

# **METALIKO RESOURCES LIMITED**

## **ACN 120 974 567**

### **PROSPECTUS**

**For the offer of a renounceable rights issue of approximately 185,028,884 New Shares, on the basis of 2 New Shares for every 1 Share held at an issue price of 3 cents per New Share, to raise up to approximately \$5,550,867 and for the offer of Shortfall Shares**

**This Offer is partly underwritten by Tyson Resources Pty Ltd**

**BW Equities Pty Ltd is engaged as Lead Manager  
to place the Shortfall Shares**

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act 2001. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

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

## **IMPORTANT NOTICE**

This Prospectus is dated 19 June 2014 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose Shares are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

### **Restrictions on distribution**

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at [www.metaliko.com.au](http://www.metaliko.com.au). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

### **Rights trading**

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Rights in accordance with the instructions in Section 5 of this Prospectus.

Individual applicants are responsible for determining their allocations of Rights and Shares before trading in them. Eligible Shareholders who trade in Rights or Shares before receiving confirmation of their allocation do so at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits. An Entitlement and Acceptance Form is enclosed with this Prospectus.

## **CORPORATE DIRECTORY**

### **DIRECTORS**

Mr Peter Hunt (Non-Executive Chairman)  
Dr Michael Ruane (Executive Director)  
Mr Robin Dean (Non-Executive Director)

### **UNDERWRITER**

Tyson Resources Pty Ltd  
29 Cunningham Street  
Ardross WA 6153

### **COMPANY SECRETARY**

Miss Bianca Taveira

### **LEAD MANAGER**

BW Equities Pty Ltd (AFSL 389353)  
Level 25, 360 Collins Street  
Melbourne VIC 3000

### **BUSINESS OFFICE**

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Nedlands WA 6009

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Tel: +61 8 9386 9534  
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### **SOLICITORS**

Fairweather Corporate Lawyers  
595 Stirling Highway  
Cottesloe WA 6011

### **SHARE REGISTRY \***

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Tel: +61 8 9315 2333  
Fax: +61 8 9315 2233

\* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

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## 1. INVESTMENT OVERVIEW

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Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares to Eligible Shareholders by a pro-rata renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 2 New Shares for every 1 Share held on the Record Date.</p>	Section 2.1
What is the Issue Price?	The Issue Price is 3 cents per New Share.	Section 2.1
Who is an Eligible Shareholder?	The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand on the Record Date.	Section 5.1(a)
How many New Shares will be issued?	<p>The number of New Shares that will be issued under the Offer at Full Subscription is 185,028,884 and at Minimum Subscription is 145,666,667.</p> <p>In the event that Option holders who reside in Australia or New Zealand exercise their Options before the Record Date, they will be entitled to participate in the Offer. This will increase the maximum number of New Shares that may be issued under the Offer.</p>	Section 2.1
What is the amount that will be raised under the Offer?	At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is \$5,550,867 before expenses at Full Subscription and \$4,370,000 before expenses at Minimum Subscription. If existing Option holders exercise their Options before the Record Date so as to participate in the Offer, the amount raised under the Offer may increase.	Section 2.1
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise funds:</p> <ul style="list-style-type: none"><li>• to repay loans to Dr Ruane (an executive Director of the Company) and Tyson Resources (an entity controlled by Dr Ruane) that have or will have been made to provide funding to the Company so that it may complete the acquisition of the Bronzewing Gold Project;</li><li>• for resource assessment and exploration at the Bronzewing Gold Project;</li><li>• for exploration upon existing projects;</li><li>• to pay the costs of the rights issue process;</li><li>• to provide general working capital.</li></ul>	Section 2.2

Question	Response	Where to find more information
	<p>Dr Ruane to date has made a no interest unsecured loan of \$400,000 to assist funding the Company. Dr Ruane and Tyson Resources will together make a further no interest unsecured loan of \$3,000,000 to the Company to enable it to complete the Bronzewing Transaction and acquire the Bronzewing Gold Project by the required contractual date of 30 June 2014 or any agreed extension.</p> <p>A budget of how we intend to use the funds raised at both Minimum Subscription and Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.</p>	
What is the effect of the Offer on share capital and cash reserves?	<p>The effect of the Offer on share capital and cash reserves (before the utilisation of funds) is to:</p> <ul style="list-style-type: none"> <li>• Increase the number of Shares on issue.</li> <li>• Increase our cash reserves at Full Subscription by approximately \$5,550,867 before the costs of the Offer.</li> </ul>	Section 2.3
What are the underwriting and Lead Manager arrangements?	<p>Dr Ruane and his associates have the largest shareholding in the Company. Dr Ruane has given commitments to us that he and his associates will subscribe for all the New Shares the subject of their Entitlement. The Underwriter (Tyson Resources) is an entity controlled by Dr Ruane and has agreed to underwrite the Rights Issue for the Underwritten Amount. The committed Entitlement take-up of Dr Ruane and his associates together with the Underwritten Amount is to seek to ensure the Minimum Subscription of \$4,370,000 is achieved. This will enable the Company to utilise funds as set out in Section 2.2.</p> <p>The Underwriter has appointed ActivEX, an unrelated party of the Company, as a sub-underwriter for 83,750,000 Shares. The Underwriter may appoint other sub-underwriters. Information on ActivEX is set out in Section 3.</p> <p>We have engaged the Lead Manager to seek to place the Shortfall Shares on a best endeavours basis to unrelated parties of the Company.</p>	Section 3

Question	Response	Where to find more information
How will Shortfall be allocated?	<p>Any Entitlement not accepted will form the Shortfall. In order to minimise the take-up by the Underwriter and thereby minimise any control issues for it, the Company will allocate Shortfall Shares with a first priority to Eligible Shareholders that have subscribed for their full Entitlement, a second priority to unrelated parties applying for Shortfall Shares by the Issue Date (including parties introduced by the Lead Manager and any sub-underwriters including ActivEX) and as a third priority to the Underwriter up to the Underwritten Amount. Further detail on the priorities for the allocation of Shortfall Shares is set out in Section 3.4.</p> <p>Eligible Shareholders wishing to apply for Shortfall Shares should do so in accordance with Section 5.5.</p>	Sections 3.4 and 5.5
What is the effect on control of the Offer?	<p>The effect on control of the Offer is reliant upon the take-up of Entitlement by Eligible Shareholders and the placing of any Shortfall. At the date of this Prospectus, Dr Ruane and his associates have a relevant interest in 23.61% of the Shares currently on issue. Please refer to the table in Section 3.5 detailing various scenarios and the resultant relevant interest for Dr Ruane and his associates.</p>	Section 3.5
What are the risks of a further investment in the Company?	<p>The Offer should be considered highly speculative. Before deciding to subscribe under the Rights Issue, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> <li>• Operating and development risks – in the event of the recommencement of mining upon the Bronzewing Gold Project, the Company's ability to achieve scheduled production, development, operating costs and capital expenditure cannot be assured. The business of gold mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), labour force disruptions, cost overruns, changes in regulatory environment and unforeseen contingencies.</li> <li>• Estimates of ore reserves and mineral resources – estimating ore reserves and mineral resources is a subjective process where the accuracy of estimates is a function of the quantity and quality of available data, the assumptions used and judgments made in interpreting information. As a result, estimates of ore reserves and mineral resources are inherently imprecise and may have to be recalculated based on matters such as changes in the gold price, production costs or recovery rates and exploration and development activity</li> </ul>	Section 4

Question	Response	Where to find more information
	<p>generally. Navigator Resources previously disclosed ore reserves and mineral resources on some of the tenements the subject of the Bronzewing Gold Project prior to it entering administration. The Company will commence a review of the assumptions underlying the ore reserves and mineral resources in respect of the Bronzewing Gold Project and will not be in a position to confirm or advise upon these estimates without undertaking this verification.</p> <ul style="list-style-type: none"> <li>• Exploration – the Company intends to conduct further exploration upon the tenements the subject of the Bronzewing Gold Project and its other projects commensurate with the moneys raised under this Offer. Exploration is by its nature a high risk undertaking and there can be no assurance of the success of further exploration such as the discovery of a mineral resource or that existing mineral resources are expanded.</li> <li>• Gold price – adverse fluctuations in the gold price may detrimentally affect the Company developing the Bronzewing Gold Project and its other projects.</li> <li>• Replacement of environmental performance bonds – the Company has a post-completion obligation under the share sale agreement for the Bronzewing Gold Project to ensure that by 31 August 2014 all obligations of Investec in respect of providing environmental performance bonds relating to the tenements are released in full to the satisfaction of Investec and Navigator Resources. If the Company does not procure the release of the environmental performance bonds by the required date, the Company will be in breach of the share sale agreement which may result in termination of the agreement and loss of rights in respect of the Bronzewing Gold Project.</li> <li>• Future capital and additional funding – the Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the Bronzewing Gold Project and the other projects of the Company.</li> <li>• Reliance on key personnel – the Company's success depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives.</li> </ul>	

