

TMK ENERGY LIMITED
ACN 127 735 442

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) Share for every eight (8) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share together with one (1) free TMKO Option for every two (2) Shares applied for and issued to raise up to \$1,897,903 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Prospectus also includes the Secondary Offer of up to 335,000,000 TMKO Options to the Placement Participants.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 2 October 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form, Secondary Offer Application Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

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

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Mongolia, Singapore or Hong Kong.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

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

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

Please refer to Section 0 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://tmkenegy.com.au/>).

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://tmkenegy.com.au/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, Mongolia, Singapore or Hong Kong resident and must only access this Prospectus from within Australia, New Zealand, Mongolia, Singapore or Hong Kong.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6319 1900 during office hours or by emailing the Company at info@tmkenegy.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

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

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a

reliable best estimate forecast or projection.

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

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and

corporate communications to you as a Shareholder.

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 8 6319 1900.

CORPORATE DIRECTORY

Directors

John Warburton
Non-Executive Chair

Brett Lawrence
Executive Director

Tim Wise
Non-Executive Director

Gema Gerelsaikhon
Non-Executive Director

Company Secretary

Dougal Ferguson

Registered Office

1202 Hay Street
WEST PERTH WA 6005
Telephone: + 61 8 6319 1900
Email: info@tmkenenergy.com.au
Website: www.tmkenenergy.com.au

Auditor

BDO Audit Pty Ltd
Level 9, Mia Yellagonga Tower 2,
5 Spring Street
PERTH WA 6000

Share Registry*

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

Telephone: 1300 288 664

Email: hello@automic.com.au

Legal Advisers

Steinepreis Paganin
Level 14, QV1
250 St Georges Terrace
PERTH WA 6000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	Wednesday, 2 October 2024
Lodgement of Prospectus and Appendix 3B with ASX	Wednesday, 2 October 2024
Secondary Offer Opening Date	Thursday, 3 October 2024
Ex date	Tuesday, 8 October 2024
Record Date for determining Entitlements	Wednesday, 9 October 2024
Secondary Offer Closing Date	Friday, 11 October 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Friday, 11 October 2024
Options under Secondary Offer allotted	Monday, 14 October 2024
Last day to extend the Closing Date	Thursday, 17 October 2024
Closing Date as at 5:00pm*	Tuesday, 22 October 2024
Securities quoted on a deferred settlement basis	Wednesday, 23 October 2024
ASX notified of under subscriptions	Tuesday, 29 October 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Tuesday, 29 October 2024
Quotation of Securities issued under the Offer**	Tuesday, 29 October 2024

*The Directors may extend the Closing Date or the Secondary Offer Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date or the Secondary Offer Closing Date. Accordingly, the date the Securities are expected to commence trading on ASX may vary.

** Before noon AEDT.

1.2 Key statistics of the Offers

Shares

	FULL SUBSCRIPTION (\$1,897,903)
Offer Price per Share	\$0.002
Entitlement Ratio (based on existing Shares)	1:8
Shares currently on issue ^{1,2}	7,591,611,972
Shares to be issued under the Offer	948,951,497
Gross proceeds of the issue of Shares	\$1,897,903
Shares on issue Post-Offer	8,540,563,469

Notes:

1. Refer to Section 4.1 for the terms of the Shares.
2. Includes 670,000,000 Shares to be issued pursuant to the Placement.

Options

	FULL SUBSCRIPTION (\$1,897,903)
Offer Price per TMKO Option	nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2

Options currently on issue	1,818,649,089
TMKO Options ¹ to be issued under the Offer	474,475,748
TMKO Options to be issued under the Secondary Offer ²	335,000,000
Gross proceeds of the issue of Options	Nil
Options on issue post Offer	2,628,124,837

Notes:

1. The TMKO Options are on the same terms as the TMKO listed Options currently on issue. Refer to Section 4.2 for the terms of the TMKO Options.
2. Under the Placement, the Company has issued 670,000,000 Shares. Refer to Section 1.3 and the ASX announcement dated 1 October 2024 for further details. The TMKO Options to be issued under the Secondary Offer are free attaching to the Shares issued under the Placement on a 1 to 2 basis.

