricing terms);

provided that, with the consent, of the Broker and the Company, a Locked-in Party may transfer all or any part of its Shares to a nominee, subject to such nominee entering into a lock in and orderly marketing agreement for the balance of the 12-month period(s) in a substantially similar form as the current lock in and orderly marketing agreements.

In aggregate, under the lock-in agreements referred to above in, a total of 10,000,000 Shares representing approximately 25.05 per cent. of the Enlarged Issued Share Capital will be subject to a minimum of 12 months of restrictions on sales/disposals (including by way of orderly market obligations) following Admission.

20.3 *Broker Agreement – Brandon Hill*

On 27 October 2020, the Company entered into an engagement letter with Brandon Hill pursuant to which Brandon Hill agreed to act as financial adviser and broker to the Company in connection with

any fundraising, including the Placing (the “**Broker Agreement**”). In consideration for this service, the Company will pay the following fees to Brandon Hill:

- (a) from Admission a retainer of £20,000 per annum, payable quarterly in advance;
- (b) a commission of 5 per cent. of the Gross Placing Proceeds of the total funds raised by Brandon Hill, payable in cash on Admission;
- (c) the issue of warrants representing 5 per cent. of the total number of shares subscribed for by investors introduced by Brandon Hill;
- (d) an agreement to pay an advisory fee of a minimum of £50,000 to act as financial adviser for the reserve takeover, payable on completion of the Acquisition and subsequent re-admission; and
- (e) a retainer of £40,000 per annum, payable quarterly in advance to act as financial adviser and broker following the Acquisition and re-admission.

20.4 **Lionshead Consultants Consultancy Agreement**

On 20 October 2020 the Company and Lionshead Consultants Limited entered into a consulting services agreement (“**Lionshead Agreement**”) pursuant to which the consultant shall provide the following services: (i) Acquisition and take over process management; (ii) corporate and regulatory compliance; (iii) contract drafting, review and maintenance; (iv) liaison with other advisors; and (v) investor relations. The Lionshead Agreement was deemed to have commenced on 1 May 2020 and shall continue, unless terminated earlier in accordance with its terms, terminate on the date falling 3 months after Admission. The total aggregate fees payable for the services are £50,000, inclusive of VAT, and shall be satisfied by the Company issuing 1,250,001 Shares at Admission.

20.5 **Canterbury Enterprises Limited Consultancy Agreement**

On 15 October 2020 the Company and Canterbury Enterprises Limited entered into a consulting agreement (“**Canterbury Agreement**”), as amended, pursuant to which the consultant shall undertake asset acquisition and evaluation services. Unless terminated earlier in accordance with its terms, the Canterbury Agreement shall terminate on the date falling 3 months after Admission, although it can be extended by agreement of the Parties with termination on either party giving 30-days’ notice. The total aggregate fees payable for the services are £20,000, inclusive of VAT, and shall be paid, at the election of the Company, either in cash at Admission or satisfied by the Company issuing 500,000 Shares at Admission. The Company has elected to pay by the issue of Shares at Admission.

20.6 **PSARTS Limited Consultancy Agreement**

On 1 October 2020 the Company and PSARTS Limited entered into a consulting agreement (“**PSARTS Agreement**”), as amended, pursuant to which the consultant shall provide Australian corporate and legal services. Unless terminated earlier in accordance with its terms, the PSARTS Agreement shall terminate on the date falling 3 months after Admission, although it can be extended by agreement of the Parties with termination on either party giving 30-days’ notice. The fees payable for the services are £20,000, inclusive of VAT, and shall be paid, at the election of the Company, either in cash at Admission or satisfied by the Company issuing 500,000 Shares at Admission. The Company has elected to pay by the issue of Shares at Admission.

20.7 **Warrants – Pre-IPO Subscription Warrants**

A deed of warrant grant dated 16 August 2021 has been created by the Company pursuant to which warrants were granted to the Pre-IPO Subscribers. Each Pre-IPO Subscriber was granted a Warrant to subscribe for 1 Share, for each 2 Shares held by such shareholder. Each Warrant is exercisable at 4 pence per Share at any time from the date of Admission for 3 years. Details of the holders of the Warrants are set out in paragraph 3.12 and 3.13 of this Part VIII, above.

20.8 **Warrants – to be issued on Admission**

A deed of warrant grant dated 16 August 2021 has been created by the Company pursuant to which warrants were granted to the Placees. Each such Placee will be granted a Warrant to subscribe for

1 Share, for each 2 Placing Shares. Each Warrant is exercisable at 6 pence per Share at any time from the date of Admission for 3 years.

