



**ACN 118 522 124**

## **PROSPECTUS**

This Prospectus is being issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 3 new Shares for every 7 Shares held on the Record Date at an issue price of \$0.03 each to raise up to approximately \$1.03 million (before costs) (**Offer**).

The Offer is underwritten by Argonaut refer to Section 5.2 for further details.

The Offer closes at 5.00pm (AWST) on Monday, 3 August 2020.\*

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT  
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL  
ADVISER WITHOUT DELAY.**

**THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE  
NATURE.**

\*The Company reserves the right, subject to the Corporations Act, Listing Rules and the Underwriting Agreement, to extend the Closing Date for the Offer.

## Important information

This Prospectus is dated 29 June 2020 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at 15 McCabe Street, North Fremantle, Western Australia, 6159, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.7).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Shares under the Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's entitlement to participate in the Offer. If acceptance is by BPAY® there is no need to return the original Entitlement and Acceptance Form.

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

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia, New Zealand and Singapore. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## Corporate directory

### Directors

Mr John Hutton	Non-Executive Chairperson
Mr Simon Lawson	Managing Director and Chief Executive Officer
Mr Geoffrey Jones	Non-Executive Director
Mr Michael Edwards	Non-Executive Director

### Company Secretary

Ms Natalie Teo

### Registered Office

15 McCabe Street  
North Fremantle  
Western Australia 6159

Telephone: +61 8 9322 2338  
Email: [info@fireflyresources.com.au](mailto:info@fireflyresources.com.au)  
Website: [www.fireflyresources.com.au](http://www.fireflyresources.com.au)

**ASX Code:** FFR

### Share Registry\*

Automic Pty Ltd  
Level 2, 267 St Georges Terrace  
Perth WA 6000

Tel (within Aus): 1300 288 664

Tel (outside Aus): +61 (02) 9698 5414

### Lawyers

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth WA 6000

### Underwriter

Argonaut Capital Limited (Underwriter)  
AFSL: 221 476  
Level 30, Allendale Square  
77 St Georges Terrace  
Perth WA 6000

### Auditors\*

Stantons International  
Level 2, 1 Walker Avenue  
West Perth WA 6005

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## Proposed timetable for the Offer

Event	Date
Lodgement of Prospectus with ASIC Lodgement of Prospectus, announcement of Offer and lodgement of Appendix 3B with ASX	On or before 30 June 2020
Shares quoted on an "EX" basis	2 July 2020
Record Date for determining Entitlements	3 July 2020
Issue of Exclusivity Shares	6 July 2020
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders and Company announces that this has occurred	8 July 2020
Last day to extend Closing Date	29 July 2020
Anticipated date for the Company general meeting	30 July 2020
Anticipated date for the completion of Acquisition - issue of Consideration Shares, Performance Rights and Placement Shares	31 July 2020
Closing Date of Offer (5pm AWST)*	3 August 2020
Shares quoted on a deferred settlement basis	4 August 2020
Announcement of results of Offer	5 August 2020
Anticipated date for issue of the Shares under the Offer Company lodges an Appendix 2A with ASX applying for quotation of the new Shares	7 August 2020
Anticipated date for commencement of new Shares trading on a normal settlement basis	10 August 2020

\* All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares issued under the Offer are expected to commence trading on ASX may vary.

## Table of contents

<b>1.</b>	<b>Details of the Offer</b>	<b>1</b>
<b>2.</b>	<b>Action required by Shareholders</b>	<b>11</b>
<b>3.</b>	<b>Effect of the Offer</b>	<b>14</b>
<b>4.</b>	<b>Risk Factors</b>	<b>16</b>
<b>5.</b>	<b>Additional Information</b>	<b>24</b>
<b>6.</b>	<b>Directors' Statement and Consent</b>	<b>38</b>
<b>7.</b>	<b>Unaudited Pro Forma Statement of Financial Position</b>	<b>39</b>
<b>8.</b>	<b>Glossary of Terms</b>	<b>41</b>

## Letter from the Chairperson

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 3-for-7 entitlement offer at an issue price of \$0.03 per share to raise up to approximately \$1.03 million (before costs) (**Offer**). Argonaut has committed to underwrite the full amount to be raised under the Offer.

Under the Offer, Eligible Shareholders are entitled to subscribe for 3 new shares for every 7 existing fully paid ordinary shares (**Shares**) in the Company held on the record date, being 5.00pm (AWST) on 3 July 2020 (**Record Date**). New Shares issued under the Offer will rank equally with existing Shares.

Proceeds from the Offer will be principally applied towards existing projects, the Yalgoo Gold Project and general working capital.