1.3 Placement

On 1 October 2024, the Company announced that it had received firm commitments from sophisticated and professional investors, who are clients of PAC Partners Securities Pty Ltd (ACN 623 653 912) (**PAC Partners**) (**Placement Participants**) to subscribe for up to 670,000,000 Shares at an issue price of \$0.002 per Share, together with one free-attaching TMKO Option for every two Shares subscribed for and issued (on the same terms as the TMKO Options issued under this Prospectus) to raise \$1,340,000 (**Placement**).

The Placement Participants will be entitled to participate in the Offer as the Shares issued under the Placement will be issued prior to the Record Date. The 335,000,000 TMKO Options to be issued pursuant to the Placement will be offered under this Prospectus.

1.4 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

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

RISK	DESCRIPTION
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 11% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of TMKO Options under this Prospectus. However subsequent exercise of any or all of the TMKO Options will result in dilution. Assuming all TMKO Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 19% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p>
Control risk	<p>As at the date of this Prospectus, Tsetsen Zantav is currently the largest Shareholder of the Company and has a relevant interest in approximately 23.67% of the Shares in the Company. Following the issue of the Shares pursuant to the Placement and assuming Tsetsen Zantav takes up its full Entitlement and no other Shareholders accept their entitlements, Tsetsen Zantav's voting power in the Company will be 23.64%.</p> <p>Tsetsen Zantav's significant interest in the capital of the Company</p>

	means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.
Additional requirements for capital	Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. The Directors currently consider that the Company will be sufficiently funded to meet its short to medium term objectives through its most recent capital raising activities. However additional funding will be required to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.
Country Risk	The Company has a significant exposure to Mongolia including exposure to various levels of political, economic, and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of the Gurvantes XXXV Production Sharing Contract (PSC), licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

1.5 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	TMKO Option Entitlement	\$	Percentage (%) Full Subscription, Fully Diluted
Brett Lawrence	16,625,000	8,750,000	2,078,125	1,039,063	\$4,156.25	0.25%
Tim Wise	25,250,000	7,000,000	3,156,250	1,578,125	\$6,312.50	0.33%
Gema Gerelsaikhan	31,000,000	5,000,000	3,875,000	1,937,500	\$7,750.00	0.37%
John Warburton	18,500,000	19,500,000	2,312,500	1,156,250	\$4,625.00	0.37%

The Board recommends all Shareholders take up their Entitlements. The Board advises that Messrs Lawrence, Wise and Warburton intend to take up their full Entitlements and Ms Gerelsaikhan reserves the right to take up all or a part of her Entitlement.

1.6 Details of Substantial Holders

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

SHAREHOLDER	SHARES	%
Tsetsen Zantav	1,638,000,000	23.67

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer (other than as a result of the issue of the Placement Shares).

1.7 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

Further there will be no change to any Shareholder's voting power as a result of the issue of the TMKO Options. Where TMKO Options are exercised into Shares, the voting power of the Shareholders who exercise the TMKO Options will increase. The likelihood of TMKO Options being exercised is dependent on the price of Shares from time to time until the TMKO Options expire.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of TMKO Options under this Prospectus. However subsequent exercise of any or all of the TMKO Options will result in dilution. Assuming all TMKO Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 18.81% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	0.13%	1,250,000	10,000,000	0.12%
Shareholder 2	5,000,000	0.07%	625,000	5,000,000	0.06%
Shareholder 3	1,500,000	0.02%	187,500	1,500,000	0.02%
Shareholder 4	400,000	0.005%	50,000	400,000	0.005%
Shareholder 5	50,000	0.001%	6,250	50,000	0.001%
Total	7,591,611,972		948,951,497		8,540,563,469

Notes:

1. This is based on a share capital of 7,591,611,972 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including TMKO Options or Performance Rights are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFERS

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every eight (8) Shares held by Shareholders registered at the Record Date at an issue price of \$0.002 per Share together with one (1) TMKO Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 948,951,497 Shares and 474,475,748 TMKO Options may be issued under the Offer to raise up to \$1,897,903. No funds will be raised from the issue of the TMKO Options.

As at the date of this Prospectus the Company has 1,818,649,089 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer, however given the exercise price of the existing Options and the Company's current Share price, the likelihood of those Options being exercised prior to the Record Date is low.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The TMKO Options will be exercisable at \$0.008 on or before 30 April 2027 and otherwise on the terms set out in Section 4.2.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 The Secondary Offer

This Prospectus includes a secondary offer of 335,000,000 TMKO Options to the Placement Participants (the **Secondary Offer**).