20.9 **Broker Warrants – to be issued on Admission**

The Company has created 2 deeds of warrant, each dated 16 August 2021, pursuant to which warrants were granted to Brandon Hill as Broker as at Admission. The Broker is granted a warrant to subscribe for 433,333 Shares, exercisable at 3 pence per Share, and a warrant to subscribe for 700,000 Shares, exercisable at 4 pence per Share, each exercisable at any time from the date of Admission for 3 years.

20.10 **Share Option Deeds**

The Company has entered into a share option deed with each of Cameron Pearce, Azalea Family Holding Pty Ltd and Winton Willesee, Daniel Rootes and Lionshead Consultants Limited. Each share option deed provides for the grant, subject to Admission of options over 950,000 Shares (“**Initial Options**”). The Initial Options only vest on the date that the Company completes its first Acquisition and the Shares of the Company are re-admitted to trading. From vesting the Initial Options may be exercised for a period of 5 years at 4 pence per Share. Any options not exercised will lapse.

20.11 **Registrar Agreement**

A registrars agreement dated 19 November 2020 was entered into by the Company and the Registrar (“**Registrar Agreement**”), pursuant to which the Registrar agrees to its appointment as the registrar to the Company for the purpose of providing share registration duties including any duties required under the Companies Act and the London Stock Exchange. The term of the agreement is a minimum of 12 months with a minimum 6-month notice period thereafter. The fees are determined by reference to the number of Shareholders and the activities undertaken.

21. **General financial matters**

- 21.1 Since the date of the Company’s incorporation, the auditors of the Company have been Crowe U.K. LLP.
- 21.2 There are no effects on the assets and liabilities of the Company as a result of Admission, save for the increase to its assets to the value of the Net Placing Proceeds.

22. **Other information**

- 22.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Company is aware), during the 12-month period prior to the date of this Document which may have, or have had in the recent past, significant effects on the Company’s financial position or profitability.
- 22.2 Other than as disclosed in this Document, there are no patents, licences or other intellectual property rights, industrial, commercial or financial contracts or new manufacturing processes which are or may be of material importance to the business or profitability of the Company.
- 22.3 Other than as disclosed in this Document, the Company has made no investments since their respective incorporation, has no investments in progress and there are no future investments on which the Directors have already made firm commitments which are or may be significant to the Company.
- 22.4 No exceptional factors have influenced the Company’s activities.
- 22.5 The expenses of the Admission to the Official List and the Placing are estimated at £126,000, including VAT and are payable by the Company, excluding amounts to be satisfied by the issue of new Shares. The estimated Net Placing Proceeds, after deducting fees and expenses in connection with the Admission and the Placing are approximately £434,000.

- 22.6 Crowe U.K. LLP, whose business address is 55 Ludgate Hill, London EC4M 7JW, has given and not withdrawn its written consent to the inclusion, in this Document, of its accountant's report on the Company Financial Information set out in Part V (A) "*Accountant's Report on the Historical Financial Information of the Company*" of this Document in the form and context in which it is included and has authorised the contents of this report for the purposes of item 1.1 of Annex 1 to Commission Delegated Regulation (EU) 2019/980, supplementing Regulation (EU) 2017/1129 and as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019. In addition, Crowe U.K. LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear. Crowe U.K. LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and the Financial Reporting Council.
- 22.7 **The Directors are not aware of:**
- (a) any significant trends in the Company in costs between incorporation and the date of this Document; or
 - (b) except for the industry trends described in this Document, any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.
- 22.8 There have been no public takeover bids by third parties in respect of the Shares during the period from incorporation to the date of this Document.
- 22.9 There are currently no Shares in issue, and no Shares will be in issue on Admission, with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 22.10 The Placing Shares represent 32.37 per cent. of the Enlarged Share Capital and Voting Rights of the Company immediately following Admission. Following Admission, the issued Shares and Voting Rights of the existing Shareholders shall (assuming that they do not participate in the Placing) represent 62.43 per cent. of the Enlarged Share Capital of the Company.
- 22.11 The Placing was offered to investors on a non-pre-emptive basis and therefore the existing Shareholders did not have any entitlement to participate in the Placing.
- 22.12 The net asset value of each of the existing Shares as at the date of the Company's last balance sheet was 0.77 pence.
- 22.13 Copies of the following documents will be available for inspection during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this Document:
- (a) the Articles;
 - (b) the Company's Memorandum of Incorporation;
 - (c) the accountant's report on the Company Financial Information included in Part V (A) "*Accountant's Report on the Historical Financial Information of the Company*" of this Document;
 - (d) the letters of appointment and executive service agreement of the Directors referred to in paragraph 3 of Part II "*The Company, Board of Directors and Governance*" of this Document;
 - (e) the material contracts referred to in paragraph 20 of Part VIII "*Additional Information*" of this Document;
 - (f) the letter of consent referred to in paragraphs 22.6 of this Part VIII "*Additional Information*"; and
 - (g) this Document.
- 22.14 In addition, this Document will be published in electronic form and be available and free to download from the date of publication from the Company's website at www.citiusresources.co.uk.

