
Helix Resources Limited

ACN 009 138 738

Entitlement Issue Prospectus

For a pro-rata non-renounceable entitlement issue of 1 new Share for every 2 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.007 per Share (**Offer**).

The Offer will initially raise up to approximately \$1.85 million (assuming maximum subscription based on the total number of Shares on issue as at the date of this Prospectus and assuming no other Options are exercised or Shares are issued between the date of this Prospectus and the Record Date other than 42,446,669 Shares to be issued on completion of the Placement on 5 June 2020).

The Offer is not underwritten.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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

Contents

1.	Corporate directory	3
2.	Timetable	4
3.	Important Information	5
4.	Chairman's Letter	7
5.	Details of the Offers	8
6.	How to apply.....	15
7.	Purpose and effect of the Offer	17
8.	Rights and Liabilities attaching to Shares	21
9.	Risk factors	23
10.	Additional information	32
11.	Directors' authorisation	39
12.	Glossary	40

1. Corporate directory

Directors

Peter Lester
(Executive Chairman)

Tim Kennedy
(Non-Executive Director)

Jason Macdonald
(Non-Executive Director)

General Manager – Geology

Michael Wilson

Company Secretary

Ben Donovan

Registered office

78 Churchill Avenue,
Subiaco WA 6008

Telephone: +61 8 9321 2644
Facsimile: +61 8 9321 3909
Email: info@helix.net.au
Website: www.helix.net.au

Share Registry*

Computershare Investor
Services Pty Limited

Level 11, 172 St Georges Terrace,
Perth, WA, 6000

Telephone:
(Within Australia): 1300 850 505
(Overseas) +61 3 9415 4000

Solicitors

EMK Lawyers
Suite 1B
16 Phillimore Street
Fremantle WA 6160

Auditor

HLB Mann Judd (Western Australia)
Partnership
Level 4
130 Stirling Street
Perth WA 6000

* These entities have not been involved in the preparation of this document and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	Pre-market open 5 June 2020
Company announces Offer and lodges Appendix 3B with ASX	Pre-market open 5 June 2020
Completion of Placement	5 June 2020
“Ex” date	10 June 2020
Record Date for determining Entitlements	11 June 2020
Prospectus sent to Shareholders & Company announces this has been completed. Offer opens	15 June 2020
Last day to extend Closing Date	30 June 2020
Closing Date of the Offer (5pm WST)*	3 July 2020
If ASX agrees, securities under Offer quoted on a deferred settlement basis from market open*	6 July 2020
Announcement of results of the Offer*	8 July 2020
Issue date of Shares under the Offer / Lodge final Appendix 2A*	No later than 10am (WST) 10 July 2020
Shares issued under the Offer commence trading on ASX on a normal basis*	13 July 2020

* The dates above are indicative only and are subject to change. The Directors may vary these dates subject to any applicable requirements of the Corporations Act or the Listing Rules. The Directors may extend the Closing Date by giving at least three (3) Business Days’ notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. Important Information

This Prospectus is dated 5 June 2020 and was lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus. No securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

Applications for Securities offered pursuant to this Prospectus can only be submitted in accordance with the instructions on an original Entitlement and Acceptance Form or Shortfall Application Form. Applications for Securities under the Top Up Facility must be made on a separate section on the Entitlement and Acceptance Form sent to Eligible Shareholders with this Prospectus. More information on the Top Up Facility and the Shortfall Offer is set out in Sections 5.6 and 5.7 respectively.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

A number of terms used in this Prospectus are defined in Section 12 of the Prospectus.

Risk factors

Potential investors should be aware that subscribing for and holding Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 9 of this Prospectus. These risks together with other general risks applicable to all investments in listed companies not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares to this Prospectus.

Forward-looking statements

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

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

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

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

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

Any forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 9 of this Prospectus.

4. Chairman's Letter

Dear Shareholder,

As a valued shareholder of Helix Resources Ltd (**Company**), I am pleased to offer you the opportunity to participate in a pro-rata non-renounceable entitlement offer of new fully paid, ordinary shares in the Company (**Shares**) on the basis of 1 new Share for every 2 Shares held on the Record Date at an issue price of \$0.007 per Share, that will raise approximately \$1.85 million before costs (**Offer**).

The proceeds of the Offer will be primarily used to progress exploration and drill test the Company's Cobar gold assets. Recent exploration by Helix at the Cobar Gold Project has identified new targets in areas where access by the Company has not been possible until recently and which have not been subject to systematic modern exploration. Some of the funds will be used for further drill testing and to progress preliminary mine studies at the Collierina copper project where open pit conceptual studies have recently commenced. The remainder of the funds will be used to satisfy the expenses of the Offer and for provision for working capital. See section 7.1 for further details.