The Offer under this Prospectus is scheduled to close at **5.00pm (AWST) on 3 August 2020**. Eligible Shareholders wishing to participate in the Offer must apply for new Shares before this time in accordance with the instructions set out in Section 2 and on the Application Form accompanying this Prospectus.

The Company encourages participants in the Offer to apply for the new Shares by BPAY® as a matter of public safety, to avoid the handling of paper Entitlement and Acceptance Forms and to overcome potential mail delays in light of the ongoing COVID-19 pandemic. Cheques and cash will not be accepted as a form of payment.

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable. The Board recommends that you take up your Entitlement after reading this Prospectus in its entirety including the risks outlined in Section 4.

The Prospectus includes further details of the Offer and the effect of the Offer on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offer.

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully

John Hutton  
Non-Executive Chair

## Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>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.</p>	Section 5.5
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p>(a) <b>Acquisition risk:</b> The Company recently announced that it had entered into a binding terms sheet (<b>Terms Sheet</b>) to acquire 100% of the issued capital of Aurum Minerals Pty Ltd (ACN 128 307 246) (<b>Aurum</b>), holder of the Yalgoo Gold Project. Completion of this Terms Sheet remains subject to the satisfaction of conditions precedent, including the receipt of Shareholder approval of the Acquisition. There can be no certainty that the conditions precedent will be satisfied, and that the acquisition will be completed.</p> <p>(b) <b>Future capital needs:</b> Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.</p> <p>(c) <b>Exploration risks:</b> Mineral exploration and development is a high risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit or that it can be economically exploited.</p> <p>(d) <b>General market risks:</b> Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.</p> <p>(e) <b>Coronavirus (COVID-19) risk:</b> The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, measures to limit the transmission of the</p>	Section 4

Key Information	Further Information
virus implemented by governments in Australia and around the world (such as travel bans and quarantining) may adversely impact the Company's operations.	
<b>The Offer</b> <b>Entitlement Offer</b> <p>This Prospectus is for a non-renounceable entitlement issue of 3 new Shares for every 7 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.03 per new Share to raise up to approximately \$1.03 million (before costs).</p>	Section 1.1
<b>Underwriting and sub-underwriting</b> <p>Argonaut has committed to underwrite the full amount to be raised under the Offer.</p> <p>Any new Shares not subscribed for under the Offer will be subscribed for by the Underwriter or its nominees pursuant to the Underwriting Agreement.</p> <p>The Underwriter has entered into sub-underwriting agreements with directors, John Hutton and Geoffrey Jones. In accordance with the Underwriting Agreement and relevant sub-underwriting agreements, the Underwriter will place any Shortfall Shares to sub-underwriters in its absolute discretion.</p> <p>No Sub-Underwriter, individually or together with any of its associates, will hold more than 20% of the voting power of the Company on completion of the Offer. The total sub-underwriting commitment from Mr Hutton and Mr Jones is \$170,000 and \$30,000 respectively.</p> <p>See Sections 1.3, 5.2, 5.3 and 5.4 for further details.</p>	Sections 1.3, 5.2, 5.3 and 5.4.
<b>Eligible Shareholders</b> <p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>(a) are the registered holder of Shares on the Record Date; and</li> <li>(b) have a registered address in Australia, or subject to the offer restrictions in Sections 1.16 and 1.17, Singapore and New Zealand.</li> </ul>	Sections 1.15, 1.16 and 1.17
<b>Use of funds</b> <p>Funds raised under the Offer are intended to be used towards the Company's existing projects, the Yalgoo Gold Project and for general working capital.</p>	Section 1.4
<b>Effect on control of the Company</b> <p>The Company is of the view that the Offer will not affect the control of the Company as no investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offer.</p> <p>Shareholders should note that if they do not participate in the Offer, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.9.</p>	Sections 1.7 and 1.9
<b>Indicative capital structure and pro-forma balance sheet</b>	Sections 3.1 and 7