Only the Placement Participants can accept the Secondary Offer. A personalised application form in relation to the Secondary Offer will be issued to the relevant participants along with a copy of this Prospectus. The Secondary Offer will only be extended to specific parties on invitation from the Directors. Application Forms for the Secondary Offer will only be provided by the Company to these parties.

The TMKO Options will be exercisable at \$0.008 on or before 30 April 2027 on the terms set out in Section 4.2.

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at <https://investor.automic.com.au/#/home>. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.4 and Section 2.5.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 2.4, 2.5 and 2.7.
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au/#/home for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

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

2.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the

holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (iv) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies;
- (v) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess; and
- (vi) multiple acceptances must be paid separately. Please use your unique reference on your personalised Application Form, failure to do so may result in your funds not being allocated to your application and Shares subsequently not issued.

(c) By Cheque

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.4.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

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

2.8 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all Application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.9 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Mongolia, Singapore or Hong Kong.

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down

according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Mongolia

This Prospectus has not been registered with the Financial Regulatory Commission of Mongolia and does not constitute a public offer of securities within the territory of Mongolia. This Prospectus is being distributed, and the Securities will be offered and sold, to less than 50 persons in Mongolia. Any offer of Securities is personal to each person to whom it is made.

This Prospectus may not be distributed or redistributed, published or advertised, directly or indirectly to the public or any member of the public in Mongolia. No recipient of this document may issue, distribute, circulate or disseminate this Prospectus or make or give copies of it to any other person in Mongolia.

Singapore

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this Prospectus may not be distributed, and the Securities may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

No advertisement, invitation or document relating to the Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Securities may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$1,897,903 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

ITEM	PROCEEDS OF THE OFFER	FULL SUBSCRIPTION (\$)	%
1.	Completion of capital works associated with current drilling program	300,000	15.8
2.	Commercialisation and sourcing partnership initiatives	250,000	13.2
3.	Pilot Well Project operating costs (6 months)	450,000	23.7
4.	Mongolian Office administration costs (6 months)	240,000	12.7
5.	Australian corporate costs (6 months)	350,000	18.4
6.	Working capital	256,203	13.5
7.	Expenses of the Offer ¹	51,700	2.7
Total		\$1,897,903	100%

Note:

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriate scale back funds available for commercialisation and sourcing partnerships (Item 2) and working capital (Item 3).

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The purpose of the Secondary Offer is to offer the Placement Participants one (1) free TMKO Option for every two (2) Shares applied for and issued in the Placement.

3.2 Effect of the Offers

The principal effect of the Offers, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,846,203 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 7,591,611,972 as at the date of this Prospectus to 8,540,563,469 Shares; and
- (c) increase the number of Options on issue from 1,818,649,089 as at the date of this Prospectus to 2,628,124,837 Options.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	NUMBER
Shares currently on issue	6,921,611,972
Shares issued pursuant to the Placement ¹	670,000,000
Shares offered pursuant to the Offer	948,951,497
Total Shares on issue after completion of the Offer	8,540,563,469

Note:

- As announced on 1 October 2024, the Company received firm commitments to issue 670,000,000 Shares and 335,000,000 Options to sophisticated and professional investors under the Placement. The Company will issue the Shares pursuant to the Placement on 8 October 2024, meaning participants in the Placement will be entitled to participate in the Offer.

Options

	NUMBER
Options currently on issue	
Quoted Options exercisable at \$0.025 on or before 30 April 2027	852,346,222
Quoted Options exercisable at \$0.025 on or before 30 April 2026	808,052,867
Unlisted Options exercisable at \$0.008 on or before 30 April 2027	5,250,000
Unlisted Options exercisable at \$0.025 on or before 30 April 2026	78,000,000
Unlisted Options exercisable at \$0.008 on or before 11 February 2025	75,000,000
Total Options on issue as at the date of this Prospectus	1,818,649,089
TMKO Options to be issued pursuant to the Secondary Offer	335,000,000
TMKO Options to be issued pursuant to the Offer	474,475,748
Total Options on issue after completion of the Offer	2,628,124,837

Performance Rights

	NUMBER
Performance Rights currently on issue	78,400,000
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	78,400,000

