

Australian Gold and Copper Ltd ACN 633 936 526 (**Company**)

Supplementary Prospectus

Supplementary Prospectus to a Prospectus dated 18 November 2020

Important Information

This is a supplementary prospectus dated 1 December 2020 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Supplementary Prospectus**). This Supplementary Prospectus supplements the prospectus dated 18 November 2020 (**Prospectus**) issued by Australian Gold and Copper Ltd ACN 633 936 526 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Supplementary Prospectus. This Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail.

The Company has issued an electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.austgoldcopper.com.

1. Background and Summary of Amendments

1.1 Background

The NSR Sale Agreement contemplates and effects the transfer of the NSR Tenements from NSR to AGC. The NSR Sale Agreement is subject to a number of conditions including, relevantly, the NSR Distribution condition, which is defined in the Prospectus as “NSR undertaking a capital reduction and an in-specie distribution to NSR shareholders of approximately 80.146% of the shares that it holds in AGC.”

NSR has advised the Company that:

- (a) it is no longer undertaking the in-specie distribution and capital reduction in respect of the NSR Consideration Shares it will hold in AGC to the NSR Shareholders; and
- (b) it has agreed to waive the condition precedent set out in section 2.1(a) item 7 of the NSR Sale Agreement (**NSR Distribution Condition**).

As a result, NSR (and not each NSR shareholder) will hold all of the NSR Consideration Shares issued to it by AGC under the NSR Sale Agreement.

NSR and AGC have agreed to waive the NSR Distribution Condition under the NSR Sale Agreement.

This necessitates certain amendments to the Prospectus as set out below in this Supplementary Prospectus.

1.2 Summary of Amendments to Prospectus

As a result of the changes to the transaction structure set out in section 1.1 of this Supplementary Prospectus:

- (a) the number of shares to be held by NSR on completion of the Offer will remain at 20,000,000;
- (b) the NSR Shareholders will no longer be required to approve the NSR Distribution and accordingly, the conditions to the Offer will be amended to remove the requirement for NSR to obtain approval under the Corporations Act for the NSR Distribution;
- (c) the substantial shareholder table will differ from that set out in the Prospectus; and
- (d) the ownership structure of AGC following completion of the Offer will differ from that set out in the Prospectus.

In light of the above, this Supplementary Prospectus has been prepared to make the following changes to the Prospectus set out in section 2 below.

2. Amendments as a result of the Amended Transaction Structure

2.1 Chairman's Letter

On page 11 of the Prospectus (being the Chairman's letter), the third sentence of the second paragraph is deleted in its entirety and replaced with the following:

"Magmatic will be conducting a demerger of AGC Shares they receive, prior to the offer under this Prospectus."

2.2 Section 1 – Investment Overview

- (a) The Seller's interest table appearing on page 14 of the Prospectus is deleted in its entirety and replaced with the following:

Shareholder	Number of Shares	% holding before Offer	% holding after Offer based on the Minimum Subscription*	% holding after Offer based on the Maximum Subscription*
Magmatic Resources Limited	5,956,209	11.91%	7.01%	5.96%
Magmatic Resources Limited shareholders	24,043,791	48.09%	28.29%	24.04%
New South Resources Pty Ltd	20,000,000	40%	23.53%	20%

*This assumes that no Options are exercised.

- (b) In section 1.5 of the Prospectus under the heading "What are the key risks for the Company":
 - (1) item 2 under that heading "Conditional Prospectus" appearing on page 17 of the Prospectus is deleted in its entirety;

- (2) the risk titled “NSR Demerger Approval Risk” appearing on page 18 of the Prospectus and comprising the heading “NSR Demerger Approval Risk” together with the two paragraphs immediately below that heading are deleted in their entirety.
- (3) the risk titled “ATO Ruling Risk” appearing on page 18 of the Prospectus is deleted in its entirety and replaced with the following:

“ATO Ruling Risk

Magmatic will seek a ruling from the ATO in respect of the grant of Demerger Relief in respect of the intended distribution of 24,043,791 Shares to Existing Magmatic Shareholders.

There is no guarantee or assurance that Magmatic will be successful in obtaining the tax ruling sought. If a favourable tax ruling is not received, this will have tax implications for Magmatic and its shareholders and independent advice should be sought in this regard.”

- (c) In section 1.7 of the Prospectus under the heading “Key People, Interests and Benefits”:
 - (1) the significant holders table set out under the heading “Who are the significant Existing Shareholders of the Company and what will their interests be after Completion of the Offer?” appearing on page 21 of the Prospectus is deleted in its entirety and replaced with the following:

Shareholder	Number of Shares	% holding after Offer based on the Minimum Subscription ¹	% holding after Offer based on the Maximum Subscription ¹
Magmatic Resources Limited	5,956,209	7.01%	5.96%
Magmatic Shareholders ²	24,043,791	28.29%	24.04%
New South Resources Pty Ltd	20,000,000	23.53%	20%
David Richardson ³	5,894,802	6.94%	5.89%

1. The table above assumes that no Options are exercised.
2. This includes Shares held directly or indirectly by David Richardson as particularised above.
3. This includes shares held by D&R Richardson <Superfund A/C> and Bilingual Software Pty Ltd <Let's Go Investment A/C> being related entities of David Richardson.