Question	Response	Where to find more information
	Termination by Underwriter – in the event that a termination event occurs pursuant to the Underwriting Agreement and the Underwriter terminates the Underwriting Agreement, the Offer is unlikely to complete. In such an event, the Company will have acquired the Bronzewing Gold Project and will have debt payable of \$3,400,000. Alternatives for future funding would need to be considered by the Company (see the risk of future funding above).	
What are the alternatives for Eligible Shareholders?	<p>The Offer is renounceable so that you are able to trade your Rights.</p> <p>As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> <li>• Take up all of your Rights.</li> <li>• Apply for Shortfall Shares.</li> <li>• Sell all of your Rights on ASX.</li> <li>• Take up part of your Rights and sell the balance of your Rights on ASX.</li> <li>• Take up part of your Rights and allow the balance of your Rights to lapse.</li> <li>• Deal with part or all of your Rights other than on ASX.</li> </ul> <p>Allow all or part of your Rights to lapse.</p>	Section 5.2
What will happen to Excluded Shareholders Rights?	The Company has appointed the Lead Manager as nominee to sell the Excluded Shareholders Rights. The Lead Manager will sell the Rights and distribute the proceeds of the sale net of expenses (in Australian dollars), if any, to each of the Excluded Shareholders in proportion to their shareholdings.	Section 5.4
What are the key dates of the Offer?	<p>Prospectus lodged with ASIC and ASX 19 June 2014</p> <p>Appendix 3B lodged with ASX 19 June 2014</p> <p>Notice sent to Optionholders 19 June 2014</p> <p>Notice sent to Shareholders 23 June 2014</p> <p>"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer) 24 June 2014</p> <p>Rights trading commences 24 June 2014</p> <p>Record Date (to determine eligibility of Shareholders to participate in the Offer) 26 June 2014</p>	

Question	Response	Where to find more information
	Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	1 July 2014
	Rights trading ends	3 July 2014
	Securities quoted on a deferred settlement basis	4 July 2014
	Closing Date	10 July 2014
	ASX notified of under-subscriptions	15 July 2014
	Issue date	17 July 2014
	Deferred settlement trading ends	17 July 2014
	New Securities commence normal trading on ASX.	18 July 2014
	Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.	

## **2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY**

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### **2.1 BACKGROUND**

We were admitted to the official list of the ASX on 1 October 2010. The Company is a gold explorer and developer currently with gold projects primarily located in the Eastern Goldfields, near Kalgoorlie, Western Australia.

On 6 January 2014, the Company announced that it had reached agreement with the administrator of Navigator Resources to acquire all the shares in Navigator Bronzewing under the terms of a share sale agreement. Navigator Bronzewing is a wholly owned subsidiary of Navigator Resources and owns the Bronzewing Gold Project in the south Yandal gold belt of Western Australia. The Bronzewing Gold Project consists of the Processing Plant, associated infrastructure and various tenements.

The Company sought to raise the funds for the acquisition by a 5:2 (5 new Shares for every 2 Shares held) rights issue offer under a prospectus dated 24 February 2014. However, following a low take-up by Shareholders and the withdrawal of the Underwriter due to a then relevant drop in the S&P/ASX All Ordinaries Gold Index, the funds raised did not meet the minimum subscription level and the Company terminated the share sale agreement to acquire the Bronzewing Gold Project.

Following termination of the initial transaction, the Company continued discussions with the administrator of Navigator Bronzewing relating to the acquisition of the Bronzewing Gold Project. As announced on 15 May 2014, the Company entered into a new transaction by a share sale agreement to acquire the Bronzewing Gold Project. The new transaction is on more favourable terms to the Company than the initial transaction.

Under the new transaction, the Company will acquire 100% of the issued share capital of Navigator Bronzewing (and therefore the Bronzewing Gold Project) by payment of the purchase price of \$4,000,000 comprising \$3,000,000 in cash to Navigator Resources (the seller) and 33,333,333 Shares in the Company at a deemed issue price of 3 cents per Share to be issued to Waterton (the first ranking secured creditor) upon completion of the Bronzewing Transaction. The Shares to be issued to Waterton will be subject to voluntary escrow for a period of 12 months from the date of issue and will be issued after the Record Date for this Offer (so Waterton will not be able to participate under this Offer). Under the initial transaction, the purchase price was \$4,820,000 cash.

Completion of the Bronzewing Transaction is due to occur on or prior to 30 June 2014. Dr Ruane (an executive Director of the Company) and Tyson Resources (an entity controlled by Dr Ruane) will together make a no interest unsecured loan of \$3,000,000 to the Company to enable it to complete the Bronzewing Transaction and acquire the Bronzewing Gold Project by the required contractual date of 30 June 2014 or any agreed extension.

The Company is obliged as a post-completion obligation to ensure that environmental performance bonds provided in respect of some of the tenements under the Mining Act and the subject of the Bronzewing Gold Project are released in full to the satisfaction of Navigator Resources and Investec (the provider of the environmental performance bonds) by 31 August 2014. Upon the release of the environmental performance bonds, the charge to be granted in favour of Waterton at completion will be discharged. Details on the material terms of the share sale agreement are set out in the Shareholder notice of meeting announced on 16 May 2014.

Navigator Bronzewing disclosed ore reserves and mineral resources on some of the tenements the subject of the Bronzewing Gold Project prior to entering administration. The

Company upon completing the Bronzewing Transaction will commence a review of the assumptions underlying the ore reserves and mineral resources and will not be in a position to confirm or advise upon these estimates without undertaking this verification. The Company will additionally conduct exploration work programs upon the tenements commensurate with the moneys raised under this Offer.

We are making this Offer which consists of a pro-rata renounceable rights issue to Eligible Shareholders of approximately 185,028,884 New Shares at Full Subscription and 145,666,667 New Shares at Minimum Subscription. The Offer is made on the basis of 2 New Shares for every 1 Share held by Eligible Shareholders on the Record Date at an issue price of 3 cents per New Share ("**Rights Issue**"). The Rights Issue will raise up to approximately \$5,550,867 before expenses at Full Subscription and approximately \$4,370,000 before expenses at Minimum Subscription.

As at the date of this Prospectus, we have 92,514,442 Shares and 20,539,999 Options on issue. Option holders with an address in Australia or New Zealand may exercise their Options before the Record Date and participate in the Offer. In this event, the number of New Shares to be issued under this Prospectus and the funds raised as a result of the Rights Issue may vary.

## **2.2 Use of Funds**

We are seeking to raise a total of approximately \$5,550,867 from this Rights Issue. The Company intends to use its current funds and the proceeds of the Offer at Minimum Subscription and Full Subscription as follows:

<b>Funds Available</b>	<b>Amount Minimum Subscription</b>	<b>Amount Full Subscription</b>
Net cash on hand at the date of this Prospectus	\$130,000	\$130,000
Funds raised under the Offer <sup>1</sup>	\$4,370,000	\$5,550,867
<b>Total funds available</b>	<b>\$4,500,000</b>	<b>\$5,680,867</b>
<b>Use of Funds</b>	<b>Amount Minimum Subscription</b>	<b>Amount Full Subscription</b>
Loan repayment to Dr Ruane <sup>2</sup> and Tyson Resources made in respect of the acquisition of the Bronzewing Gold Project	\$3,400,000	\$3,400,000
Stamp duty upon the Bronzewing Transaction	\$200,000	\$200,000
Resource assessment and exploration at the Bronzewing Gold Project	\$220,000	\$1,085,000
Exploration upon existing projects	\$100,000	\$170,000
Expenses of the Offer <sup>3</sup>	\$163,000	\$224,000
General working capital <sup>4</sup>	\$417,000	\$601,867
<b>Total</b>	<b>\$4,500,000</b>	<b>\$5,680,867</b>