The capital structure on a fully diluted basis as at the date of this Prospectus would be 9,488,661,061 Shares and on completion of the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 11,247,088,306 Shares.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The audit reviewed balance sheet for the half year to 30 June 2024 and the unaudited pro-forma balance sheet as at 30 September 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

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

	AUDITED 30 June 2024	PROFORMA MAXIMUM RAISE
	\$	\$
CURRENT ASSETS		
Cash	1,714,844	3,572,347
Other current assets	134,996	134,996
TOTAL CURRENT ASSETS	1,849,840	3,707,343
NON-CURRENT ASSETS		
Other Assets	675,601	675,601
Plant and equipment	724,586	724,586
Capitalised Oil & Gas Expenditure	17,016,761	18,016,761
TOTAL NON-CURRENT ASSETS	18,416,948	19,416,948
TOTAL ASSETS	20,266,788	23,124,291
CURRENT LIABILITIES		
Trade & other payables	390,130	390,130
Provisions	33,849	33,849
TOTAL CURRENT LIABILITIES	423,979	423,979
TOTAL LIABILITIES	423,979	423,979
NET ASSETS (LIABILITIES)	19,842,809	22,700,312
EQUITY		
Issued Share capital	30,241,189	33,398,692
Reserves	4,329,010	4,329,010
Accumulated losses	(14,727,390)	(15,027,390)
TOTAL EQUITY	19,842,809	22,700,312

Notes:

1. Assumes Placement completes and the Entitlement Issue is fully subscribed increasing cash resources by \$3,157,503 and Issued Share Capital by the same amount.
2. Assumes \$1,300,000 working capital adjustment between 30 June 2024 and 30 September 2024 of which \$1,000,000 is an increase to Capitalised Oil and Gas Expenditure and \$300,000 is added to Accumulated losses, being the operating expenses for the three months to 30 September 2024.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of TMKO Options

(a) **Entitlement**

Each TMKO Option entitles the holder to subscribe for one (1) Share upon exercise of the TMKO Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each TMKO Option will be \$0.008 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (AWST) on 30 April 2027 (**Expiry Date**). A TMKO Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The TMKO Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The TMKO Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the TMKO Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each TMKO Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each TMKO Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of TMKO Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the TMKO Options.

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

(h) **Shares issued on exercise**

Shares issued on exercise of the TMKO Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the TMKO Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the TMKO Options without exercising the TMKO Options.

(k) **Change in exercise price**

An TMKO Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the TMKO Option can be exercised.

(l) **Transferability**

The TMKO Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

RISK CATEGORY	RISK
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 11% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of TMKO Options under this Prospectus. However subsequent exercise of any or all of the TMKO Options will result in dilution. Assuming all TMKO Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 19% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> <p>The last trading price of TMKO Options on ASX prior to the Prospectus being lodged of \$0.001 is not a reliable indicator as to the potential trading price of TMKO Options after implementation of the Offer.</p>
Control risk	<p>Tsetsen Zantav is currently the largest Shareholder of the Company and has a relevant interest in approximately 23.67% of the Shares in the Company. Assuming Tsetsen Zantav takes</p>

RISK CATEGORY	RISK
	<p>up its full Entitlement and no other Shareholders accept their entitlements, Tsetsen Zantav's voting power in the Company will be 23.64%.</p> <p>Tsetsen Zantav's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>
Additional requirements for capital	<p>Exploration, drilling and other project expenditure estimates are based on certain assumptions with respect to the method and timing of these activities. By their nature, these estimates and assumptions are subject to significant uncertainties and accordingly, the actual costs may materially differ from these estimates. The Directors currently consider that the Company will be sufficiently funded to meet its short to medium term objectives through its most recent capital raising activities. However additional funding will be required to effectively implement its business and operational plans in the future or to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.</p> <p>There can be no assurance that additional finance will be available when needed. Any additional equity financing may be dilutive to the Company's existing Shareholders and any additional debt financing, if available, may be on terms that are not favourable to the Company or involve restrictive covenants, which limit the Company's operations and business strategy. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and/or indefinite postponement of the Company's activities and potential development programs.</p>
Country Risk	<p>The Company has a significant exposure to Mongolia including exposure to various levels of political, economic, and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to, currency exchange rates, high rates of inflation, labour unrest, social unrest, civil disobedience, renegotiation or nullification of the Gurvantes XXXV Production Sharing Contract (PSC), licences, permits and contracts, changes in taxation policies, changing political conditions, war and civil conflict, lack of law enforcement, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.</p> <p>Changes to oil and gas exploration policies or shifts in political attitude in Mongolia may adversely affect the Company's operations and may have a material adverse effect on the Company's overall financial performance. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people and water use. Failure to comply strictly with applicable laws, regulations and local practices relating to exploration or production activities, could result in loss, reduction, or expropriation of interests.</p> <p>The legal system in Mongolia may be less developed than more established countries, which may result in risk such as:</p>