Key Information				Further Information
The indicative capital structure upon completion of the Offer (assuming the Offer is fully subscribed) and the Acquisition proceeds is set out below:				
	Shares	Options <sup>1</sup>	Performance Rights	
Balance at the date of this Prospectus	79,944,854	17,974,995	-	
Maximum number of Shares to be issued under the Offer	34,262,080	-	-	
TOTAL	114,206,934	17,974,995	0	
Exclusivity Shares	833,333	-	-	
Consideration Shares	97,000,000	-	-	
Vendor Placement Shares	38,333,334	-	-	
Non-Vendor Placement Shares	5,000,000	-	-	
Performance Rights	-	-	22,999,998	
TOTAL	255,373,601	17,974,995	22,999,998	
<p><b>Note:</b></p> <p>1. Unquoted options with varying exercise periods and exercise prices. Refer to Section 3.1 for further details.</p> <p>The indicative pro-forma balance sheet showing the effect of the Offer is in Section 7.</p>				
Directors' interests in Shares and Entitlements				Section 5.10(b)
The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:				
Director	Existing Shares	Existing Options	Entitlement	
John Hutton	2,709,178	1,250,000	1,161,077	
Simon Lawson	541,666	2,833,332	232,143	
Geoffrey Jones	397,499	1,166,666	170,357	
Michael Edwards	Nil	1,000,000	Nil	
It is the intention of all Directors to take up all or part of their Entitlement specified above under the Offer. In addition, John Hutton and Geoffrey Jones have agreed to sub-underwrite for \$170,000 and \$30,000 respectively.				

Key Information	Further Information
<p><b>Forward looking statements</b></p> <p>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.</p> <p>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 considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors 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.</p> <p>The Directors have 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.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>

## 1. Details of the Offer

---

### 1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of ordinary fully paid Shares at an issue price of \$0.03 each to Eligible Shareholders on the basis of 3 new Shares for every 7 Shares held on the Record Date (**Offer**).

As at the date of this Prospectus, the Company has on issue 79,944,854 Shares and 17,974,995 Options.

The Offer is for a maximum of 34,262,080 Shares, to raise up to approximately \$1,030,000 (before costs), noting that the Record Date for the Offer will occur prior to the issue of the Exclusivity Shares, Consideration Shares, Performance Rights and Placement Shares.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share.

Shares issued under the Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to the Shares offered under the Offer is in Section 5.1.

### 1.2 Acquisition of the Yalgoo Gold Project

As announced on 24 June 2020, the Company entered into a binding terms sheet (**Terms Sheet**) to acquire 100% of the issued capital of Aurum Minerals Pty Ltd (ACN 128 307 246) (**Aurum**) from each of the shareholders of Aurum (**Acquisition**). The subsidiaries of Aurum, Yalgoo Exploration Pty Ltd (ACN 166 570 869) (**Yalgoo**) and Mining and Metallurgy Process Solutions Pty Ltd (ACN 169 234 431) (**MMPS**), are the legal and/or beneficial holders of the Yalgoo Gold Project (**Project**) comprised of Tenements, located within the Yalgoo Greenstone Belt, Western Australia.

In consideration for the Acquisition, the Company has agreed to issue the following securities to Aurum and the shareholders of Aurum (**Vendors**):

- (a) 833,333 Shares to the Vendors (or their respective nominees), at a deemed issue price of \$0.03 per Share following execution of the Terms Sheet (**Exclusivity Shares**);
- (b) 97,000,000 Shares to the Vendors (or their respective nominees), at a deemed issue price of \$0.03 per Share upon the satisfaction of the conditions precedents set out in the Terms Sheet (**Consideration Shares**); and
- (c) 22,999,998 performance rights to the Vendors (or their respective nominees), which are to be issued in three separate tranches of 7,666,666 performance rights and will vest upon the completion of milestones in relation to the Project being achieved over a five year period (**Performance Rights**).

The issue of the Consideration Shares and Performance Rights is subject to the receipt of Shareholder approval, which will be sought at the Company's general meeting to be convened on or around 30 July 2020.

In addition, the issue of the Consideration Shares and Performance Rights remains conditional on the satisfaction of certain conditions precedent, the material terms of which are:

- (a) obtaining Shareholder approval for completion of a placement to professional and sophisticated investors, Mr Michael Edwards (a Director) and Vendors (or their nominees) (**Placement**) of a total of 43,333,334 Shares at an issue price of \$0.03 per Share to raise approximately \$1,300,000 (before costs). The Placement comprises the issue of:
  - (i) 5,000,000 Shares to professional and sophisticated investors (including 1,666,667 Shares to be issued to Mr Michael Edwards, a Director), at an issue price of \$0.03 each to raise approximately \$150,000 (before costs) (**Non-Vendor Placement Shares**); and
  - (ii) 38,333,334 Shares at an issue price of \$0.03 each to raise approximately \$1,150,000 (before costs) (**Vendor Placement Shares**),

collectively, the Non-Vendor Placement Shares and Vendor Placement Shares are referred to as the **Placement Shares**;

- (b) MMPS and/or Yalgoo being the sole registered legal and beneficial holder of each of the Tenements;
- (c) the parties to the Terms Sheet receiving all regulatory approvals or consents;
- (d) the Company being satisfied of certain outstanding due diligence matters; and
- (e) other conditions customary for a transaction of this nature.