- 1 The table assumes that none of the existing Option holders exercise their Options before the Record Date and participate in the Offer. In the event that more funds are raised than \$5,550,867, we will allocate those additional funds to general working capital.
- 2 Dr Ruane to date has made a no interest unsecured loan of \$400,000 to assist funding the Company. Dr Ruane and Tyson Resources, an entity controlled by Dr Ruane, will together make a further no interest unsecured loan of \$3,000,000 to the Company to enable it to complete the Bronzewing Transaction and acquire the Bronzewing Gold Project by the required contractual date of 30 June 2014 or any agreed extension. The Directors independent of Dr Ruane (being Peter Hunt and Robin Dean) consider that the existing loan and the further loan to be made are on reasonable arms length terms for the Company and without the further loan the Company may have difficulty securing short term finance so as to complete the Bronzewing Transaction.
- 3 At Minimum Subscription we have assumed the underwriting fee of 5% of the Underwritten Amount (\$152,975) is payable. At Full Subscription we have assumed the underwriting fee of 5% of the Underwritten Amount (\$152,975) is payable and a Lead Manager fee of 5% is payable on the sum of the difference between Minimum Subscription and Full Subscription (\$59,043). The underwriting fee assumed will only be payable to this extent if no Eligible Shareholders other than Dr Ruane and his associates take up their Entitlement. The underwriting fee is only payable to the Underwriter on funds actually subscribed for by the Underwriter for Shortfall Shares.
- 4 General working capital includes corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs. It is also intended to apply general working capital to payment of an annual environmental levy at the relevant time upon the Bronzewing Gold Project tenements which is estimated to be approximately \$350,000 in the first year. Refer to Section 4.2.
- 5 In the event that moneys are raised beyond Minimum Subscription to Full Subscription, up to the following amount of net funds are intended to be applied to the following activities:

- (a) resource assessment and exploration at the Bronzewing Gold Project – a further \$865,000;
- (b) exploration upon existing projects – a further \$70,000; and
- (c) general working capital – a further \$184,867.

As net funds are raised beyond Minimum Subscription, it is intended to apply these funds pro-rata to the activities referred to above in accordance with the above amounts.

- 6 This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

## 2.3 Effect on shareholders' equity and cash reserves

Assuming that all New Shares offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company (before the utilisation of funds) will be to:

- (a) increase the total number of Shares on issue (see Section 2.4); and
- (b) increase our cash reserves at Full Subscription by approximately \$5,550,867, before taking into account the expenses of the Offer (see Section 2.5).

A pro forma statement of financial position, which that contains further information about the effect of the Rights Issue on the Company, is provided in Section 2.5.

## 2.4 Effect on capital structure

Assuming that no Options are exercised before the Record Date, the effect of the Offer on the Company's issued share capital at Minimum Subscription and Full Subscription is shown in the following table. The table further assumes the issue of 33,333,333 Shares to Waterton as part consideration for the Bronzewing Transaction which is to complete by 30 June 2014 or any agreed extension:

<b>Shares</b>	<b>Minimum Subscription</b>	<b>Full Subscription</b>
Existing Shares	92,514,442	92,514,442
Shares issued to Waterton	33,333,333	33,333,333
New Shares issued under Rights Issue	145,666,667	185,028,884
<b>Total Shares on issue</b>	<b>271,514,442</b>	<b>310,876,659</b>
<b>Options</b>	<b>Minimum Subscription</b>	<b>Full Subscription</b>
Existing Options (exercise price 30 cents expiring 6 December 2015)	450,000	450,000
Options issued under Rights Issue	0	0
<b>Total Options on issue after completion of the Rights Issue*</b>	<b>450,000</b>	<b>450,000</b>

\* There are 20,089,999 Options on issue with an exercise price of 20 cents expiring 30 June 2014. The table assumes that none of these Options will be exercised and they will lapse on 30 June 2014.

## 2.5 **Pro forma Statement of financial position**

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the unaudited statement of financial position as at 31 March 2014. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 31 March 2014 at both Minimum Subscription and Full Subscription based on the following assumptions:

- (a) At Minimum Subscription, the issue of 145,666,667 shares by the Company at an issue price of 3 cents per Share to raise gross funds of \$4,370,000 in accordance with the Rights Issue less estimated costs of \$163,000 raising a net sum of \$4,207,000.
- (b) At Full Subscription, the issue of 185,028,884 Shares by the Company at an issue price of 3 cents per Share to raise gross funds of \$5,550,867 in accordance with the Rights Issue less estimated costs of \$224,000 raising a net sum of \$5,326,867.
- (c) At Minimum Subscription and Full Subscription, completion of the Bronzewing Transaction utilising no interest unsecured loans by Dr Ruane and Tyson Resources totalling \$3,400,000 to the Company. Further, the payment of \$3,000,000 by the Company to Navigator Resources and the issue of 33,333,333 Shares to Waterton at a deemed issue price of 3 cents per Share to complete the Bronzewing Transaction and payment of stamp duty associated with the Bronzewing Transaction of \$200,000.

	Actual 31 March 2014 Unaudited \$	Pro-forma 31 March 2014 (Minimum Subscription) \$	Pro-forma 31 March 2014 (Full Subscription) \$
<b>CURRENT ASSETS</b>			
Cash	393,353	4,600,353	5,720,220
Trade and other receivables	45,888	45,888	45,888
<b>TOTAL CURRENT ASSETS</b>	<b>439,241</b>	<b>4,646,241</b>	<b>5,766,108</b>
<b>NON-CURRENT ASSETS</b>			
Shares in listed companies	25,000	25,000	25,000
Plant and equipment and capitalised exploration and evaluation expenditure costs	5,631,817	9,831,816	9,831,816
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,656,817</b>	<b>9,856,816</b>	<b>9,856,816</b>
<b>TOTAL ASSETS</b>	<b>6,096,058</b>	<b>14,503,057</b>	<b>15,622,924</b>
<b>CURRENT LIABILITIES</b>			
Creditors and other payables	156,497	156,497	156,497
Borrowings	200,000	3,400,000	3,400,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>356,497</b>	<b>3,556,497</b>	<b>3,556,497</b>
<b>NON CURRENT LIABILITIES</b>			
Payables	0	0	0
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>356,497</b>	<b>3,556,497</b>	<b>3,556,497</b>
<b>NET ASSETS</b>	<b>5,739,561</b>	<b>10,946,560</b>	<b>12,066,427</b>
<b>EQUITY</b>			
Contributed equity	9,360,943	14,567,943	15,687,810
Reserves	1,477,861	1,477,861	1,477,861
Accumulated losses – opening	(4,778,064)	(4,778,064)	(4,778,064)
Loss for the period	(321,179)	(321,179)	(321,179)
<b>TOTAL EQUITY</b>	<b>5,739,561</b>	<b>10,946,561</b>	<b>12,066,428</b>

### **3. UNDERWRITER, LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL**

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#### **3.1 Minimum Subscription and Underwritten Amount**

The Directors have determined that Minimum Subscription will be \$4,370,000 (see the Use of Funds table in Section 2.2). This will enable the Company to be debt free by repaying loans made by Dr Ruane and Tyson Resources (Underwriter) and will provide funding for the Company as set out in Section 2.2.

Dr Ruane is an executive director of the Company. He and his associates have the largest shareholding in the Company and at the date of this Prospectus have a relevant interest in 23.61% of the Shares in the Company. Dr Ruane has given commitments to us that he and his associates will subscribe for all the New Shares the subject of their Entitlement. This represents 43,683,344 New Shares at a cost of \$1,310,500. No fee is payable by the Company for the subscription of these New Shares.

The Underwriter (Tyson Resources), which is an entity controlled by Dr Ruane, has agreed to underwrite the Rights Issue for the Underwritten Amount which is the amount required to achieve Minimum Subscription being a maximum of \$3,059,500.

The committed Entitlement take-up of Dr Ruane and his associates together with the Underwritten Amount is to seek to ensure the Minimum Subscription of \$4,370,000 is achieved.

#### **3.2 Underwriting and sub-underwriting arrangements**

##### *(a) The Underwriter and financial capacity*

The Underwriter is an entity controlled by Dr Ruane. It is a private investment company which has invested in the resources sector for in excess of 20 years. Dr Ruane and his wife are the directors and have a majority controlling shareholding in the Underwriter. Additionally, Dr Ruane and associates are substantial shareholders of the Company, Reward Minerals Limited and Intermin Resources Limited, which are all ASX listed entities.

##### *(b) Underwriting Agreement*

The Underwriter as an entity controlled by Dr Ruane and is therefore a related party of the Company.