RISK CATEGORY	RISK
	<p>(a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;</p> <p>(b) a higher degree of discretion on the part of governmental agencies;</p> <p>(c) the lack of political or administrative guidance on implementing applicable rules and regulations;</p> <p>(d) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and</p> <p>(e) relative inexperience of the judiciary and court in such matters.</p> <p>There can be no assurance that joint ventures, licences (or licence applications), permits (or permit applications) or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness of the enforcement of such arrangements cannot be assured.</p>
Permit Grant and Maintenance Risk	<p>The Company's exploration activities are dependent upon the grant, or, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents. The grant or maintenance of licences and obtaining renewals often depends on the Company being successful in obtaining the required regulatory approvals for its proposed activities. There can be no assurances that the Company will be successful in obtaining renewals of existing acreage in the future.</p> <p>The lease, licences or permits might also contain conditions relating to operations including, but not limited to, environmental management issues, occupational health and safety, operating procedures and plant and equipment design specifications. Such conditions or regulations might be subject to change from time to time and might impact the cost base and hence profitability of a particular project.</p> <p>The Gurvantes XXXV PSC requires the Company, via its wholly owned subsidiary Telmen Resource LLC, to meet certain annual expenditure commitments to retain the Gurvantes XXXV PSC during the exploration phase. The Company, through Telmen Resource LLC, may be prevented from achieving these annual expenditure commitments for unforeseen reasons outside the control of the Company or due to lack of funding. If this were to occur, the Gurvantes XXXV PSC may incur fines, be cancelled or terminated prior to the Gurvantes XXXV PSC expiry date, which may have a material adverse effect on the Company's overall financial performance.</p>
CBM Dewatering Process and Gas Flows	<p>The Company's first pilot well project at Nariin Sukhait, a small area within the Gurvantes XXXV PSC, has been producing water and small quantities of coal seam gas since July 2023 and since inception, water rates have been gradually reducing in line with expectations.</p> <p>However, coal seam gas resources usually require extensive dewatering before they enter the gas production phase. There can be no guarantee at the Company's pilot well project that the dewatering of the formations that allow gas to flow will occur in a timely fashion or sufficient to enter the gas production phase or that commercial gas production will be achieved. Additionally, the process of dewatering may</p>

RISK CATEGORY	RISK
	<p>produce large volumes of water and there are costs associated with water disposal which may have an adverse effect on the commerciality of the coal seam gas resource.</p> <p>The Gervantes XXXV PSC is one of the earlier coal seam gas exploration licenses to be awarded in Mongolia under its Petroleum Law of 2014 and the regulations with respect to water disposal are not yet fully developed. Should Mongolia not adopt current industry best practice regulations with respect to water disposal, there may be an adverse impact on the value of the Company's assets and future financial performance if the Company proceeds with drilling and if successful, a subsequent dewatering process.</p>
Infrastructure Access	<p>The Company's future performance is likely to be impacted by its ability to access infrastructure, including various equipment and facilities required for the production, processing and commercialisation of the Company's assets and product transportation routes, including access to pipelines and associated infrastructure, including power distribution infrastructure. The ability of the Company to access infrastructure economically or at all is largely outside of the control of the Company and therefore may have an adverse impact on the Company's future performance. Further, there can be no guarantees that the Company will have continued access to the infrastructure needed for the Company's activities or that such infrastructure will not be subject to unexpected issues which could adversely effect the operations and financial performance of the Company.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
Substitution of Oil and Gas Products as Energy Sources	<p>There are several alternative energy sources to oil and gas products. These include renewable energy (i.e., wind, solar or hydroelectric), nuclear energy, geothermal and biomass. If the costs and commercial prices of such alternative energy sources</p>