The proposed issue price is near the lowest price the Company has traded in the last 12 months and represents an opportunity to secure shares in the company at a price that is well below what your directors believe is a far higher inherent asset value. The Company has significant and prospective assets, particularly with the Cobar Gold project where additional drilling and studies are planned in the coming weeks following completion of this entitlement issue, and the Collierina Copper resource where initial mine studies are planned. The Board believes it is appropriate that existing shareholders are given the chance to maintain their equity position by being presented with the opportunity to contribute on an equal opportunity basis.

The number of Shares you are entitled to subscribe for under the Offer (**Entitlement**) is set out in the personalised Entitlement and Acceptance Form that is enclosed with this Prospectus. The Offer is non-renounceable, which means if you do not take up your Entitlements they will lapse. A market will not be established and you will not be able to trade your Entitlements.

Eligible Shareholders can, in addition to their Entitlement, also apply for additional Securities under the Top Up Facility provided there are Securities available. Refer to Section 5.6 for further details. The Offer is also accompanied by a Shortfall Offer. Refer to section 5.7 for further details.

On behalf of your Board, I invite you to carefully consider this investment opportunity which will provide financial resources to your company to advance and preserve its assets. Please contact the Company directly to discuss this offer and any questions concerning the Company's operations and prospects by calling the Company, on +61 (8) 9321 2644.

Yours faithfully,



Peter Lester
Executive Chairman
Helix Resources Limited

5. Details of the Offers

5.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 new Share for every 2 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.007 per Share. Fractional entitlements will be rounded down to the nearest whole number. All Shares must be paid for in full at the time of Application.

All of the Shares offered under this Prospectus will following issue rank equally with the Shares on issue at the date of this Prospectus.

Please refer to section 8 for further information regarding the rights and liabilities attaching to the Shares.

As at the Record Date (and assuming no other Shares are issued between the date of this Prospectus and the Record Date other than 42,446,669 Shares to be issued on completion of the Placement which is anticipated to occur on 5 June 2020), the Company will have on issue 529,413,361 Shares and 15,000,000 Options. The Company expects that up to approximately 264,706,681 new Shares will be issued under the Offer to raise up to approximately \$1.85 million before costs (assuming the Offer is fully subscribed and allowing for completion of the Placement).

As at the date of this Prospectus, the Company has 15,000,000 Options on issue with various exercise and expiry dates. In order to participate in the Offer in respect of the underlying Shares, these Options must be exercised, and the underlying Shares issued, before the Record Date. If all Options are exercised with the underlying Shares being issued before the Record Date, the Offer will increase by up to approximately a further 7,500,000 Shares to a total of approximately 272,206,681 Shares (assuming no other Shares are issued) and the funds proposed to be raised from the Offer (assuming the Offer is fully subscribed) will increase by approximately \$52,500 to a total of approximately \$1.90 million (before costs and rounding).

The purpose of the Offer and the intended use of funds raised are set out in sections 7.1 and 7.2 of this Prospectus.

The Offer and Top Up Facility open on 15 June 2020 and each close on the Closing Date but the Company reserves the right to extend the Closing Date by giving notice to the ASX in accordance with the ASX Listing Rules.

5.2 Minimum subscription amount

There is no minimum subscription.

5.3 Underwriting

The Offer is not underwritten.

5.4 Effect on control of the Company

The potential effect that the issue of the Shares under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders interest in taking up their Entitlements and participation in the Top Up Facility, as well as the level of participation by investors in taking up Securities under the Shortfall Offer.

While it is not possible for the Directors to predict the outcome of the factors set out above, a non-exhaustive list setting out the potential effect on control is set out below:

- (a) the percentage interest of Shareholders who are not Eligible Shareholders, and Eligible Shareholders who do not take up their Entitlement, will be diluted by approximately 50% (assuming the Offer is fully subscribed);
- (b) if all Eligible Shareholders take up their Entitlements under the Offer and 100% of the Shortfall is placed (i.e. 100% Entitlements of Ineligible Shareholders is placed), all Eligible Shareholders will hold the same percentage interest in the Company as before the Offer opens;
- (c) in the more likely event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlements as shown by the table in section 5.5;
- (d) Eligible Shareholders will be entitled to top-up their shareholding over and above their Entitlements, by subscribing for additional Securities under the Top Up Facility to be issued from the Shortfall pool. Refer to section 5.6 for further details on the Top Up Facility;
- (e) as at the date of this Prospectus the Company has on issue 486,966,692 Shares (it will have 529,413,361 Shares on issue as at the Record Date following completion of the Placement) and 15,000,000 Options; and
- (f) the Company currently does not intend to appoint a nominee to sell Ineligible Shareholder Entitlements for the purposes of section 615 of the Corporations Act.