The Underwriting Agreement was negotiated on an arms length basis and the Directors independent of Dr Ruane resolved that the Underwriting Agreement is on reasonable arms length terms. This includes the fee to the Underwriter only being paid upon Shortfall Shares actually subscribed for by the Underwriter.

Under the Underwriting Agreement, the Underwriter is obliged to subscribe for Shortfall Shares up to the Underwritten Amount on the Issue Date. There is no underwriting obligation once Minimum Subscription is achieved. The maximum number of Shortfall Shares that the Underwriter is required to subscribe for is therefore 101,983,333 Shares in the event that no party other than Dr Ruane and his associates take up their Entitlement and assuming no other parties apply for Shortfall.

We are also required to reimburse the Underwriter for all reasonable out-of-pocket expenses.

Under the Underwriting Agreement we are required to make the Offer in accordance with all relevant regulatory requirements and we have given various representations and warranties to the Underwriter, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, the Underwriter has a wide discretion to terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of Shortfall Shares. The more significant termination events are a fall in indices event allowing the Underwriter to terminate its obligations if the S&P/ASX All Ordinaries Gold Index falls to a level that is 85% or less of the level at the closing of trading at the date of the Prospectus and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect. The failure of the Underwriter to appoint sub-underwriters will not relieve the Underwriter of its obligations.

The fee payable to the Underwriter is 5% of the funds actually subscribed for by the Underwriter for Shortfall Shares.

(c) *Sub-underwriting*

The Underwriter has appointed ActivEX as a sub-underwriter to subscribe for Shortfall. Its sub-underwriting commitment is 83,750,000 Shares. ActivEX is listed on ASX and is a Brisbane based mineral exploration company with a number of resource projects in Australia.

The Underwriter may appoint other sub-underwriters. Any such further sub-underwriter will be an unrelated party and may not by its sub-underwriting increase its relevant interest in Shares to 20% or more.

The Underwriter is responsible for fees payable to sub-underwriters. ActivEX is receiving a fee of 3.5% of the funds actually subscribed for by it for Shortfall Shares.

### 3.3 **Lead Manager**

The Lead Manager has been engaged by the Company to act as lead manager to seek to place the Shortfall Shares on a best endeavours basis to unrelated parties of the Company.

The fee payable to the Lead Manager is 5% of funds received by the Company from the Shortfall Shares placed by the Lead Manager.

Any Shortfall Shares placed by the Lead Manager will not attract a fee to the Underwriter as the Underwriter's fee is only upon Shortfall Shares actually subscribed for by it.

### 3.4 **Shortfall allocation policy**

Any New Shares under the Rights Issue that are not applied for will form the Shortfall Shares. Information on how to apply for Shortfall Shares is set out in Section 5.5.

The Company will allocate Shortfall Shares in accordance with the following priorities:

- (a) first priority will be given to Eligible Shareholders that have subscribed for their full Entitlement provided that the issue of the Shortfall Shares will not result in the applicant's voting power in the Company exceeding 20%;

- (b) second priority will be given to unrelated parties to the Company applying for Shortfall Shares by the Issue Date including parties introduced by the Lead Manager and any sub-underwriters to the Offer (including ActivEX);
- (c) third priority will be the Underwriter so that any Shortfall Shares not subscribed for by parties in the categories above will revert to the Underwriter up to the Underwritten Amount.

The Directors, in consultation with the Lead Manager, will have discretion as to how to allocate Shortfall Shares within each of the first two categories above and may scale back applicants in the event that applications exceed the actual number of Shortfall Shares.

The aim of the Shortfall Shares priorities set out above is to minimise the take-up by the Underwriter and thereby minimise any control issues for it.

The Directors, in consultation with the Lead Manager, further have discretion to place any Shortfall Shares remaining after the priority process above (after the first two categories are satisfied and the Underwriter has subscribed up to the Underwritten Amount) within 3 months of the Closing Date. Any such offer of Shortfall Shares will be at the same price as the New Shares offered under the Rights Issue.

### 3.5 Effect on control

As at the date of this Prospectus, Dr Ruane and his associates have a relevant interest in 21,841,672 Shares, representing 23.61% of the Shares currently on issue.

The relevant interest of Dr Ruane and his associates (including the Underwriter) will vary depending upon the take-up of Entitlements by Shareholders and the subsequent placing of Shortfall. Below is a table detailing various scenarios.

Dr Ruane and his associates (including the Underwriter)	Total percentage acceptance take-up of Entitlements by Eligible Shareholders other than Dr Ruane and his associates				
	100%	75%	50%	25%	0%
Current Shares held	21,841,672	21,841,672	21,841,672	21,841,672	21,841,672
Entitlement taken up under Offer	43,683,344	43,683,344	43,683,344	43,683,344	43,683,344
Shares to be issued under Underwriting Agreement	0	0	31,310,553	64,646,938	101,983,323
Number of Shares held immediately following the Offer	65,525,016	65,525,016	96,835,569	132,171,954	167,508,339
Total Shares on issue following the Offer and assuming the issue of 33,333,333 Shares to Waterton at completion of the Bronzewing Transaction	310,876,659	275,540,274	271,514,442	271,514,442	271,514,442

Dr Ruane and his associates (including the Underwriter)	Total percentage acceptance take-up of Entitlements by Eligible Shareholders other than Dr Ruane and his associates				
	100%	75%	50%	25%	0%
Percentage of Shares following the Bronzewing Transaction/Relevant Interest	21.08%*	23.78%*	35.66%*	48.68%*	61.69%*

The above table assumes:

- (a) The take-up by Dr Ruane and his associates of all their Entitlement of 43,683,344 New Shares (in accordance with Dr Ruane's commitment).
- (b) Eligible Shareholders do not apply for any Shortfall.
- (c) The Lead Manager does not place any Shortfall.
- (d) ActivEX does not complete its sub-underwriting commitment.

\* In the event that ActivEX completes its sub-underwriting commitment (of 83,750,000 Shares), the percentage of Shares Dr Ruane and his associates would have following the Bronzewing Transaction would be as follows – at 100% take-up above, 21.08%, at 75% take-up, 23.78%, at 50% take-up, 24.13%, at 25% take-up, 24.87% and at 0% take-up, 30.85%.

ActivEX has a sub-underwriting commitment of 83,750,000 Shares. It currently has no relevant interest in Shares in the Company.

The relevant interest in Shares of ActivEX will vary depending upon the take-up of Entitlements by Shareholders and the subsequent placing of Shortfall. ActivEX's relevant interest may increase beyond 20%. Below is a table setting out various scenarios.

ActivEX and its associates	Total percentage acceptance take-up of Entitlements by Eligible Shareholders other than Dr Ruane and his associates				
	100%	75%	50%	25%	0%
Current Shares held	0	0	0	0	0
Shares to be issued as sub-underwriter	0	0	31,310,553	64,646,938	83,750,000
Total Shares on issue following the Offer and assuming the issue of 33,333,333 Shares to Waterton at completion of the Bronzewing Transaction	310,876,659	275,540,274	271,514,442	271,514,442	271,514,442
Percentage of Shares following the Bronzewing Transaction/Relevant Interest	0.00%	0.00%	11.53%	23.81%	30.84%

The above table assumes:

- (a) The take-up by Dr Ruane and his associates of all their Entitlement of 43,683,344 New Shares (in accordance with Dr Ruane's commitment).
- (b) Eligible Shareholders do not apply for any Shortfall.
- (c) The Lead Manager does not place any Shortfall.

The Offer is 2 New Shares for every 1 Share held by Eligible Shareholders and the maximum dilution by reason of the Offer at Full Subscription that will be experienced by any Eligible Shareholder that fails to subscribe for any Entitlement is 66.67% of its existing shareholding.

By reason of the above, the effect on control of the Offer is reliant upon the take-up of Entitlement by Eligible Shareholders and the placing of any Shortfall.

The allocation policy for Shortfall Shares as set out in Section 3.4 is intended to minimise any control issues by Dr Ruane and his associates (including the Underwriter).