(together, the **Conditions Precedent**).

Subject to the satisfaction of the Conditions Precedent, it is expected that the Exclusivity Shares, Consideration Shares, Performance Rights and Placement Shares will be issued after the Record Date and participants under these offers will not be eligible to participate in the Offer.

If the Conditions Precedent are not satisfied, the Acquisition is not approved by Shareholders at the upcoming general meeting to be convened shortly, or either party defaults in the performance of their respective obligations, completion may not occur.

### 1.3 Underwriting and sub-underwriting

Argonaut is Underwriter to the Offer and has been appointed as the underwriter to underwrite the Offer up to a total of 34,262,080 Shares (**Underwritten Shares**) for up to a total value of \$1,027,862 (**Underwritten Amount**).

Any new Shares not subscribed for under the Offer will be subscribed for by Argonaut pursuant to the underwriting agreement agreed between Argonaut and the Company (**Underwriting Agreement**). Each of the Underwritten Shares to be issued to the Underwriter will be issued on the same terms and conditions of the new Shares being offered under the Offer (including the issue price).

The Underwriter has entered into sub-underwriting agreements with directors, John Hutton and Geoffrey Jones. In accordance with the Underwriting Agreement and relevant sub-underwriting agreements, the Underwriter will place any Shortfall Shares to sub-underwriters in its absolute discretion.

No Sub-Underwriter, individually or together with any of its associates, will hold more than 20% of the voting power of the Company on completion of the Offer. The total sub-underwriting commitment from Mr Hutton and Mr Jones is \$170,000 (5,666,667 Shares) and \$30,000 (1,000,000 Shares) respectively. Mr Hutton and Mr Jones will not be paid a fee for their sub-underwriting commitments.

Argonaut has also entered into a capital raising mandate with the Company to lead manage the Non-Vendor Placement.

Further details of the appointment of Argonaut and details of the sub-underwriting is in Sections 5.2, 5.3 and 5.4.

In addition, the Company's substantial Shareholder, Tisia Nominees Pty Ltd & Thomas Joseph Henderson has entered into a sub-underwriting agreement with the Underwriter to sub-underwrite the Offer of a total amount of \$170,000 (6,666,666 Shares). Tisia Nominees Pty Ltd & Thomas Joseph Henderson will not be paid a fee for their sub-underwriting commitments.

#### 1.4 Use of funds

Completion of the Offer will result in an increase in cash at hand of approximately \$1,030,000 (before costs) (assuming the Offer is fully subscribed and before payment of costs).

The following indicative table sets out the proposed use of funds raised under the Placement and Offer respectively over the 12 month period following the completion of the Offer:

Proposed use	Placement (\$)	Offer (\$)	Total (\$)
Existing projects	260,000	205,572	465,572
Yalgoo Gold Project	700,000	553,464	1,253,464
Working Capital and Costs of the Offer <sup>1</sup>	340,000	268,826	608,826
<b>TOTAL</b>	<b>1,300,000</b>	<b>1,027,862</b>	<b>2,327,862</b>

##### Notes:

- Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional Directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
- The above table sets out the proposed use of funds raised under the Offer only. It does not represent the total amount of budgeted expenditure for each line item. A proportion of the total budgeted amount for each line item has been allocated from the funds sought to be raised pursuant to the Offer.
- Investors are cautioned that the Offer is not conditional on the successful completion of the Acquisition. In the event that the Acquisition does not proceed and the Offer completes,, the Company's current intention is that the funds allocated to the Yalgoo Gold Project would be re-allocated towards its existing projects and working capital at the discretion of the Board.

The above is a statement of current intentions at the date of this Prospectus. Intervening events 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 the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities, access conditions, weather and any changes in the business and economic environment.

### 1.5 Opening and Closing Dates

Applications may be made by Eligible Shareholders under the Offer from the date it dispatches the Prospectus and Entitlement and Acceptance Forms until 5:00pm (WST) on 3 August 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Underwriting Agreement (**Closing Date**).

### 1.6 Minimum subscription

There is no minimum subscription for the Offer.

### 1.7 Effect on control of the Company

The maximum total number of Shares proposed to be issued under the Offer is 34,262,080 which will constitute 30% of the Shares on issue following completion of the Offer (assuming no other Shares are issued prior to the Record Date).

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue.

No nominee has been appointed for Ineligible Foreign 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 their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Entitlement and Acceptance Form.