5.5 Potential dilution of Shareholders

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Shareholding at Record Date	~% at Record Date	Entitlements under Offer	~% post Offer if Offer not taken up
200,000,000	37.78%	100,000,000	25.19%
20,000,000	3.78 %	10,000,000	2.52%
2,000,000	0.38%	1,000,000	0.25%
200,000	0.04%	100,000	0.03%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer.

5.6 Top Up Facility

Any Entitlement not taken up pursuant to the Offer will form the Shortfall.

Eligible Shareholders will be entitled to apply for additional new Securities in excess of their Entitlements at the same price as under the Offer (**Top Up Facility**). An offer to Eligible Shareholders to acquire additional Securities forming part of the Shortfall will only be available where there is a Shortfall.

All Securities to be issued under the Top Up Facility shall be issued on the same terms as the Securities being offered under the Offer (including the Issue Price).

The offer of additional Securities under the Top Up Facility commences on the same date as the Offer commences and will remain open until the Closing Date.

Shareholders wishing to subscribe for additional Securities under the Top Up Facility must apply for them in accordance with the relevant section on the Entitlement and Acceptance Form at the same time as they apply for new Securities under their Entitlement.

The issue of additional Securities under the Top Up Facility is at the discretion of the Directors. Should such applications exceed the number of new Securities available, a scale back will be applied in a manner determined by the Directors.

The Board's allocation policy is to allocate Shares under the Top Up Facility to Eligible Shareholders who apply for their full Entitlement so long as the issue of Shares to that Eligible Shareholder would not, so far as the Board is aware, result in them having Voting Power in more than 20.0% of the Company's Shares.

However, the Directors reserve the right to issue to an Eligible Shareholder a lesser number of additional Securities under the Top Up Facility than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing Shares under the Top Up Facility. Where an application for Securities under the Top Up Facility is unsuccessful, in whole or in part, relevant Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

Please refer to section 6 for further information on applying for additional Securities under the Top Up Facility.

5.7 Shortfall Offer

A shortfall may arise if applications received for new Securities under the Offer and after the completion of the Top Up Facility are less than the number of new Securities available under the Offer (**Shortfall Securities**).

The Directors reserve the right, subject to the requirements of the ASX Listing Rules and the Corporations Act, to place remaining Shortfall Securities under a separate offer (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the date of this Prospectus. All

Shares issued under the Shortfall Offer shall be issued on the same terms as Shares being offered under the Offer (including the issue price).

Where there are Shortfall Securities, the allocation policy of the Directors in respect of the Shortfall Securities will be to determine the allottees of the Shortfall Securities at their absolute discretion. The Board will not allocate Shares under the Shortfall Offer to any investor where the issue of Shares to that investor would, so far as the Board is aware, result in them having Voting Power of more than 20% in the Company's Shares.

There is no guarantee that applicants for Shortfall Securities will receive any additional Shares applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall. Where an application for Shortfall Securities is unsuccessful, in whole or in part, relevant Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

5.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus on the ASX will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of this Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

5.9 Issue

Shares issued pursuant to the Offer and the Top Up Facility will be issued in accordance with the ASX Listing Rules and timetable set out in Section 2 of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date (in respect of the Top Up Facility) and the closing date of the Shortfall Offer (in respect of the Shortfall Offer).

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

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus. Holding Statements for any Shares issued under the Top Up Facility and Shortfall Securities issued under the Shortfall Offer will be mailed as soon as practicable after their issue.

5.10 Overseas shareholders

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

Australia and New Zealand

The Offer is being made to all Shareholders with registered addresses, on the Record Date, in Australia or New Zealand (**Eligible Shareholders**).

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Other Places

In relation to Shareholders with registered addresses on the Record Date in places other than Australia or New Zealand, the Company has decided that it would be unreasonable to make the Offer to those Shareholders having regard to:

- (a) the number of Shareholders in each such place;
- (b) the number and value of securities the holders would be offered; and
- (c) the costs of complying with legal requirements, and requirements of regulatory authorities, each such place.