### 3.6 Future intentions of Dr Ruane and his associates and ActivEX and its associates

Each of Dr Ruane and his associates (including the Underwriter) and ActivEX and its associates may by the Offer increase their relevant interest in Shares and have greater than a 20% relevant interest. They have informed us that on the facts and circumstances presently known to them, they are supportive of our current direction and they do not currently intend to make any major changes to our direction and objectives, and that other than as disclosed in this Prospectus:

- do not currently intend to make any significant changes to our existing businesses;
- do not currently intend to inject further capital into the Company other than in partly underwriting this Offer. However, if we require additional funding in the future, they will assess such requirement and will decide whether to provide such funding based

on the prevailing circumstances at that time;

- intend to support our decisions regarding the future employment of our present employees and contemplate that they will continue in the ordinary course of business;
- do not currently intend to any property to be transferred between the Company and it or any person associated with it;
- do no currently intend to redeploy our fixed assets; and
- do not currently intend to change our existing financial or dividend policies.

Dr Ruane and his associates and ActivEX and their associates have indicated that their intentions detailed above are based on the facts and information regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by them based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, their intentions may change accordingly.

## **4. RISK FACTORS**

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### **4.1 Introduction**

An investment in the securities the subject of this Prospectus is highly speculative as the Company is a resource exploration and development company with a number of existing projects focused largely on gold and primarily located in the Eastern Goldfields of Western Australia. The Company has reached agreement to acquire the Bronzewing Gold Project in the South Yandal gold belt of Western Australia, which upon completion will be the main focus of the Company. After completion of the Bronzewing Transaction (which is due to occur by 30 June 2014), the Company will conduct resource assessment and exploration at the Bronzewing Gold Project commensurate with the moneys raised under the Offer.

There are a number of factors that may have a material impact on our future operating and financial performance. The key material risks assuming completion of the Bronzewing Transaction are described below.

You should carefully consider the risks described below, the information contained in other sections of this Prospectus, and all other relevant material including our public announcements and reports.

The specific risks below are some of the risks specific to the Company including by reason of its involvement in the resource industry. The general investment risks below are some of the risks to the Company of a general economic nature.

### **4.2 Specific Risks**

#### **Operating and Development Risks**

In the event of the recommencement of mining upon the Bronzewing Gold Project, the Company's ability to achieve scheduled production, development, operating costs and capital expenditure cannot be assured. The business of gold mining involves many risks and may be impacted by factors including ore tonnes, grade and metallurgical recovery, input prices (some of which are unpredictable and outside the control of the Company), labour force disruptions, cost overruns, changes in regulatory environment and unforeseen contingencies.

#### **Estimates of Ore Reserves and Mineral Resources**

Estimating ore reserves and mineral resources is a subjective process where the accuracy of estimates is a function of the quantity and quality of available data, the assumptions used and judgments made in interpreting information. As a result, estimates of ore reserves and mineral resources are inherently imprecise and may have to be recalculated based on matters such as changes in the gold price, production costs or recovery rates and exploration and development activity generally. Navigator Resources as the prior operator of the Bronzewing Gold Project disclosed ore reserves and mineral resources on some of the tenements the subject of the Bronzewing Gold Project prior to it entering administration. The Company upon completing the Bronzewing Transaction will commence a review of the assumptions underlying the ore reserves and mineral resources and will not be in a position to confirm or advise upon these estimates without undertaking this verification.

## **Exploration**

The Company intends to conduct further exploration upon the tenements the subject of the Bronzewing Gold Project and its other projects commensurate with the moneys raised under this Offer. Exploration is by its nature a high risk undertaking and there can be no assurance of the success of further exploration such as the discovery of a mineral resource or that existing mineral resources are expanded.

## **Gold and Commodity Price Volatility**

It is anticipated that any revenues derived from mining will primarily be derived from the sale of gold. Consequently, any future earnings are likely to be closely related to the price of gold and the terms of any offtake agreements which it enters into.

Gold and metal prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold and metals, forward selling by producers and production cost levels in major mineral-producing regions.

Moreover, gold and metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold or the relevant metal as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

## **Replacement of Environmental Performance Bonds**

The Company has a post-completion obligation under the share sale agreement for the Bronzewing Gold Project to ensure that by 31 August 2014 all obligations of Investec in respect of providing environmental performance bonds relating to the tenements are released (or replaced) in full to the satisfaction of Investec and Navigator Resources. The Company proposes that Navigator Bronzewing (the entity the Company will acquire under the Bronzewing Transaction) will participate in the mining rehabilitation fund scheme the subject of the Mining Rehabilitation Fund Act 2012 (WA) by which performance bonds (generally backed by cash deposits) are replaced by a pooled fund being the mining rehabilitation fund ("MRF") and by which annual environmental levies are paid. From 1 July 2014 the MRF is compulsory. The MRF levy applicable to the tenements should be approximately \$350,000 in the first year. Participation in the MRF scheme will enable Navigator Bronzewing to apply for the release of the environmental performance bonds. In the event of the retirement of the environmental performance bonds, neither the Company nor Navigator Bronzewing will have any entitlement to the bond deposits that total \$7,077,900.

If the Company does not procure the release or replacement of the environmental performance bonds by 31 August 2014 the Company will be in breach of the share sale agreement which may result in termination of the agreement and loss of rights in respect of the Bronzewing Gold Project. The key risk that the Company bears is that there is no guarantee that the current environmental performance bonds totalling \$7,077,900 will be released by the Western Australian Department of Mines and Petroleum. If not released by 31 August 2014, the Company would need to procure the replacement of the environmental performance bonds and the related bond deposits.

## **Future Capital Needs and Additional Funding**

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

## **Termination by Underwriter**

In the event that a termination event occurs pursuant to the Underwriting Agreement and the Underwriter terminates the Underwriting Agreement, the Offer is unlikely to complete. In such an event, the Company will have acquired the Bronzewing Gold Project and will have debt payable of \$3,400,000. Alternatives for future funding would need to be considered by the Company (see the risk of future funding above)

## **Reliance on Key Personnel**

The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives.

## **Joint Venture Risk**

Some of the tenements the subject of the Bronzewing Gold Project are subject to joint ventures. In each case Navigator Bronzewing is the operator. The successful development of these projects is reliant in part on an effective relationship with the parties the subject of the joint ventures.

## **Foreign Exchange Rate Risk**

In the event of recommencement of mining upon the Bronzewing Gold Project, the Company's revenue would be in Australian dollars derived from the sale of gold and the Company's operating expenses would be incurred principally in Australian dollars. Gold is sold throughout the world based principally on a United States dollar price. Therefore the Australian dollar gold price is directly impacted by movements in the United States dollar gold price and the United States dollar/Australian dollar exchange rate. Movements in the United States dollar/Australian dollar exchange rate and/or the United States dollar gold price may adversely or beneficially affect the Company's results or operations and cash flows in the event of the recommencement of mining.

## **Environmental**

The Company's projects are subject to Commonwealth and State laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's

projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

### **Title**

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of State specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

### **Native Title and Aboriginal Heritage**

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

## **4.3 General Investment Risks**

### **Securities Investments and Share Market Conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

### **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates and the rate of inflation.

### **Legislative**

Changes in relevant taxes, legal and administration regimes, accounting practices and government policies may adversely affect the financial performance of the Company.

## **5. DETAILS OF THE OFFER**

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### **5.1 The Offer**

#### **(a) Overview**

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with a registered address in Australia or New Zealand on the Record Date. The Record Date is 5.00pm WST, 26 June 2014.

As an Eligible Shareholder you are entitled to subscribe for 2 New Shares for every 1 Share held on the Record Date at the Issue Price of 3 cents per New Share.

When calculating your Rights, we will round up fractions to the nearest whole number.

The Company's Share Registry must receive your Entitlement and Acceptance Form by the Closing Date (being 5.00pm WST on 10 July 2014).

The Offer is renounceable. This means that you may sell your Rights.

#### **(b) Minimum Subscription**

Minimum Subscription under the Rights Issue is \$4,370,000 representing the full Entitlement of Dr Ruane and his associates (which Dr Ruane has committed to subscribe for) plus the Underwritten Amount.

No New Shares will be allotted or issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application moneys to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application moneys.

#### **(c) Underwriting and Lead Manager arrangements**

The underwriting, sub-underwriting and Lead Manager arrangements are set out in Section 3. The Offer is partly underwritten to the Underwritten Amount and the Lead Manager has been engaged to seek to place Shortfall Shares.

#### **(d) Rights attaching to New Shares**

A summary of the rights attaching to the New Shares is set out in Section 6.1.