The Company is of the view that the Offer will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company and that no investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

As at the date of this Prospectus, the Vendors do not currently hold any Shares in the Company. It is noted that the Vendors comprise 22 shareholders of Aurum, each of which has warranted to the Company that it is not associated with any of the other Vendors or of Tisia Nominees Pty Ltd.

The indicative shareholdings of the Vendors (or their respective nominees) following completion of the Acquisition, subject to rounding and assuming Shareholders approve the relevant resolutions at the Company's general meeting to be convened shortly and no further Securities are issued or exercised, will be as follows:

Party	Total number of Shares issued	% of shareholding
Vendors	136,166,667 <sup>1</sup>	53.3%

**Note:**

- 136,166,667 comprises of 833,333 Exclusivity Shares, 97,000,000 Consideration Shares and 38,333,334 Vendor Placement Shares upon completion of the Acquisition.

In the event that the Acquisition does not proceed, the Vendors (or their respective nominees) will either:

- (c) not hold any Shares in the Company; or
- (d) will hold 833,333 Exclusivity Shares,

depending on whether the Exclusivity Shares were issued prior to the Acquisition not proceeding.

Argonaut and its associates do not hold a relevant interest in any Shares as at the date of this Prospectus, however, Argonaut holds 291,666 unquoted Options with an exercise price of \$0.60 and an expiry date of 31 March 2022. Argonaut may appoint sub-underwriters to sub-underwrite the Offer.

The Underwriter's maximum potential relevant interest in Shares and voting power in the Company under several scenarios are set out in the table below and are based on the assumptions that:

- (a) no further Shares are issued; and
- (b) the Underwriter takes up its full Entitlement.

	Total Underwriter Shares	Total Shares	Underwriter voting power
Date of Prospectus	0	79,944,854	0%
<i>Entitlement Offer</i>			
Fully subscribed	0	114,206,934	0%
75% subscribed by Shareholders other than the Underwriter	8,565,520	114,206,934	7.50%
50% subscribed by Shareholders other than the Underwriter	18,844,144	114,206,934	16.50%
25% subscribed by Shareholders other than the Underwriter	25,696,560	114,206,934	22.50%

	<b>Total Underwriter Shares</b>	<b>Total Shares</b>	<b>Underwriter voting power</b>
Underwritten Shares only	34,262,080	114,206,934	30%

In the event the Exclusivity Shares, Placement Shares and Consideration Shares are issued, the Underwriter's maximum potential relevant interest will be reduced.

## 1.8 Substantial Shareholders

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

<b>Substantial Shareholder</b>	<b>Number of Shares</b>	<b>Voting power</b>
Tisia Nominees Pty Ltd & Thomas Joseph Henderson	5,082,186	6.4%

Tisia Nominees Pty Ltd & Thomas Joseph Henderson have informed the Company that it intends to take up its Entitlement under the Offer.

## 1.9 Potential dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Offer may impact Shareholders are set out in the table below, noting that the below table does not include dilution resulting from the issue of the Exclusivity Shares, Consideration Shares and Placement Shares:

<b>Holder</b>	<b>Holding as at Record Date</b>	<b>% at Record Date</b>	<b>Entitlement under the Offer</b>	<b>Holdings if Offer not taken up</b>	<b>% post Offer</b>
Shareholder 1	4,000,000	5.00%	1,714,286	4,000,000	3.50%
Shareholder 2	3,000,000	3.75%	1,285,714	3,000,000	2.63%
Shareholder 3	2,000,000	2.50%	857,143	2,000,000	1.75%
Shareholder 4	1,500,000	1.88%	642,857	1,500,000	1.31%
Shareholder 5	1,000,000	1.25%	428,571	1,000,000	0.88%

### Notes:

1. The table assumes that no Shares are issued other than those offered pursuant to this Prospectus.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Offer is fully subscribed. If the Offer is not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The below table sets out that additional dilution that will occur subject to the Acquisition proceeding, on the assumption that no Shares are issued other than the Exclusivity Shares, Consideration Shares, Placement Shares and those offered pursuant to this Prospectus:

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	4,000,000	5.00%	1,714,286	4,000,000	1.57%
Shareholder 2	3,000,000	3.75%	1,285,714	3,000,000	1.17%
Shareholder 3	2,000,000	2.50%	857,143	2,000,000	0.78%
Shareholder 4	1,500,000	1.88%	642,857	1,500,000	0.59%
Shareholder 5	1,000,000	1.25%	428,571	1,000,000	0.39%

**Notes:**

1. The table assumes that no Performance Rights issued to the Vendors are converted into Shares.
2. The dilution effect shown in the table is the maximum percentage of dilution on the assumption that the Offer is fully subscribed. If the Offer is not fully subscribed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

#### 1.10 No rights trading

The rights to Shares under the Offer is non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, the offer to you will lapse.