Custodians and nominees

Custodians and nominees may not distribute this document, and may not permit any beneficial shareholder to participate in any offer under this Prospectus, in any country outside Australia except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

Ineligible Shareholders

Shareholders with registered addresses on the Record Date in places other than Australia or New Zealand are not eligible to participate in or accept the Offer (**Ineligible Shareholders**).

No Nominee

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of its Entitlement, it must have regard to the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% Voting Power threshold). Eligible Shareholders who may be at risk

of exceeding the 20% Voting Power threshold in section 606 of the Corporations Act as a result of acceptance of the Entitlement Offer should seek professional advice before completing and returning an Entitlement and Acceptance Form.

5.11 CHESS and Issuer Sponsorship

The Company will not be issuing share certificates for the Shares offered under this Prospectus. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Investors who are issued Shares under this Prospectus will be provided with a holding statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

5.12 Privacy Act

If you complete an Application for Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

5.13 Rounding

Fractional entitlements will be rounded down to the nearest whole number. All references to numbers of Shares to be issued pursuant to this Prospectus are expressed subject to rounding.

5.14 Enquiries

Any questions concerning the Offer should be directed to Ben Donovan, Company Secretary, on bdonovan@ventnorcapital.com

6. How to apply

6.1 Acceptance

Your acceptance of the Offer, or application under the Top Up Facility, must be in accordance with the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance for your Entitlement must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement. To apply for additional Securities under the Top Up Facility, please comply with the relevant section on the Entitlement and Acceptance Form accompanying this Prospectus and pay the relevant subscription amount in accordance with the Entitlement and Acceptance Form.

You may participate in the Offer and Top Up Facility as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) make a BPAY® payment in respect of your full Entitlement by following the instructions on the Entitlement and Acceptance Form (refer to section 6.3 for further details); or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) make a BPAY® payment in respect of the portion of your Entitlement that you wish to take up by following the instructions on the Entitlement and Acceptance Form (refer to section 6.3 for further details); or
- (c) if you wish have accepted for your full Entitlement and wish to participate in the Top Up Facility:
 - (i) complete the Top Up Facility section in the Entitlement and Acceptance Form; and
 - (ii) make a BPAY® payment in respect of your participation in the Top Up Facility by following the instructions on the Entitlement and Acceptance Form (refer to section 6.3 for further details); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

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

When paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. When paying via BPAY®, you must follow the instructions for BPay® set out in the Entitlement and Acceptance Form.

6.2 No Return of Entitlement and Acceptance Forms

In light of the substantial delays in postage times as a result of the Covid 19 virus, and the period the Offer is open, it is considered unlikely that Entitlement and Acceptance Forms that are posted with a payment by cheque will be received by the Company in time for the Company to accept under the application.

In light of this, the Company has resolved that payments must be made by BPAY®, and may not be made by cheque. As such, Applicants do NOT need to return their completed Entitlement and Acceptance Forms to the Company.

By paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form; and
- (b) you acknowledge that once a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

6.3 Payment only by BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form if you pay by BPAY® but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies paid by BPAY®.

6.4 Action in relation to Shortfall Offer

Investors wishing to participate in the Shortfall Offer should contact the Company to obtain a copy of this Prospectus and the Shortfall Application Form.

Acceptance of a completed Shortfall Application Form by the Company creates a legally binding contract between the relevant Applicant and the Company for the number of Securities accepted by the Company. The Shortfall Application form does not need to be signed to be a binding acceptance of securities.

If the Shortfall Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat a Shortfall Application Form as valid and how to construe, amend or complete the application form, is final.

6.5 Enquiries

Any questions concerning the Offer should be directed to Ben Donovan, Company Secretary, on +61 (8) 9321 2644 or via email bdonovan@ventnorcapital.com

7. Purpose and effect of the Offer

7.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1.85 million (assuming maximum subscription based on the total number of Shares on issue as at the date of this Prospectus and no other Shares are issued or Options exercised between the date of this Prospectus and the Record Date other than 42,446,669 Shares to be issued on completion of the Placement).

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Cobar Gold Project – Sampling and fieldwork	\$110,000	6%
2.	Cobar Gold Project – Drilling	\$950,000	51%
3.	Collerina Copper Project – desktop studies	\$35,000	2%
4	Collerina Copper Project - drilling	\$130,000	7%
5	Collerina Copper Project - DHEM	\$32,000	2%
6.	Exploration contingency	\$62,850	3%
7.	Expenses of the Offer	\$28,606	2%
9.	Working capital for 12 months	\$504,451	27%
Total		\$1,852,947	100%

Notes:

1. Refer to section 10.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis, but funds will be spent to maintain and further the Company's exploration projects. The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet its current stated objectives.