#### **(e) Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares.

## 5.2 What Eligible Shareholders may do

### (a) Alternatives

The number of Shares to which Eligible Shareholders are entitled (your Entitlement or Rights) is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Rights, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Rights (refer Section 5.2(b));
- take up all of your Rights and apply for Shortfall Shares (refer Section 5.2(c));
- sell all of your Rights on the ASX (refer Section 5.2(d));
- take up part of your Rights and sell the balance on the ASX (refer Section 5.2(e));
- take up part of your Rights and allow the balance to lapse (refer Section 5.2(f));
- deal with part or all of your Rights other than on the ASX (refer Section 5.2(g))
- allow all or part of your Rights to lapse (refer Section 5.2(h)).

### (b) Taking up all of your Rights

If you wish to take up all of your Rights, complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your application moneys in accordance with Section 5.3 to reach the Company's Share Registry no later than 5.00pm (WST) on the Closing Date.

### (c) Taking up all your Rights and applying for Shortfall Shares

Eligible Shareholders may, in addition to taking up all their Rights, apply for Shortfall Shares as described in Section 5.5.

One payment should be made for the application moneys for your Rights and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

### (d) Selling all of your Rights on the ASX

If you wish to sell all of your Rights on the ASX, complete the appropriate section in the accompanying Entitlement and Acceptance Form and lodge the Entitlement and Acceptance Form with your stockbroker as soon as possible, or otherwise provide instructions to your stockbroker regarding the number of Rights you wish to sell on the ASX. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

### (e) Taking up part of your Rights and selling the balance on the ASX

If you wish to take up only part of your Rights, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps

required in accordance with Section 5.2(b). You may then provide instructions to your stockbroker regarding the number of Rights you wish to sell on the ASX.

**(f) Taking up part of your Rights and allowing the balance to lapse**

If you wish to take up part of your Rights and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps required in accordance with Section 5.2(b). If you take no further action, the balance of your Rights will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Rights.

**(g) Dealing with part or all of your Rights other than on the ASX**

You may transfer all or part of your Rights to another person other than on the ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of Shares.

If you wish to transfer all of your Rights to another person other than on the ASX, forward a completed standard renunciation and acceptance form (obtainable from the Company's Share Registry) and the applicable transferee's cheque or bank draft for the New Shares they wish to subscribe for to the Company's Share Registry by 5.00pm (WST) on the Closing Date.

If you wish to transfer part of your Rights to another person other than on the ASX only, but also want to take up some or all of the balance of your Rights, you will need to take the steps described above in relation to the Rights you wish to transfer and complete the accompanying Entitlement and Acceptance Form in respect of the Rights you wish to take up. You will need to lodge the Entitlement and Acceptance Form in accordance with the procedure in Section 5.2(b).

If the Share Registry receives both a completed renunciation and acceptance form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

**(h) Allow all or part of your Rights to lapse**

Your Rights may have value. Rights are renounceable, which enable Eligible Participants who do not wish to accept some or all of their Rights, to sell or trade all or part of their Rights on the ASX.

### **5.3 Payment**

The price for New Shares is payable in full on application by a payment of 3 cents per Share.

Cheques or bank drafts must be drawn in Australian currency on an Australian bank and made payable to "**Metaliko Resources Limited – Rights Issue Account**" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payment will not be issued. You should ensure that sufficient funds are held in the relevant account(s) to cover the cheque(s). If the amount of your cheque(s) is not sufficient to pay for the number of New Shares you have applied for, you may be taken to have applied for such lower number of New Shares as your cleared moneys will pay for or your application may be rejected.

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

## 5.4 Excluded Shareholders

The Company is of the view that it is unreasonable to make an offer to Excluded Shareholders (a Shareholder whose registered address is not in Australia or New Zealand) having regard to the number of Excluded Shareholders, the number and value of Shares these Excluded 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 or New Zealand.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Pursuant to section 615 of the Corporations Act, the Company has appointed the Lead Manager as nominee ("**Nominee**") to sell the Rights to which Excluded Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Rights will be sold and the manner of any such sale. The Company will not pay the Nominee a brokerage fee on the execution of the sale of any Rights. The Company has applied to the ASIC to approve the appointment of the Nominee pursuant to section 615 of the Corporations Act. However, as at the date of the Prospectus, ASIC has not approved the appointment of the Nominee.

Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such sale and any balance will accrue to the relevant Excluded Shareholders as described below.

The net proceeds of the sale of these Rights will then be forwarded by the Company as soon as practicable to the Excluded Shareholders, in proportion to their share of such Rights (after deducting expenses).

Notwithstanding that the Nominee must sell Rights, Excluded Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the Nominee will not be required to sell Excluded Shareholders' Entitlements at a particular price.

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

## 5.5 Shortfall

Any New Shares under the Rights Issue that are not applied for will form the Shortfall Shares. The Offer to issue Shortfall Shares is a separate offer under the Prospectus.

Shareholders may apply for any Shortfall Shares by completing the relevant Shortfall Shares section in the Entitlement and Acceptance Form and sending it to the Company's share registry (refer to Section 5.2(a) above) with payment by cheque or BPAY on the same terms as in Section 5.3.

The priorities between different categories of parties in the allocation of Shortfall Shares is set out in Section 3.4.

Application for Shortfall with moneys does not guarantee any allotment of any Shortfall Shares. All application moneys in relation to which Shortfall Shares are not allocated will be returned without interest.

It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Shares.

## **5.6 Allotment and quotation**

### **(a) Allotment of New Shares**

The New Shares issued pursuant to the Rights Issue will be allotted in accordance with the timetable set out in Section 1. We will allot the New Shares on the basis of your Rights.

Pending the allotment and issue of New Shares or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be allotted and issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **(b) Quotation by ASX**

We intend to apply to ASX for quotation of the New Shares within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Shares will commence after the allotment of the New Shares.

If any New Shares are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and the Application Money in respect of those New Shares will be refunded to you without interest within the time prescribed by the Corporations Act.

### **(c) Holding statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares issued to you under this Prospectus. If you are Lead Manager sponsored, ASX Settlement will send you a CHESS statement.

## **6. ADDITIONAL INFORMATION**

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### **6.1 Rights attaching to New Shares**

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

#### **Voting Rights**

At a general meeting each Shareholder present in person or by proxy, company representative or attorney is entitled to one vote on a show of hands. Upon a poll, every Shareholder present in person or by proxy, company representative or attorney is entitled to one vote for each fully paid share that the Shareholder holds.

#### **General Meetings**

Each Shareholder is entitled to receive notice of and to be present, to vote and to speak at any general meeting of the Company. Further, each Shareholder is entitled to receive all notices, accounts and other documents required to be furnished to Shareholders under the Constitution of the Company or the Corporations Act.

#### **Dividend Rights**

There is no entitlement to a dividend other than that determined by Directors from time to time. The New Shares will rank equally with all other issued Shares in the capital of the Company for the purposes of participation in any dividend paid out of the profits of the Company. The Directors are not anticipating paying dividends at this stage of the Company's development.

#### **Future Increases in Capital**

The allotment and issue of Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors, the Constitution of the Company and the Corporations Act, the Directors may allot, issue or otherwise dispose of new Shares on such terms and conditions as they may determine.

#### **Amendment of Constitution**

The Constitution of the Company can only be amended by a special resolution, passed by at least three quarters of the votes cast by holders of Shares entitled to vote on the resolution, at general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## **Predominance of Listing Rules**

While the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

### **6.2 Transaction specific prospectus and continuous disclosure obligations**

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects on the basis that, as at the date of this Prospectus, the Company has not withheld from its continuous disclosure reporting any information about such matters that investors and their professional advisers would reasonably require to make an informed assessment of such matters and expect to find in this Prospectus.

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 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 ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
  - (i) the annual financial report most recently lodged by the Company with ASIC;
  - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

We lodged our latest annual report with ASX on 27 September 2013. Since then, we have made the following announcements to ASX shown in the table below.