#### 1.11 Issue Date and dispatch

All Shares under the Offer is expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Shares under the Offer.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

#### 1.12 Application Monies held on trust

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

#### 1.13 ASX quotation

Application has been or will be made for the official quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX

allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

#### **1.14 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Automatic Registry Services and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

#### **1.15 Ineligible Foreign Shareholders**

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of Shares 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 or the Shares under the Offer.

The distribution of this Prospectus in jurisdictions outside Australia, Singapore and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

#### **1.16 Singapore offer restrictions**

This Prospectus and any other materials relating to the new Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the new Shares may not be issued, circulated or distributed, nor may the new Shares be offered or sold, or be made the

subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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

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

#### **1.17 New Zealand offer restrictions**

The Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **1.18 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

#### **1.19 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

#### **1.20 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

#### **1.21 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2019, can be found in the Company's Annual Report announced on ASX on 26 September 2019 and, for the half-year ended 31 December 2019, the Half Year

Accounts announced on ASX on 12 March 2020. The Company's continuous disclosure notices (i.e. ASX announcements) since 26 September 2019 are listed in Section 5.7. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

## 1.22 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## 2. Action required by Shareholders

---

### 2.1 Action in relation to the Offer

The Company will send this Prospectus, together with a personalised Entitlement and Acceptance Form, to all Eligible Shareholders.

Should you wish to acquire new Shares as part of the Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying personalised Entitlement and Acceptance Form.

**Applicants are encouraged to apply via BPAY®.**

If you do not wish to take up any of your Entitlement to new Shares, you may allow your Entitlement to lapse (refer to Section 2.4).

### 2.2 Acceptance of Entitlement in full

Should you wish to accept all of your Entitlement under the Offer and you are not paying by BPAY®, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a payment made by electronic funds transfer (**EFT**).

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

When paying by EFT or BPAY®, Applicants 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 Applicant to ensure that funds are submitted through EFT or BPAY® by the Closing Date. **If you elect to pay via EFT or BPAY®, you must follow the instructions for EFT or BPAY® set out in the Entitlement and Acceptance Form.**

For persons paying by BPAY® **you will not need to return the Entitlement and Acceptance Form.**

### 2.3 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Offer and you are not paying by BPAY®, then applications for Shares under the Offer must be made on the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.03 per Share accepted), and pay by EFT for the appropriate Application Monies.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

When paying by EFT or BPAY®, Applicants 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 Applicant to ensure that funds are submitted through EFT or BPAY® by the Closing Date. If you elect to pay via EFT or BPAY®, you must follow the instructions for EFT or BPAY® set out in the Entitlement and Acceptance Form.

For persons paying by BPAY® you will not need to return the Entitlement and Acceptance Form.

## **2.4 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

## **2.5 Entitlement and Acceptance Form**

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of Shares.

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

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, or making a payment via BPAY®, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia, or subject to the offer restrictions in Sections 1.16 and 1.17, Singapore and New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for you given your investment objectives, financial situation or particular needs; and

- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## 2.6 **Enquiries concerning your Entitlement**

For all enquiries concerning the Prospectus, please contact the Company on +61 8 9322 2338.

For all general shareholder enquiries, please contact Automic Registry Services on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer and Acquisition

	Shares	Options	Performance Rights
Balance at the date of this Prospectus	79,944,854	17,974,995 <sup>1</sup>	-
Maximum number of Shares to be issued under the Offer	34,262,080	-	-
<b>TOTAL<sup>3</sup></b>	<b>114,206,934<sup>2</sup></b>	<b>17,974,995</b>	<b>0</b>
Exclusivity Shares <sup>4</sup>	833,333	-	-
Consideration Shares <sup>5</sup>	97,000,000	-	-
Vendor Placement Shares <sup>6</sup>	38,333,334	-	-
Non-Vendor Placement Shares <sup>6</sup>	5,000,000	-	-
Performance Rights <sup>5</sup>	-	-	22,999,998
<b>TOTAL</b>	<b>255,373,601</b>	<b>17,974,995</b>	<b>22,999,998</b>