RISK CATEGORY	RISK
	fall or there is a significant shift in consumer sentiment towards such sources, this may have a significant effect upon the Company's overall financial performance and ability to operate in the oil and gas industry.
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.</p> <p>As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company, other than the item described below.</p> <p>As previously disclosed in the Company's Prospectus dated 14 May 2024, the Company, through its wholly owned Mongolian domiciled subsidiary, Telmen Resource LLC (Telmen), along with other Mongolian coal seam gas PSC owners, had been subject to an audit by the Mongolian National Audit Office, which subsequently claimed that the various owners of the PSC's had not met their expenditure commitments for the 2021 calendar year.</p> <p>Telmen has refuted this claim and lodged a formal complaint with the administrative court of Mongolia. On 1 May 2024, Telmen was informed that its formal complaint has been accepted by the court and that the court has opened a case to be heard with respect to the claim being made by the Mongolian National Audit Office. The total claim is for US\$347,535 which was made in January 2024 but no timeframe for payment has been given at this time. As at the date of this Prospectus, no formal date for a court hearing has been convened, however it is expected that a court hearing date will be convened some time prior to 31 December 2024.</p> <p>Other than as described above, the Company is not involved in any other legal proceedings.</p>

5.3 Industry specific

RISK CATEGORY	RISK
Commodity Price Volatility	<p>It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas. The demand for, and price of, oil and natural gas is dependent on a variety of factors beyond the control of the Company, including supply levels of the product, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.</p> <p>The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of</p>

RISK CATEGORY	RISK
	<p>hydrocarbon products are discovered, a profitable market may exist for their sale.</p> <p>The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.</p>
Exploration and Development	<p>Oil and gas exploration involves significant risks including the risk that drilling will result in dry holes or not result in commercially feasible oil or natural gas or coal seam gas production. Selecting a drilling location is influenced by the interpretation of geological, geophysical and seismic data, which is a subjective science and has varying degrees of success. Other factors, including land access rights and regulatory rules, may impact the Company's decisions with respect to well locations. New wells drilled may not be productive or may not recover all or any portion of the Company's investment in such wells. Decisions to purchase, explore, develop or otherwise exploit prospects or properties will depend, in part, on the evaluation of production data, engineering studies, and geological and geophysical analyses, the results of which are typically inconclusive or subject to varying interpretations. The costs of drilling, completing, equipping and operating wells are typically uncertain before drilling commences.</p> <p>The area covered by the Gervantes XXXV PSC is at an early stage of exploration and appraisal. There is no certainty that exploration or appraisal activities within the Gervantes XXXV PSC area will result in the discovery or development of an economic coal seam gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited, particularly given the lack of infrastructure in the region. The value of the Company's Shares will likely be affected by the results obtained by other companies conducting exploration activities in close proximity to its projects. If the results obtained by other companies are positive then this may increase the value of the Company's Shares. Conversely, if the results obtained by other companies are negative then this may decrease the value of the Company's Shares.</p>
Drilling	<p>Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the availability or delivery of rigs and/or other equipment and compliance with governmental requirements. Hazards incident to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures or other factors are inherent in drilling and operating wells and may be encountered by the Company. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial</p>

RISK CATEGORY	RISK
	development or cover operating costs.
Commercialisation of Discoveries	<p>It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.</p>
Environmental	<p>The Company's operations will be subject to environmental laws and regulations, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. The government and other authorities that administer and enforce environmental laws and regulations determine these requirements. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable petroleum reserves.</p> <p>If the Company fails to comply with environmental laws and regulations regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. The Company may also become liable for environmental damage caused by any previous owners of licence areas the Company will have an interest in. Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment, including production activities.</p> <p>There is no assurance that such approvals will be obtained. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. The Company is unable to predict the effect of any new environmental laws, regulations or stricter enforcement policies, once implemented, including whether any such laws or regulations would increase the Company's cost of doing business or affect its operations in any area.</p>
Hydrocarbon Resource Estimate	<p>Hydrocarbon resource estimates are expressions of judgment based on knowledge, experience, interpretation and industry practice. Estimates that were valid when made may change significantly when new information becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then resource estimates may have to be adjusted and production plans may</p>