<b>Date</b>	<b>Description of Announcement</b>
25/10/2013	Notice of Annual General Meeting/Proxy Form
31/10/2013	MKO Sep 2013 Quarterly Activities & Cashflow Report
27/11/2013	Chairman's Address to Shareholders
27/11/2013	Results of Annual General Meeting
09/12/2013	Change of Director's Interest Notice (MR)
02/01/2014	Trading Halt
06/01/2014	Project Acquisition
09/01/2014	Change of Director's Interest Notice (MR)
15/01/2014	Change of Director's Interest Notice (MR)
21/01/2014	Change of Director's Interest Notice (MR)
22/01/2014	Form 604 Change in substantial holding (MR)
28/01/2014	MKO Notice of General Meeting
31/01/2014	MKO Dec 2013 Quarterly Activities & Cashflow Report
13/02/2014	Change of Director's Interest Notice MR
20/02/2014	Amended Quarterly Activities Report
21/02/2014	Change of Director's Interest Notice (MR)
24/02/2014	MKO Renounceable Rights Issue
24/02/2014	Appendix 3B
24/02/2014	MKO Letter to Optionholders and Overseas Shareholders
25/02/2014	Appendix 3B Amendment
28/02/2014	Results of Meeting
04/03/2014	Change of Director's Interest Notice (PH)
14/03/2014	Half Yearly Report and Accounts
28/03/2014	MKO Rights Issue Result and Shortfall
01/04/2014	Trading Halt
02/04/2014	Bronzewing Gold Project
02/04/2014	Suspension from Official Quotation
03/04/2014	Suspension from Official Quotation – MKON
04/04/2014	Update on voluntary suspension

30/04/2014	Quarterly Activities and Cashflow Report
15/05/2014	MKO to acquire the Bronzewing project, WA
15/05/2014	Reinstatement to Official Quotation
16/05/2014	Notice of General Meeting
16/06/2014	Company Update
16/06/2014	AIV:Bronzewing Gold Project
19/06/2014	Results of Meeting

### 6.3 Market price of Shares

Information about the closing market price of the Shares quoted on ASX during the 3 month period before the date of this Prospectus (including the last closing market price on a day on which the Shares traded) is set out in the table below. The Shares were in trading halt from 1 April 2014 and then voluntary suspension from 2 April 2014 until 15 May 2014.

	Price	Date
Highest	2.7 cents	24 March 2014
Lowest	1.6 cents	6, 10 and 12 June 2014
Latest	1.9 cents	18 June 2014

### 6.4 Board and Management

The Board consists of:

- Mr Peter Hunt (Non-Executive Chairman)
- Dr Michael Ruane (Executive Director)
- Mr Robin Dean (Non-Executive Director)

At the date of this Prospectus Dr Ruane has a relevant interest of 23.61% in the Shares in the Company. Dr Ruane is therefore not an independent director.

Mr Hunt and Mr Dean are independent directors.

### 6.5 Directors' Interests

#### (a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- the formation or promotion of the Company; or
- any property acquired or proposed to be acquired by the Company in

connection with its formation or promotion of the Company or the Offer; or

(iii) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

As set out in Section 2.2, Dr Ruane to date has made a no interest unsecured loan of \$400,000 to the Company and Dr Ruane and the Underwriter (Tyson Resources) will together make a further no interest unsecured loan of \$3,000,000 to the Company to enable it to complete the Bronzewing Transaction. Funds raised by the Offer will be used in part to repay these loans. The fees of the Underwriter are set out in Section 6.6.

**(b) Interests in securities as at the date of this Prospectus**

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company as set out in the table below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New Shares that the Directors may subscribe for under the Offer.

Director	Number of Shares	Number of Options
Peter Hunt	3,920,700	0
Michael Ruane <sup>1 and 2</sup>	21,841,672	8,000,000 <sup>3</sup>
Robin Dean	0	0

Notes:

1. Dr Ruane has given commitments to us that he and his associates will subscribe for all the New Shares the subject of their Entitlement. This represents 43,683,344 New Shares at a cost of \$1,310,500.
2. The Underwriter (Tyson Resources Pty Ltd), which is an entity controlled by Dr Ruane, has agreed to underwrite the Offer up to the Underwritten Amount. Please refer to Section 3. The fee payable to the Underwriter is 5% of the funds actually subscribed for by the Underwriter for the Shortfall Shares. The fee payable to the Underwriter will be \$27,350 assuming ActivEX subscribes in accordance with its sub-underwriting commitment.
3. The Options have an exercise price of 20 cents and an expiry date of 30 June 2014.

**(c) Remuneration of Directors**

Mr Peter Hunt is paid \$30,000 per annum as a director's fee as non-executive chairman. In the two years prior to the date of this Prospectus Mr Hunt has received approximately \$45,000 as a directors' fee.

Dr Michael Ruane is paid \$30,000 per annum as an executive director including a director's fee. In the two years prior to the date of this Prospectus Dr Ruane has received approximately \$30,000 as a directors' fee.

Mr Robin Dean is paid \$30,000 per annum as a director's fee. In the two years prior to the date of this Prospectus Mr Dean has received approximately \$37,315 as a director's fee.

Directors are also entitled to be reimbursed for reasonable expenses incurred by them in providing their services to the Company.

## **6.6 Interests of experts and advisers**

Other than as disclosed in this Prospectus, no expert, promoter or any other 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Rights Issue. We estimate that we will pay approximately \$25,000 (excluding GST) for these services. In the past two years, Fairweather Corporate Lawyers has and will be paid approximately \$113,400 by the Company for other legal services.

The Underwriter will receive an underwriting fee of 5% of the funds actually subscribed for by the Underwriter for the Shortfall Shares (being a maximum of \$152,975). In the past two years, the Underwriter has not been paid any amounts by the Company. The Underwriter is controlled by Dr Ruane, a Director of the Company. The remuneration received by Dr Ruane from the Company in the last two years is set out in Section 5.5. As set out in Section 2.2, Dr Ruane to date has made a no interest unsecured loan of \$400,000 to the Company and Dr Ruane and the Underwriter (Tyson Resources) will together make a further no interest unsecured loan of \$3,000,000 to the Company to enable it to complete the Bronzewing Transaction. Funds raised by the Offer will be used in part to repay these loans.

The Lead Manager will be paid 5% of the funds received from the Shortfall Shares placed by it. In the past two years, the Lead Manager has not been paid any amounts by the Company.

## 6.7 Expenses of the Offer

All expenses connected to the Rights Issue payable by the Company are estimated at approximately \$163,000 at Minimum Subscription and \$224,000 at Full Subscription. These estimated expenses include underwriting fees, Lead Manager fees, legal fees, ASX and ASIC fees and other miscellaneous expenses directly attributable to the Rights Issue. The assumptions concerning the underwriting fee and the Lead Manager fee are set out in Section 2.2.

## 6.8 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Tyson Resources Pty Ltd has consented to being named as the Underwriter to the Offer and the inclusion in the Prospectus of all statements referring to it.

BW Equities Pty Ltd has consented to being named as the Lead Manager to place the Shortfall Shares and the inclusion in the Prospectus of all statements referring to it.

ActivEX Limited has consented to the inclusion in the Prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

## **7. DIRECTORS' AUTHORISATION AND CONSENT**

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This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 19 June 2014



.....  
Signed for and on behalf of Metaliko Resources Limited  
By Dr Michael Ruane  
Director

## 8. GLOSSARY

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Where the following terms are used in this Prospectus they have the following meanings:

<b>ActivEX</b>	ActivEX Limited (ACN 113 452 896).
<b>Applicant</b>	A person who submits and Entitlement and Acceptance Form.
<b>Application</b>	An application for New Shares under the Rights Issue.
<b>Application Money</b>	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
<b>AFSL</b>	Australian Financial Services Licence.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
<b>Board</b>	The Board of Directors.
<b>Bronzewing Transaction</b>	The transaction by which the Company acquires 100% of the shares of Navigator Bronzewing, the owner of the Bronzewing Gold Project.
<b>Bronzewing Gold Project</b>	The Processing Plant, associated infrastructure (including workshops, a bore field, an air strip, offices, chattels and an accommodation village) and various tenements.
<b>Closing Date</b>	The time and date at which the Offer expires, being 5:00pm WST, 10 July 2014, subject to the Company varying this date in accordance with the Listing Rules.
<b>Company or Metaliko</b>	Metaliko Resources Limited (ACN 120 974 567).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth)
<b>Director</b>	A director of the Company for the time being.
<b>Eligible Shareholders</b>	Shareholders with a registered address in Australia or New Zealand at the Record Date.
<b>Entitlement</b>	The entitlement to subscribe for New Shares under the Rights Issue.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.