**Notes:**

1. 17,974,995 unquoted options comprising:
  - a. 1,874,996 unquoted options exercisable at \$1.20 each on or before 15 April 2021;
  - b. 399,999 unquoted options exercisable at \$0.60 each on or before 31 March 2022;
  - c. 5,000,000 unquoted options exercisable at \$0.10 each on or before 30 September 2022;
  - d. 5,000,000 unquoted options exercisable at \$0.125 each on or before 30 September 2022;
  - e. 2,850,000 unquoted options exercisable at \$0.12 each on or before 31 December 2021; and
  - f. 2,850,000 unquoted options exercisable at \$0.14 each on or before 31 December 2022.
2. Assumes that no Shares will be issued or Options exercised prior to the Record Date. This number is also subject to rounding.
3. Subject to rounding and assuming the Offer is fully subscribed, and no further Equity Securities are issued, exercised or converted to Shares.
4. The Company intends to issue 833,333 Exclusivity Shares to the Vendors (or their respective nominees) using the Company's 15% annual placement capacity under Listing Rule 7.1 following execution of the Terms Sheet. The issue of the Exclusivity Shares will be ratified at the Company's upcoming general meeting.
5. Pursuant to the Terms Sheet, the Company intends to issue 97,000,000 Consideration Shares and 22,999,998 Performance Rights (to be issued in three equal tranches of 7,666,666 on satisfaction of the relevant milestone) to the Vendors (or their respective nominees). The issue of the Securities is subject to the receipt of Shareholder approval at a general meeting.
6. The Company intends to undertake a Placement to occur prior to or concurrently with the completion of the Acquisition comprising of the issue of:
  - a. 5,000,000 Non-Vendor Placement Shares at an issue price of \$0.03 each; and

b. 38,333,334 Vendor Placement Shares at an issue price of \$0.03 each.

The Shares are subject to the receipt of Shareholder approval at a general meeting.

7. The Shares in notes 4, 5 and 6 will not be issued if the Conditions Precedent are not satisfied and / or the Acquisition does not proceed.

### 3.2 Effect of the Offer on the Company's financial position

To illustrate the effect of the Offer on the financial position of the Company, set out in Section 7 is the reviewed statement of financial position of the Company and the unaudited pro forma statement of financial position, both as at 31 December 2019 (**Balance Date**). Each has been prepared on the basis of the accounting policies normally adopted by the Company.

In addition, the unaudited pro forma statement of financial position has been prepared on the basis of the following assumptions:

- (a) as if the Offer was effective at Balance Date;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) take up of the Offer, assuming full subscription is received;
- (d) the costs of the Offer are approximately \$114,319 (see Section 5.13); and
- (e) completion of the Acquisition and Placements (see Section 1.2).

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 31 December 2019 and the completion of the Offer except for movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs and exploration activities.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 31 December 2019 and the date of this Prospectus.

### 3.3 Market price of Shares

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

Lowest: \$0.024 on 26 and 31 March and 3 April 2020

Highest: \$0.09 on 24 June 2020

The latest closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.069 per Share on 29 June 2020.

## 4. Risk Factors

---

Activities in the Company and its controlled entity, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entity have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### 4.1 Risks specific to the Company

#### (a) Acquisition risk - Yalgoo Gold Project

On 24 June 2020, the Company announced that it had entered into a Terms Sheet to acquire 100% of the issued capital of Aurum from the Vendors. The subsidiaries of Aurum, Yalgoo and MMPS, are the legal and/or beneficial holders of the Yalgoo Gold Project comprised of Tenements, located within the Yalgoo Greenstone Belt, Western Australia.

Completion of the Acquisition remains subject to the satisfaction of the Conditions Precedent.

In addition, both parties will also negotiate to procure and execute a:

- (i) royalty deed, to grant the Vendors a royalty of 1.25% of the net smelter return in respect of any mineral product extracted and sold from each of the Tenements; and
- (ii) tribute mining agreement to grant the Vendors the right to mine the Melville laterite resource, which falls within the Tenements.

If the Conditions Precedent are not satisfied (or waived), the Acquisition is not approved by Shareholders at the upcoming general meeting, or either party defaults in the performance of their respective obligations, completion may not occur. The Company has no reason to believe that the Conditions Precedent will not be satisfied in a timely manner.

#### (b) Exploration success

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the Company's tenements will result in the discovery of an economic resource 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 permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents 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 tenements 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 tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

(c) **Manager risk**

The success and profitability of the Company will largely depend on the ability of the Managing Director who is primarily responsible for devising and implementing the Company's exploration strategy.