- (2) the directors’ shareholding table set out under the heading “What are the Directors’ shareholdings?” appearing on page 22 of the Prospectus is deleted in its entirety and replaced with:

Director	Shares	% holding based on Minimum Subscription	% holding based on Maximum Subscription	Options
Mr David Richardson ¹	5,894,802	6.94%	5.89%	5,000,000

Mr Glen Diemar ²	38,889	0.05%	0.04%	3,000,000
Mr Ranko Matic	-	-	-	2,000,000

1. This includes shares held by D&R Richardson <Superfund A/C> and Bilingual Software Pty Ltd <Let's Go Investment A/C> being related entities of David Richardson.
2. This includes Shares held by GNM Diemar Pty Ltd ATF GNM Diemar Discretionary Trust and Marta Diemar, being related entities of Glen Diemar.

2.3 Section 2 – Details of the Offer

- (a) In section 2.2 titled “Conditions of the Offer” appearing on page 29 of the Prospectus, the reference to NSR Demerger approval appearing at section 2.2(b) is deleted in its entirety.
- (b) In section 2.6 titled “Capital Structure Post IPO”:
 - (1) appearing on page 32 of the Prospectus, the share capital table under section 2.6(a) is deleted in its entirety and replaced with the following:

Shareholder	Number of Shares	% holding before Offer	% holding after Offer based on the Minimum Subscription*	% holding after Offer based on the Maximum Subscription*
Magmatic Resources Limited	5,956,209	11.91%	7.01%	5.96%
Magmatic Resources Limited shareholders	24,043,791	48.09%	28.29%	24.04%
New South Resources Pty Ltd	20,000,000	40%	23.53%	20%

- (2) appearing on page 33 of the Prospectus, the directors' interest table under section 2.6(b) is deleted in its entirety and replaced with the following:

Name	Number of Shares	Options at A\$0.30 on or before 31 December 2022
Mr David Richardson ¹	5,894,802	5,000,000
Mr Glen Diemar ²	38,889	3,000,000
Mr Ranko Matic	-	2,000,000
Andrea Betti	-	1,000,000

1. This includes shares held by D&R Richardson <Superfund A/C> and Bilingual Software Pty Ltd <Let's Go Investment A/C> being related entities of David Richardson.
2. This includes Shares held by GNM Diemar Pty Ltd ATF GNM Diemar Discretionary Trust and Marta Diemar both being related entities of Glen Diemar.

2.4 Section 3 – Company Information, Industry and Regional Overview

- (a) In section 3.2 titled “Company History and Background”, paragraphs 7 and appearing on pages 40 and 41 of the Prospectus are deleted in their entirety and replaced with the following:

*“The issue of the NSR Consideration Shares and consequently, the transfer of the NSR Tenements, was conditional upon NSR undertaking a similar demerger of 80.146% of the 20,000,000 Shares that NSR will hold in AGC by way of an in-specie distribution to NSR Shareholders (**NSR Shareholder Approval Condition**). NSR and AGC have now agreed to waive the NSR Shareholder Approval Condition such that the transfer of the NSR tenements to AGC and the Offer is no longer subject to the NSR Shareholder Approval Condition. NSR will continue to hold the NSR Consideration Shares*

Given NSR is no longer undertaking an in-specie distribution to its shareholders, NSR will not be required to seek a tax ruling from the Australian Taxation Office regarding demerger tax relief. On listing and completion of the Offer, the Company’s Shareholders will comprise of Magmatic, Magmatic Shareholders, NSR and recipients under the Offer. The specific holdings are set out at section 1.7 of this Prospectus.”

- (b) In section 3.8 titled “Spin-Off” the reference to obtainment of the NSR Demerger Approval appearing at section 3.8 on page 60 of the Prospectus is deleted in its entirety.

2.5 Section 4 – Investment Risks

- (a) In section 4.1 titled “Specific Risks”,:
- (1) under heading 4.1(a) titled “Conditional Prospectus”, the reference to obtainment of the NSR Demerger Approval in section 4.1(a)(2) appearing on page 61 is deleted in its entirety;
 - (2) the risk titled “NSR Demerger Approval Risk” at section 4.1(c) appearing on pages 61 and 62 of the Prospectus is deleted in its entirety;
 - (3) the risk titled “ATO Ruling Risk” in section 4.1(d) appearing on page 62 of the Prospectus is deleted in its entirety and replaced with the following:

“ATO Ruling Risk

Magmatic will seek a ruling from the ATO in respect of the grant of Demerger Relief in respect of the intended distribution of 24,043,791 Shares to Existing Magmatic Shareholders.

There is no guarantee or assurance that Magmatic will be successful in obtaining the tax ruling sought. If a favourable tax ruling is not received, this will have tax implications for Magmatic and its shareholders and independent advice should be sought in this regard.”