In the event that the Offer is not fully subscribed (and the Top Up Facility or Shortfall Offer are also not fully subscribed), the Company shall apply the actual proceeds raised by the Offer first towards the estimated expenses of the Offer, then towards the development of the Cobar Gold projects up to a maximum of \$500,000 with the balance (if any) applied equally towards general working capital and the advancement of the remaining geological assets the Company group is developing. The Board reserves the right to alter the priority and proportions in which funds raised are applied.

In the event that insufficient funds are raised to meet the expenses of the Offer, the Company intends to use its existing working capital to meet the expenses of the Offer.

7.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1.79 million (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue as at the Record Date from 529,413,361 to 794,120,042 Shares (assuming no other Shares are issued or Options exercised between the date of this Prospectus and the Record Date other than 42,446,669 Shares to be issued on completion of the Placement).

7.3 Details of substantial holders

Based on publicly available information, the Company's substantial holders (i.e. holders with a Relevant Interest (either alone or with Associates) in 5% or more of the Voting Shares), as at the Record Date (inclusive of Shares to be issued to the under the Placement), and their Entitlement under the Offer, are set out in the table below, assuming they do not acquire any additional Shares before the Record Date other than under the Placement.

Substantial Holder	Shares	Shareholding at Record Date	Entitlement Shares	Subscription Sum \$
Yandal Investments Pty Ltd	29,353,467	5.55%	14,676,734	\$102,737
Gee Vee Pty Ltd	28,394,325	5.36%	14,197,163	\$99,380

In the event all Entitlements are accepted by Eligible Shareholders there will be no change to the substantial holders on completion of the Offer.

7.4 Pro-forma statement of financial position

The audit reviewed statement of financial position as at 31 December 2019, the unaudited management accounts statement of financial position of 30 April 2020 and the unaudited pro-forma statement of financial position as at 30 April 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared to provide an indication on the effect of the Offer on the financial position of the Company assuming the Offer is fully subscribed and no Options are exercised prior to the Record Date. It has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDIT REVIEWED 31 December 2019	UNAUDITED 30 April 2020	UNAUDITED PRO-FORMA 30 April 2020
Current assets			
Cash ¹	326,924	35,476	2,031,772
Trade and other receivables	66,680	45,739	45,739
Other current assets	20,958	178,929	178,929
Total current assets	414,562	260,144	2,256,440
Non-current assets			
Plant and equipment	38,194	34,808	34,808
Financial assets	235,886	246,016	246,016
Right of use asset	88,750	73,316	73,316
Exploration and evaluation expenditure	9,526,715	9,740,999	9,740,999
Total non-current assets	9,889,545	10,095,139	10,095,139
TOTAL ASSETS	10,304,107	10,355,283	12,351,579
Current liabilities			
Creditors and borrowings	393,200	575,248	575,248
Total current liabilities	393,200	575,248	575,248
Non-Current Liabilities			
Lease liabilities	44,478	22,239	22,239
TOTAL LIABILITIES	437,678	597,487	597,487
NET ASSETS	9,886,429	9,757,796	11,754,092
Equity			
Contributed equity	67,444,424	67,440,924	69,437,220
Reserves	226,682	226,682	226,682
Accumulated losses	(57,804,677)	(57,909,810)	(57,909,810)
TOTAL EQUITY	9,866,429	9,757,796	11,754,092

¹ Excludes term deposits noted as financial assets

The pro-forma statement of financial position includes the following adjustment:

- (a) \$2.06 million being raised (\$1.85 million under the Offer and \$297,126 under the Placement before costs) (assuming full subscription and that no Options are exercised prior to the Record Date and deducting the estimated expenses of the Offer) which includes payment of \$0.007 per Share.

7.5 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming it is fully subscribed, is set out below.

Shares	
Shares on issue as at the date of this Prospectus	486,966,692
Shares to be issued under the Placement ¹	42,446,669
Shares to be issued under the Offer ^{2, 3}	264,706,681
Total Shares on issue on completion of the Offer^{2, 3}	794,120,042

Notes

1. As announced to the ASX on 5 June 2020, the Company has agreed to issue 42,446,669 Shares to sophisticated and professional investors under the Placement at an issue price of \$0.007 per Share. The Placement is expected to complete on 5 June 2020.
2. Assuming the Offer is fully subscribed and no other Shares issued, other than under the Placement, and subject to rounding.
3. The Company has 15,000,000 Options on issue. If any of these are exercised prior to the Record Date and the underlying Shares issued, then the Shares to be issued under the Offer and total Shares on issue upon completion of the Offer, Top Up Facility and Shortfall Offer will correspondingly increase (depending on applications received).