<b>Excluded Shareholder</b>	A Shareholder whose registered address is not in Australia or New Zealand.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being the sum of \$5,550,867 assuming no existing Options are exercised.
<b>Issue Date</b>	The date of issue of the New Shares under the Rights Issue and being in accordance with the proposed timetable which is anticipated to be 17 July 2014.
<b>Investec</b>	Investec Bank (Australia) Ltd (ACN 071 292 594).
<b>JORC Code</b>	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 edition prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
<b>Issue Price</b>	3 cents per New Share, being the price payable to subscribe for each New Share.
<b>Lead Manager</b>	BW Equities Pty Ltd (ACN 146 642 462) (AFSL 389353).
<b>Listing Rules</b>	The listing rules of the ASX.
<b>Minimum Subscription</b>	The minimum amount to be raised under the Offer being the sum of \$4,370,000.
<b>Mining Act</b>	Mining Act 1978 (WA).
<b>Navigator Bronzewing</b>	Navigator (Bronzewing) Pty Ltd (ACN 135 597 634), subject to deed of company arrangement.
<b>Navigator Resources</b>	Navigator Resources Limited (ACN 063 366 487), subject to deed of company arrangement.
<b>New Shares</b>	The Shares offered under the Rights Issue.
<b>Offer</b>	The offer to Eligible Shareholders of New Shares under the Rights Issue.
<b>Official List</b>	The official list of the ASX.
<b>Option</b>	An option to acquire a Share.
<b>Processing Plant</b>	The Bronzewing processing plant with a nominal throughput capacity of 2.3 million tonnes per annum being a 2 stage crushing, ball milling and associated gravity gold circuit.
<b>Prospectus</b>	This prospectus dated 19 June 2014.
<b>Record Date</b>	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5.00pm WST, 26 June 2014.

<b>Rights</b>	The right to subscribe for Shares under this Prospectus.
<b>Rights Issue</b>	The pro-rata renounceable offer to Eligible Shareholders of 2 New Shares for every 1 Share held by Eligible Shareholders on the Record Date.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company.
<b>Shareholder</b>	Registered holder of Shares.
<b>Shortfall</b>	New Shares not applied for under the Offer before the Closing Date.
<b>Shortfall Shares</b>	New Shares constituting the Shortfall.
<b>Tyson Resources</b>	Tyson Resources Pty Ltd (ACN 008 739 080).
<b>Underwriter</b>	Tyson Resources.
<b>Underwriting Agreement</b>	The underwriting agreement between the Company and the Underwriter.
<b>Underwritten Amount</b>	The amount required to achieve Minimum Subscription when added to the Entitlement of Dr Ruane and his associates, being a maximum amount of \$3,059,500.
<b>Waterton</b>	Waterton Global Value, L.P.
<b>WST</b>	Western Standard Time.
<b>\$</b>	means Australian dollars unless otherwise stated.

# ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**REGISTERED OFFICE:**  
159 STIRLING HIGHWAY  
NEDLANDS WA 6009  
AUSTRALIA

## METALIKO RESOURCES LIMITED

ABN: 11 120 974 567

**SHARE REGISTRY:**  
Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

Holder Number:

Eligible Holding as at 5.00pm WST  
on 26 June 2014:

Entitlement to Securities 2:1:

Amount payable on acceptance  
@ \$0.03 per Security:

### RENOUNCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 10 JULY 2014

IMPORTANT NOTICE: HOLDERS WHOSE EXISTING SECURITIES ARE HELD ON THE CHESS SUBREGISTER SHOULD IN THE FIRST INSTANCE CONTACT THEIR SPONSORING STOCKBROKER/AGENT IN RESPECT OF ANY PROPOSED ON-MARKET SALE OF THEIR RIGHTS. RIGHTS TRADING COMMENCED ON 24 JUNE 2014 AND IS EXPECTED TO CEASE ON 3 JULY 2014. THE RIGHTS REFERRED TO IN THIS FORM MAY BE TRANSFERRED ELECTRONICALLY ON CHESS BY SURRENDERING THE ENTITLEMENT AND ACCEPTANCE FORM TO YOUR SPONSORING STOCKBROKER BEFORE RIGHTS CEASE TRADING. THIS ENTITLEMENT AND ACCEPTANCE FORM SHOULD NOT BE RELIED UPON AS EVIDENCE OF THE CURRENT ENTITLEMENT OF THE PERSON NAMED IN THIS ENTITLEMENT AND ACCEPTANCE FORM.

(1) I/We the above named being registered at 5.00pm WST on the 26 June 2014 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.03 PER SHARE
Entitlement or Part Thereof	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
Additional New Shares *	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
<b>TOTAL</b>	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<b>TOTAL \$</b> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

(\* refer to sections 5.2 and 5.5 of the prospectus)

- (2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Securities allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.
- (7) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format.
- (8) My/Our contact details in case of enquiries are:

**NAME**

**TELEPHONE NUMBER**

**EMAIL ADDRESS**

**BPAY PAYMENT OR THE RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.**

**PAYMENT INFORMATION - Please also refer to payment instructions overleaf.**



Bill Code: 159483

Ref:

BPAY® this payment via internet or phone banking.

Your BPAY® reference number is unique to this offer and is not to be used for any other offer.



**CHEQUE/MONEY ORDER**

All cheques (expressed in Australian currency) are to be made payable to **METALIKO RESOURCES LIMITED - RIGHTS ISSUE ACCOUNT** and crossed "Not Negotiable".

**REGISTRY DATE STAMP**

E & O.E.

**PAYMENT INSTRUCTIONS**



Biller Code: 159483

BPAY® this payment via internet or phone banking.  
Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

**You do not need to return this form if you have made payment via BPAY.**

**Your BPAY reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.**



**CHEQUE/MONEY ORDER**

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Registrars Pty Ltd  
PO Box 535, APPLECROSS WA 6953.

**Applications must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the closing date.**

**SALE OF YOUR ENTITLEMENT BY YOUR STOCKBROKER  
IN FULL OR IN PART -**

These instructions will need to be with your Stockbroker in sufficient time to sell your Rights. Rights trading commenced on 24 June 2014 and is expected to cease on 3 July 2014.

To sell your entitlement, complete the panel below titled "Instructions to your Stockbroker" and forward this form to your Stockbroker with sufficient time to sell your Rights before the last day of Rights trading.

To sell part of the balance of your entitlement, complete the front of this form as to the New Securities being accepted and forward it together with your payment to your Stockbroker with sufficient time to sell your Rights before the last day of Rights trading (see payment instructions above). Your Stockbroker will then lodge your acceptance and cheque with the Company's share registry.

If you have purchased or sold Securities prior to 5.00pm on 23 June 2014 (being the last day for trading on a cum rights entitlement basis) and this is not reflected in your holding shown overleaf, you should consult the Stockbroker who acted for you to protect your entitlements or determine the action you should take. If you have sold all your Securities, complete the details below and forward this form to the stockbroker who acted for you.

Broker:

No. of Securities Sold:

Holder No.:

**INSTRUCTIONS TO YOUR STOCKBROKER**

To be completed and sent to your Stockbroker only if you wish to sell the whole or part of your Entitlement.

I/We have accepted  Rights (as per overleaf)  
and have attached/  
made payment for  being application money at  
\$0.03 per Right.  
PLEASE SELL  Rights

This instruction \*has / has not previously been notified to you.  
\* Please delete as appropriate

**IMPORTANT NOTICE TO HOLDERS WITH SECURITIES ON THE  
CHESS SUB-REGISTER-**

Holders whose existing Securities are held on the CHESS Sub-register as detailed overleaf should, in the first instance, contact their sponsoring Broker in respect of any proposed sale of their Rights.

**GENERAL INFORMATION**

Entitlements either not accepted and/or renounced by 5.00pm WST on the closing date will revert to the Company and the New Securities may be placed by the Directors at their discretion, in conjunction with the Underwriter.

**ENQUIRIES**

All enquiries should be directed to the Company's share registry:

**Security Transfer Registrars Pty Ltd**

**PO Box 535, Applecross WA 6953 AUSTRALIA**

**770 Canning Highway, Applecross WA 6153 AUSTRALIA**

**Telephone +61 8 9315 2333**

**Facsimile +61 8 9315 2233**

**Email registrar@securitytransfer.com.au**

**DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A  
STOCKBROKER-**

A Standard Renunciation or Transfer Form must be used for all disposals of entitlements other than through a Stockbroker. These may be obtained from your Stockbroker or our share registry, Security Transfer Registrars Pty Ltd.

The Renunciation or Transfer Form must be completed by the offeree as seller and by his/her nominated buyer. The duly completed Renunciation or Transfer Form should then be lodged with the Company's share registry by 5.00pm WST on 10 July 2014 together with this form and application money payable (from the buyer).

**PRIVACY STATEMENT**

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.