2.6 Section 5 – Financial Information

- (a) In Section 5.7 titled “Historical and Pro-forma Statement of Financial Position”, under the heading “Adjustment adopted in compiling the Pro Forma Historical Financial Information”, the third bullet point appearing on page 74 of the Prospectus is deleted in its entirety and replaced with the following:

“AGC will issue 20,000,000 shares at \$0.20 per share for the acquisition of two tenements held by New South Resources Pty Ltd.”

2.7 Section 8 – Investigating Accountant’s Report

In section 8, page 4 of the Investigating Accountant’s Report is deleted in its entirety and replaced with the following:

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the Statement of Profit or Loss and Other Comprehensive Income of AGC for the period from incorporation to 30 June 2019 and for the year ended 30 June 2020; and
- the Statement of Financial Position of AGC as at 30 June 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of AGC as at 30 June 2020,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 30 June 2020:

- AGC will issue 29,999,999 shares at \$0.20 per share for the acquisition of two tenements held by Magmatic Resources Limited (6,000,000 shares to Magmatic Resources Limited and 24,000,000 shares to Magmatic Resources Limited Shareholders); and
- AGC will issue 20,000,000 shares at \$0.20 per share for the acquisition of two tenements held by New South Resources Pty Ltd.

2.8 Section 9 – Directors and Management

- (a) In section 9.7 titled “Disclosure of Interests” appearing on page 84 of the Prospectus, the table detailing the AGC directors’ interest in AGC is deleted in its entirety and replaced with the following:

Director	Shares	% holding based on Minimum Subscription	% holding based on Maximum Subscription	Options
Mr David Richardson ¹	5,894,802	6.94%	5.89%	5,000,000
Mr Glen Diemar ²	38,889	0.05%	0.04%	3,000,000
Mr Ranko Matic	-	-	-	2,000,000

- (b) In section 9.9 titled “Employee Performance Share Plan and Option Plan” the last two lines of that section appearing on page 87 of the Prospectus are deleted in their entirety and replaced with the following:

“The maximum number of securities to be issued under the ESOP is 4,250,000 on the basis of raising the Minimum Subscription and 5,000,000 on the basis of raising the Maximum Subscription. 1,000,000 options have been issued under the ESOP as at the date of this Prospectus.”

2.9 Section 11 – Material Contracts

- (a) In section 11.5 titled “NSR Agreement”, under section 11.5(b) titled “Conditions Precedent”, the following paragraph is added to the end of that section:

“Since entering into the NSR Agreement, given NSR is no longer proposing to carry out the in-specie distribution of the NSR Consideration Shares to NSR shareholders, NSR and AGC have agreed to waive the condition precedent for NSR to obtain shareholder approval for the NSR Distribution and therefore the transfer of the NSR Tenements and the Offer is no longer subject to that condition precedent.”

2.10 Section 12 – Additional Information

- (a) In section 12.5 titled “Substantial Holders” which appears on page 119 of the Prospectus, the substantial holders table is deleted and replaced with the following:

Shareholder	AGC Shares*	% Holding assuming Minimum Subscription under the Offer*	% Holding assuming Maximum Subscription under the Offer*
New South Resources Pty Ltd	20,000,000	23.53%	20%
Magmatic Resources Limited	5,956,209	7.01%	5.96%

Bilingual Software Pty Ltd and D & R Richardson	5,894,802	6.94%	5.89%
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*Assuming the issue is carried out on the basis of 5 AGC Shares for every 36 Magmatic Shares.

**This assumes that Magmatic obtains Demerger Approval and that the IPO Offer is fully subscribed and none of the above AGC Shareholders participate in the Priority Offer.

2.11 Section 13 – Glossary of Defined Term

- (a) The definition of “Demerger Approval” on page 127 of the Prospectus is deleted and replaced as follows:

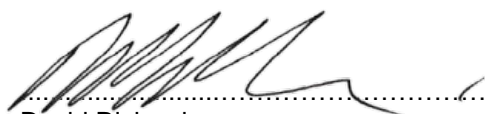
*“**Demerger Approval** means the approval of Existing Magmatic Shareholders to undertake a capital reduction and in-specie distribution of 80.146% of the Shares that Magmatic will hold in AGC as contemplated by Magmatic Notice of Meeting.”*
- (b) The definition of “Existing Magmatic Shareholders” on page 127 of the Prospectus is deleted and replaced as follows:

*“**Existing Magmatic Shareholder** means Magmatic Shareholders with a registered address in Australia and New Zealand as at the date of this Prospectus and who continue to hold Magmatic Shares as at the Record Date.”*
- (c) The definition of NSR AGM on page 128 of the Prospectus is deleted in its entirety.

3. Director Consent

Directors’ authorisation and consent

This Supplementary Prospectus has been signed by a Director of the Company with the authority of each of the Directors and is dated 1 December 2020. Each Director has consented to lodgement of this Supplementary Prospectus with ASIC.



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David Richardson
Director