Options	
Unlisted Class D Options exercisable at \$0.0607 per Option on or before 5 April 2021 ¹	3,000,000
Unlisted Class F Options exercisable at \$0.065 per Option on or before 10 December 2021 ¹	12,000,000
Options offered under the Offer	Nil
Total Options on issue upon completion of the Offer²	15,000,000

Notes

1. Option terms do not confer a right to a change in exercise price after the Offer.
2. Assuming no Options are converted.

8. Rights and Liabilities attaching to Shares

8.1 Shares

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

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

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a holder of a Share or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- (iii) on a poll, every person present who is a holder of a Share or a proxy, attorney or representative of a holder of a Share shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held.

(c) Dividend rights

The Directors may from time to time declare a dividend. Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend which shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares in accordance with Part 2H.5 of the Corporations Act.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides

for any dividend which the Directors may declare from time to time payable on shares which are participating shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

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

(e) Shareholder liability

As the Shares issued under the Prospectus will be fully paid shares at the time of issue, they will not be subject to any calls for further moneys by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

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

(g) Future increase in capital

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

(h) Variation of rights

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

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

(i) Alteration of Constitution

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

9. Risk factors

9.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Company specific risks

(a) Potential for significant dilution

Upon completion of the Offer, the number of issued Shares in the Company will increase from 529,413,361 to 794,120,042 (assuming the Offer is fully subscribed and no other Shares are issued between the date of this Prospectus and the Record Date other than 42,446,669 Shares to be issued on completion of the Placement). This means that each Share will represent a lower proportion of the ownership of the Company and a Shareholder who does not take up its Entitlement will be diluted by 50%.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation or prediction as to such matters.

The trading price of Shares on ASX prior to the Prospectus being lodged is not a reliable indicator as to the potential trading price of Shares after completion of the Offer.

(b) Going concern risk

The Company's 31 December 2019 half yearly financial report, noted the following:

"The Company incurred an operating loss after income tax for the half-year ended 31 December 2019 of \$272,862 (31 December 2018: \$379,136) and reported net cash outflows from operating of \$333,033 (31 December 2018: \$330,265). As at 31 December 2019 the Group had available cash and cash equivalents of \$326,924 (30 June 2019: \$366,391).

The Company has the ability to defer or reduce its operating expenditure and commitments, or to dispose of assets. However, based on its current projected work program it is anticipated that it will be necessary for the Company to raise additional equity capital during the next twelve months."

(c) Additional funding

The Company's future capital requirements, and the Company's ability to satisfy those requirements, depend on numerous factors, many of which are beyond the control of the Company.

In the future the Company will require further funding in addition to amounts raised under Offer. Any additional equity financing will dilute shareholdings. Any debt financing, if available, may involve restrictions on the Company's activities.

If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations, dispose of assets or scale back its exploration programmes, as the case may be.

The Company's ability to raise funds through the issue of Shares or other securities is subject to share market conditions from time to time. The market for securities in junior exploration companies can fluctuate.

There is, however, no certainty that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company and its Shareholders.

(d) Executive Management

The responsibility of overseeing the day-to-day operations and the Company's strategic management depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) Chile

While Chile is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless be subject to social and economic uncertainty. Civil and political unrest and outbreaks of hostilities in Chile could affect the Company's access to the Samuel and Joshua Projects and subsequent exploration and development.

Adverse changes in government policies or legislation in Chile affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

(f) Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring

as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) Exploration risks

The mineral tenements and mining properties of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these mineral tenements and mining properties, or any other mineral tenements and mining properties that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title or indigenous process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mineral tenements and mining properties and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the mineral tenements and mining properties, a reduction in the case reserves of the Company and possible relinquishment of the mineral tenements and mining properties.

(h) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(i) Failure to satisfy Expenditure Commitments

Interests in mineral tenements and mining properties in Australia and Chile are governed by the mining acts and regulations that are current in those countries and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it, annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the mineral tenements and mining properties if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(j) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(k) Native title or indigenous rights and Indigenous Heritage

In relation to mineral tenements and mining properties which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title or indigenous rights of persons in Australia and Chile exist. If native title or indigenous rights do exist, the ability of the Company to gain access to mineral tenements and mining properties or mining properties (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 Directors will closely monitor the potential effect of native title or indigenous claims involving mineral tenements and mining properties or mining properties in which the Company has or may have an interest.