RISK CATEGORY	RISK
	have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.
Regulation	Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws. Permits are required in some of the areas in which the Company operates for drilling operations, drilling bonds and the filing of reports concerning operations and other requirements are imposed relating to the exploration and production of oil and gas. The Company will be required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which will impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

5.4 General risks

RISK CATEGORY	RISK
Market Conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Competition Risk	The Company operates in a competitive and dynamic market. The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities and respond to the introduction of new technologies or technological advancements relating to drilling or other relevant operations (common in the oil and gas industry). Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company

RISK CATEGORY	RISK
	<p>will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.</p> <p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Exchange Rate Fluctuations Risk	<p>The Company's oil and gas projects are currently, located in Mongolia, Australia, and the USA. As a result, the majority of cash flows, expenses, capital expenditure and commitments will be denominated in United States dollars and the local Mongolian currency (Tugriks). To the extent the Company may become involved in petroleum production, the revenue derived through the sale of commodities will expose the potential income of the Company to commodity price and exchange rate risks through the translation or repatriation of foreign currencies to Australian Dollars.</p>
Insurance	<p>Exploration, development and production operations on oil and gas properties involve a number of risks and hazards which are beyond the control of the Company including unexpected or unusual geological conditions, environmental hazards, technical and equipment failures, extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of key personnel, labour, consumables or parts and equipment, fire, explosions and other incidents. It is not always possible to insure against all such risks or the Company may decide not to insure against certain risks because of high premiums or other reasons. Although the Company will have insurance in place at levels considered appropriate for its operations and in accordance with industry practice, in certain circumstances the Company's insurance may not cover, or be adequate to cover, the consequence of such events which could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's Shares.</p>
Taxation	<p>The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Options from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of</p>

RISK CATEGORY	RISK
	<p>subscribing for Options offered under this Prospectus.</p>
<p>Reliance on key personnel</p>	<p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business. Further, the Company relies on contractors. Any delay in contractors completing work or encountering operational difficulties may lead to a loss of revenue and increased costs. The loss of one or more contracts with key contractors may lead to an increase in the Company's operational costs. The Company is unable to predict the risk of financial, managerial, operational or other failures by any of its contractors, any of which could have a material adverse effect on the operations and financial performance of the Company.</p> <p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
<p>Economic conditions and other global or national issues</p>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>

5.5 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company and its subsidiaries are not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or any of its subsidiaries, other than the item described below.

As previously disclosed in the Company's Prospectus dated 14 May 2024, the Company, through its wholly owned Mongolian domiciled subsidiary, Telmen Resource LLC (**Telmen**), along with other Mongolian coal bed methane PSC owners, had been subject to an audit by the Mongolian National Audit Office, which subsequently claimed that the various owners of the PSC's had not met their expenditure commitments for the 2021 calendar year.

Telmen has refuted this claim and lodged a formal complaint with the administrative court of Mongolia. On 1 May 2024, Telmen was informed that its formal complaint has been accepted by the court and that the court has opened a case to be heard with respect to the claim being made by the Mongolian National Audit Office. The total claim is for US\$347,535 which was made in January 2024 but no timeframe for payment has been given at this time. As at the date of this Prospectus, no formal date for a court hearing has been convened, however it is expected that a court hearing date will be convened some time prior to 31 December 2024.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

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

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

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

DATE	DESCRIPTION OF ANNOUNCEMENT
1 October 2024	Update - Proposed issue of securities – TMK