PART IX

NOTICE TO INVESTORS

The distribution of this Document and the Placing may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

1. General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other European Economic Area State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

2. For the Attention of European Economic Area Investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a **“Relevant Member State”**), an offer to the public of the Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression **“an offer to the public”** in relation to any offer of Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression **“Prospectus Directive”** includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this prospectus may not be used for, or in connection with, and does not constitute, any offer of Shares or an invitation to purchase or subscribe for any Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

3. For the Attention of UK Investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

In the United Kingdom this Document is for distribution to, and is directed only at, legal entities which are qualified investors as defined under the Prospectus Directive and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Order, (all such persons together being “Relevant Persons”). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

4. For the Attention of Australian Investors

This admission document is not a ‘prospectus’, ‘product disclosure statement’ or other ‘disclosure document’ for the purposes of the Australian Corporations Act and is not required to be lodged with ASIC or the ASX. Accordingly, a person may not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Shares, or distribute this admission document where such offer, issue or distribution is received by a person in the Commonwealth of Australia, its territories or possessions, except if:

- (a) the amount payable by the transferee in relation to the Shares is A\$500,000 or more or if the offer or invitation to the transferee is otherwise an offer or invitation that does not require disclosure to investors in accordance with part 6D.2 or part 7.9 of the Corporations Act; or
- (b) the offer or invitation does not constitute an offer to a ‘retail client’ under Chapter 7 of the Corporations Act.

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

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| “Acquisition” | an acquisition to be identified and undertaken by the Company following Admission |
| “Act” or “Companies Act” | the Companies Act 2006 (as amended) |
| “Admission” | the admission of the Enlarged Share Capital to the Official List, by way of a Standard Listing, and to trading on the LSE’s main market for listed securities |
| “Articles” | the articles of incorporation of the Company for the time being |
| “Board” or “Directors” | the directors of the Company for the time being |
| “Brexit Regulations” | The Prospectus (Amendment etc.) (EU Exit) Regulations 2019 |
| “Broker Agreement” | the agreement between the Company and Brandon Hill dated 27 October 2020 pursuant to which Brandon Hill is appointed as financial adviser and broker |
| “Broker” or “Brandon Hill” | Brandon Hill Capital Limited, a private limited company incorporated in England and Wales with number 04258441 |
| “City Code” | the UK City Code on Takeovers and Mergers |
| “Company” or “Citius” | Citius Resources Plc a company incorporated with limited liability in England and Wales under the Companies Act on 15 April 2020, with number 12557958 |
| “Company Financial Information” | the audited financial information of the Company for the period from incorporation on 15 April 2020 to 30 April 2021 included in Part VI(B) <i>“Historical Financial Information of the Company”</i> of this Document |
| “Connected Person(s)” | connected persons (within the meaning of section 252 of the Act) |
| “Consultants Shares” | means the 2,250,001 Shares to be issued as detailed in paragraph 3.9 of Part VIII <i>“Additional Information”</i> of this Document |
| “Costs” | total expenses incurred (or to be incurred) by the Company in connection with the Placing and Admission of the Company totalling approximately £126,000 |
| “CREST” | the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended |
| “Directors” | the directors of Citius as at the date of this Document whose names are set out on page 27 |
| “Disclosure Guidance and Transparency Rules” or “DTR” | the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time |
| “Document” | this prospectus |