Additionally, there may be Indigenous heritage sites within the mineral tenements and mining properties areas which may lead to restrictions on the areas that the Company will be able to explore and mine.

(l) Operational risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather

conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(m) Reserve and Resource Estimates

No assurance can be given that any mineral reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

(n) Tenure and access

Mineral tenements and mining properties are subject to periodic renewal. There is no guarantee that current or future mineral tenements and mining properties or future applications for production mineral tenements and mining properties will be approved.

The mineral tenements and mining properties held by the Company are subject to the applicable mining acts and regulations in Australia and Chile. The renewal of the term of a granted mineral tenement or mining property is also subject to the discretion of the relevant Minister or government authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the mineral tenements and mining properties comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

A number of the mineral tenements and mining properties comprising the Company's projects overlap land which is owned by private landowners. In order for the Company to access that land and undertake its proposed activities on that land, including any exploration and/or development of a mine the Company will need to negotiate access and compensation arrangements with the underlying private landholders.

9.3 General risks

(a) Litigation Risks

The Company is not currently engaged in any litigation. However, the Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims.

Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(c) Market conditions

Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) Foreign exchange rate risk

The Company's operating expenses in Chile will be predominantly in the local Chilean currency – the Chilean peso.

To comply with Australian reporting requirements, the operating expenses and any income of overseas entities will need to be wholly accounted for in Australian dollars. Consequently, the Company will be exposed to exchange rate volatility and currency fluctuations between the Chilean Peso and the Australian dollar which may have a materially adverse effect on the financial performance of any operations in the applicable country.

At this point in time, the Company has not put in place any hedging against exchange rate fluctuations, meaning that the Company is exposed to exchange rate risk.

(e) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The

occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(f) Commodity price volatility and exchange rate risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(g) Sovereign risk (General)

The Company's key projects are located in Australia and Chile. Possible sovereign risks associated with operating in Chile include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price or value of its Securities.

No assurance can be given regarding future stability in Chile or any other country in which the Company may, in the future, have an interest.

(h) Risk of international operations generally

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

(i) Competition risk

The industries in which the Company will be involved are subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(j) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(k) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(l) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(m) Force Majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

9.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities under this Prospectus.

10. Additional information

10.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Continuous disclosure obligations

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

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is primarily required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is issued in circumstances where significant publicly available information in relation to the Company exists by virtue of disclosures to ASX. This Prospectus does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors are encouraged to have regard to the other publicly available information available through the ASX in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three (3) months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

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

- (a) the Company is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC; and
- (c) the Company will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

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

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

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

Date	Description of announcement
05/06/2020	Placement and Entitlement Offer
01/06/2020	Trading Halt
25/05/2020	NSW Project Update
4/05/2020	Expiry of unlisted options
30/04/2020	Quarterly Activities Report
30/04/2020	Quarterly Cashflow Report
2/04/2020	Off-hole EM targets provide further confidence at Collierina
26/03/2020	Response to COVID 19 - measures being taken
24/03/2020	Scale breakthrough with high grade copper lodes at Collierina
13/03/2020	Half Yearly Report and Accounts
12/03/2020	Final Director's Interest Notice - M Wilson
12/03/2020	Board and Management Changes to accelerate projects
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report
14/01/2020	Collierina Project Drilling Update
18/12/2019	Drilling underway at Samuel Project - Chile
13/12/2019	Change of Auditor
4/12/2019	Drilling underway at flagship Collierina project
29/11/2019	Notice under Section 708A(5)(E)
29/11/2019	Appendix 3B - placement
22/11/2019	Results of Meeting
18/11/2019	Brand New Copper Targets on Collierina Trend
07/11/2019	Resource upgrade - Cobar Gold project
31/10/2019	Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
16/10/2019	Notice of Annual General Meeting
30/09/2019	Appendix 4G

ASX maintains files containing publicly available information for all listed companies. Copies of all documents released by the Company to the ASX are available on the ASX website at www.asx.com.au.