DATE	DESCRIPTION OF ANNOUNCEMENT
1 October 2024	Proposed issue of securities – TMK
1 October 2024	Oversubscribed Placement and Entitlement Issue
27 September 2024	Trading Halt
25 September 2024	Drilling Rig Contract Signed
18 September 2024	Essential Energy Investor Presentation
13 September 2024	Half Yearly Report and Accounts
30 August 2024	Notification of cessation of securities - TMK
22 August 2024	Change of Director's Interest Notice - Brett Lawrence
14 August 2024	Change of Director's Interest Notice - John Warburton
12 August 2024	DTS Technology to be Deployed in Mongolia
31 July 2024	Quarterly Activities/Appendix 5B Cash Flow Report
25 July 2024	Investor Presentation - July 2024
24 July 2024	Notification regarding unquoted securities - TMK
24 July 2024	Application for quotation of securities - TMK
23 July 2024	Preferred Drilling Contractor Selected
4 July 2024	Operations and Drilling Update
3 July 2024	Cleansing Notice
2 July 2024	Change of Director's Interest Notice - Brett Lawrence
2 July 2024	Application for quotation of securities - TMK
2 July 2024	TMK Positioning for Growth
25 June 2024	Release of Shares from Escrow
25 June 2024	MILESTONE ENVIRONMENTAL APPROVAL GRANTED
11 June 2024	Change of Director's Interest Notice x 3
7 June 2024	Application for quotation of securities - TMK
30 May 2024	Results of Meeting
22 May 2024	Listed Options Top 20 Report and Distribution Schedule
22 May 2024	Application for quotation of securities - TMK
17 May 2024	Proposed issue of securities - TMK
17 May 2024	Update - Proposed issue of securities - TMK
14 May 2024	Disclosure Document
10 May 2024	Change of Director's Interest Notice (JW, BL & TW)
10 May 2024	Application for quotation of securities - TMK
9 May 2024	Completion of Share Purchase Plan
1 May 2024	Details of Auditor Appointment/Resignation
1 May 2024	Investor Webinar - Thursday 2 May 2024
30 April 2024	Update on Issue of Shares - Inadvertent Breach of LR 10.11.2
30 April 2024	Notice of Annual General Meeting/Proxy Form
30 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report
18 April 2024	Extension of SPP Closing Date
15 April 2024	Notification of Annual General Meeting
12 April 2024	Change in substantial holding
10 April 2024	Correction to SPP Letter to Shareholders

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

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

6.3 Market price of Shares and TMKO Options

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

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

	(\$)	DATE
Highest	\$0.004	Multiple dates between July and September 2024
Lowest	\$0.002	18 and 19 September 2024
Last	\$0.003	2 October 2024

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

	(\$)	DATE
Highest	\$0.002	12 July 2024
Lowest	\$0.001	Multiple dates between July and October 2024
Last	\$0.001	2 October 2024

6.4 Interests of Directors

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

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

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

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offers.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 31 December 2023 Annual Report.

DIRECTOR	FY ENDING 31 DECEMBER 2023	FY ENDING 31 DECEMBER 2024
Brett Lawrence	71,473 ¹	133,623 ³
Tim Wise	71,473 ¹	67,623 ⁴
Gema Gerelsaikhan	71,473 ¹	67,623 ⁴
John Warburton	92,945 ²	87,247 ⁵

Notes:

1. Comprising \$44,000 in cash fees and \$27,473 in share-based payments.
2. Comprising \$34,389 in cash fees, \$3,611 in superannuation and \$54,945 in share-based payments.
3. Comprising \$24,000 in cash fees, \$90,000 in consulting fees and \$19,623 in share-based payments.
4. Comprising \$48,000 in cash fees and \$19,623 in Share-based payments.
5. Comprising \$43,243 in cash fees, \$4,757 in superannuation and \$39,247 in Share-based payments.

6.5 Interests of experts and advisers

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

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

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

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

(f) the Offers,

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

(g) the formation or promotion of the Company; or

(h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services.

6.6 Consents

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

Each of the parties referred to in this Section:

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

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

BDO Audit Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the half year to 30 June 2024 audited balance sheet of the Company in Section 3.4. BDO Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be \$51,700 (excluding GST) and related to the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	28,494
Legal fees	15,000
Printing and distribution	5,000
Total	51,700

7. DIRECTORS' AUTHORISATION

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

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

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form, Secondary Offer Application Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1.1 (unless extended).

Company means TMK Energy Limited (ACN 127 735 442).

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

Eligible Shareholder means a Shareholder as at the Record Date whose registered address is situated in Australia, New Zealand, Hong Kong, Mongolia or Singapore.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

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

Exercise Price means the exercise price of the TMKO Options, being \$0.008.

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

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.1.

Secondary Offer has the meaning given in Section 2.2.

Secondary Offer Closing Date means the date specified in the timetable set out at Section 1.1 (unless extended).

Secondary Offer Opening Date means the date specified in the timetable set out at Section 1.1 (unless extended).

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

TMKO Option means a quoted Option in the Company's existing quoted Option class, ASX:TMKO, exercisable at the Exercise Price on or before 30 April 2027, on the terms set out in Section 4.2.

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