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| “Enlarged Issued Share Capital” or “Enlarged Share Capital” | the Existing Share Capital of the Company together with the Placing Shares and the Consultants Shares |
| “equity securities” | shares, or rights to subscribe for or to convert into shares |
| “ESMA” | The European Securities and Markets Authority |
| “EU IFRS” | International Financial Reporting Standards adopted pursuant to Regulation (EC) No 160/2002 as it applies in the European Union |
| “Euro” or “€” | Euro, a unit of currency |
| “Euroclear” | Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales |
| “Existing Share Capital” or “Existing Shares” | the 26,999,999 Shares in issue immediately preceding the completion of the Placing |
| “FCA” | the UK Financial Conduct Authority |
| “FSMA” | the Financial Services and Markets Act 2000, as amended |
| “Gross Placing Proceeds” | £560,000, being the funds received in relation to the Placing |
| “HMRC” | HM Revenue and Customs |
| “Initial Options” | the options in respect of Shares to be granted by the Company with effect from Admission as more particularly described in paragraph 5.3 of Part VIII <i>“Additional Information”</i> of this Document |
| “Investor” | means a person who purchases, considers the purchase or holds Shares in the Company |
| “Listing Rules” | the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time |
| “Lock-In Agreement(s)” | the agreements between the Company and Brandon Hill and each of Cameron Pearce, Daniel Rootes and Winton Willesee on behalf of Azalea Family Holding Pty. Ltd. on Admission as further set out in paragraph 20.2 of Part VIII <i>“Additional Information”</i> of this Document |
| “London Stock Exchange” or “LSE” | London Stock Exchange plc |
| “Main Market” | the main market of the London Stock Exchange for officially listed securities |
| “Market Abuse Regulations” | Regulation (EU) No 596 (2014 of the European Parliament and of the Council on market abuse) as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019 |
| “Net Placing Proceeds” | £434,000, being the funds received in relation to the Placing, less Costs |
| “Official List” | the Official List of the UK Listing Authority |
| “Placee” | a party that agrees to subscribe for new Shares in the Placing |
| “Placing” | the proposed placing of 14,000,000 Shares by Brandon Hill on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement |

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| “Placing Agreement” | the placing agreement between the Company and Brandon Hill dated 16 August 2021 relating to the Placing |
| “Placing Letters” | placing letters from the Company to potential Investors inviting irrevocable conditional applications for subscription for Placing Shares pursuant to the Placing |
| “Placing Price” | £0.04 |
| “Placing Shares” | the 14,000,000 new Shares to be issued pursuant to the Placing |
| “Pre-IPO Subscribers” | the subscriptions prior to Admission for Shares as set out in paragraphs 3.3 – 3.7 of Part VIII “ <i>Additional Information</i> ” of this Document, which includes the initial seed investment made in the Company |
| “Pre-IPO Subscriptions” | the subscriptions made by the Pre-IPO Subscribers as set out in paragraphs 3.3 – 3.7 of Part VIII “ <i>Additional Information</i> ” of this Document |
| “Premium Listing” | a listing on the Premium Listing Segment of the Official List under Chapter 6 of the Listing Rules |
| “Prospectus Rules” | the prospectus rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time |
| “Prospectus Regulation” | the Prospectus Directive Certification (No 2004/809/EC) as amended by the Brexit Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 |
| “Registrar” | Share Registrars Limited |
| “Regulatory Information Service” | a regulatory information service authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies |
| “Reverse Takeover” | a transaction defined as reverse takeover under Listing Rule 5.6.4 |
| “Securities Act” | the U.S. Securities Act of 1933, as amended |
| “Share Option Plan” | the share option plan to be adopted by the Company at Admission as detailed in paragraph 5.1 of Part VIII “ <i>Additional Information</i> ” of this Document |
| “Shares” | shares of 0.5 pence each in the Company |
| “Shareholders” | holders of Shares |
| “Standard Listing” | a Standard Listing under Chapter 14 of the Listing Rules on the Standard Segment of the Main Market of London Stock Exchange |
| “Takeover Panel” | the UK Panel on Takeovers and Mergers |
| “UK Listing Authority” or “UKLA” | the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA |
| “UK IFRS” | UK-adopted international accounting standards |
| “UK Sterling” or “£” | Pound Sterling, the lawful currency of the United Kingdom |

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| “uncertified” or “uncertified form” | in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST |
| “Uncertified Regulations” | the Uncertificated Securities Regulations 2006 (as amended or replaced from time to time) |
| “US Dollars” or “\$” | United States Dollars, the lawful currency of the United States |
| “Voting Rights” | all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting |
| “Warrants” | the 13,500,000 Warrants granted to the Pre-IPO Subscribers, the 7,000,000 Warrants to be issued to Placees and the 1,133,333 Warrants to be issued to Brandon Hill to subscribe for Shares in the Company as more particularly described in paragraphs 20.7 – 20.9 of Part VIII <i>“Additional Information”</i> of this Document |
| “Warrants Holders” | the holders of Warrants to subscribe for Shares in the Company |