10.3 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with the ASIC and the last respective date of those sales were:

	Price	Date
Highest	1.5 cents	25 May 2020
Lowest	0.4 cents	27 March 2020
Last	1.1 cents	29 May 2020

10.4 Interests of Directors

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

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

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

- (a) to a Director or proposed Director as an inducement to become, or to qualify as, a Director; or
- (b) to a Director, proposed Director or Relevant Person for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Directors' Interests in Securities

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

Director	Current Holdings		Offer Entitlement	Total Subscription Price (\$)
	Shares	Options	Shares	
Peter Lester	736,895	3,000,000 *	368,448	2,579.13
Tim Kennedy	300,000	3,000,000 #	150,000	1,050
Jason Macdonald	10,846,764	3,000,000 *	5,423,382	37,963.67

Note:

* Options exercisable at \$0.065 on or before 10 December 2021

Options exercisable at \$0.0607 on or before 5 April 2021

The Board recommends all Shareholders participate in the Offer and advises that all Directors with an Entitlement intend to participate for their portion of their Entitlement.

Remuneration

The remuneration of an executive director is decided by the Board, without the affected executive director participating in that decision-making process. The total maximum remuneration of non-executive directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules as applicable. The determination of non-executive directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive director. The current amount has been set to not exceed \$200,000 per annum.

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

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

Director	2017/18 (Actual)	2018/19 (Actual)	2019/20 (Proposed)
Peter Lester	N/A	\$32,858 ²	\$45,000
Tim Kennedy	13,590 ³	\$36,530	\$30,000
Jason Macdonald	36,530	\$36,530	\$30,000

Notes:

1. This does not include any reimbursements that the Directors may receive for work related expenses or any issue of incentive securities.
2. Part year for Peter Lester who joined the board in November 2018.
3. Part year for Tim Kennedy who joined the board in 16 February 2018.

10.5 Interests of experts and advisers

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

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

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

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

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

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

EMK Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay EMK Lawyers \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EMK Lawyers has been paid nil fees for legal services provided to the Company.

HLB Mann Judd (WA) Partnership is the reviewer of the Company's balance sheet dated 31 December 2019, details of which are included in this Prospectus. HLB Mann Judd (WA) Partnership was paid \$8,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, HLB Mann Judd (WA) Partnership has been paid fees totalling \$0 (excluding GST and disbursements) for audit and non-audit services provided to the Company.

10.6 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its

name and a statement included in this Prospectus with the consent of that party as specified in this section.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

HLB Mann Judd (WA) Partnership has given its written consent to being named as auditor to the Company in this Prospectus, and to the statements in this Prospectus attributable to the auditor in the form and context in which they are included and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

10.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$28,606 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	8,400
Legal fees	10,000
Printing and distribution	5,000
Miscellaneous	2,000
Total	28,606

In the event the Offer and the Top Up Facility are not fully subscribed, the Company has agreed to pay a fee of 6% on amounts paid on Shortfall Securities placed by certain AFSL holders and, if at least \$1.5m is raised under the Placement and Offer, to grant them a one year right to participate in equity issues by the Company.

10.8 Financial forecasts

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

10.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 (8) 9321 2644 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.helix.net.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any

relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11. Directors' authorisation

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

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

A handwritten signature in black ink, appearing to read 'P. Lester', with a long horizontal stroke extending to the right.

PETER LESTER

**EXECUTIVE CHAIRMAN
FOR AND ON BEHALF OF
HELIX RESOURCES LTD**

12. Glossary

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

Applicant means a Shareholder who applies for Securities pursuant to the Offer, or a Shareholder or other party who applies for Securities pursuant to the Top Up Facility, or an investor who applies for Securities under the Shortfall Offer.

Application means an application to subscribe for Securities under this Prospectus.

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

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

Associates has the meaning given in section 12 of the Corporations Act.

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

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

CHESS means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd.

Closing Date means the date specified in the timetable set out in Section 2 of this Prospectus (unless extended).

Company means Helix Resources Ltd (ACN 009 138 738).

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

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

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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

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

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address in the Company's register of members is not situated in Australia or New Zealand.

Issue Price means \$0.007.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement of 42,446,669 Shares, at an issue price of \$0.007 per Share, to sophisticated and professional investors as announced to ASX on 5 June 2020.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Securities means Shares.

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

Shareholder means a holder of a Share.

Share Registry means the share registry of the Company as noted in section 1 of this Prospectus.

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

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in section 5.7 of this Prospectus.

Shortfall Securities means those Shares not issued pursuant to the Offer and the Top Up Facility.

Top Up Facility means the facility described in Section 5.6.

Voting Power has the meaning given to that term in the Corporations Act.

Voting Shares has the meaning given to that term in the Corporations Act.

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