The Company is exposed to the risk that the Managing Director may fail to make suitable decisions in relation to the exploration strategy. In addition, the Managing Director's employment agreement is due to expire on 1 May 2021. As such, the Company is exposed to the risk that the Managing Director ceases to be involved with the Company in an executive capacity, and as a result, ceases to manage the Company's operations. In this event, the Company will need to identify and engage suitably qualified and experienced replacements to implement the Company's strategy.

(d) **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.

(e) **Funding**

As at the date of this Prospectus, the Company has no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cash flow, it is dependent upon being able to obtain future equity debt funding to support long term exploration, after the expenditure of the net proceeds raised under the Offer.

Neither the Company nor any of the Directors or any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms favourable to the Company.

Any additional equity funding will dilute existing Shareholders.

Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate cash flow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.

(f) **Resource estimates**

Any resources delineated on the Company's tenements, or any other tenements that may be acquired by the Company in the future, are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove

to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans that may, in turn, adversely affect the Company's operations.

**(g) Operations**

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 tenements, or any other tenements that may be acquired by the Company in the future. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

**(h) Title**

Interests in exploration and mining tenements in Western Australia are evidenced by the granting of licences, leases, permits or authorities.

Each of the Company's tenements has been granted for a specific term and carries rental, annual expenditure and reporting commitments, as well as other conditions imposed under the relevant regulation applying in Western Australia. The Company could face penalties, lose title to or its interest in the Company's tenements, or any other tenements that may be acquired by the Company in the future, if such conditions are not met or if insufficient funds are available to meet expenditure commitments.

The Company's exploration tenements allow its holders to carry out particular authorised activities to determine the existence, quality, and quantity of minerals on, in, or under land through various methods.

The Company's exploration tenements do not permit mining activities. A mining lease is required before mining and production may occur. There is no guarantee that a mining lease will be obtained, and in turn, no guarantee that the holders of the tenements will be able to proceed to production even if a viable resource is discovered.

**(i) Dilution risk**

Upon implementation of the Offer, assuming all Entitlements are accepted, completion of the Placement and no existing Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 79,944,854 currently on issue to 114,206,934 upon completion of the Offer and further increase to 255,373,601 upon completion of the Acquisition. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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 as to such matters.

The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.069 (29 June 2020) is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

**(j) Native title and Aboriginal cultural heritage**

The tenements which the Company has an interest in or will in the future acquire such an interest, which relate to areas over which legitimate common law native title rights of Aboriginal Australians exist or is claimed to exist.

In respect of areas where native title has exists or is claimed, the ability of the Company to gain access to its tenements (through obtaining consent of any relevant landowner), or to be granted the necessary tenure to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

In addition, the tenements which the Company has an interest in contain Aboriginal heritage sites some of which are known to the Company and potentially others that are not yet identified. The existence of the Aboriginal heritage sites within the tenements in which the Company has an interest may lead to restrictions on the areas that the Company will be able to explore and mine.

**(k) Acquisition risk**

The Company's proposed objectives involve acquiring and developing resource projects at various stages of development. The Directors of the Company will use their expertise and experience in the resources sector to assess the value and merit of potential projects that are likely to provide returns for Shareholders. However, there can be no guarantee that any new project may result in any return for the Company and its Shareholders.

**(l) Tenure and access risk**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

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

**(m) Environmental risk**

As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The costs and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Activities on the Company's tenements must comply with the conditions of their respective environmental authorities. The Company may be required to obtain further approvals from the relevant authorities before it can undertake particular activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

Environmental issues may compromise the exploration and development of the Company's tenements.

(n) **Commodity price volatility and exchange rate risks**

Commodity price volatility impacts both upon the value of the Company's projects and the potential revenue (if any) derived from those projects.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. These factors include supply and demand fluctuations, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in foreign currencies, 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 foreign currencies and the Australian dollar as determined in international markets.

(o) **Regulatory**

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

(p) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(q) **Reliance on key management**

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.

(r) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company.

(s) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or 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. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

## 4.2 **General Risks**

(a) **Securities investments**

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) **Economic risks**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential exploration and development programs, as well as on its ability to fund those activities.

(c) **Force majeure**

The Company's projects 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, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(d) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;

- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (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 resources stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders.

**(e) Policies and legislation**

Any material adverse changes in government policies or legislation of Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

**(f) Coronavirus disease**

The outbreak of coronavirus disease (COVID-19) is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices.

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations.

**(g) Climate change risks**

There are a number of climate-related factors that may affect the Company's business or its assets, including its tenements. For instance:

- (i) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access and utilise its tenements and/or on the Company's ability to transport or sell mineral commodities; and
- (ii) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy or the value of its assets (including its tenements), or may result in less favourable pricing for mineral commodities, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

#### **4.3 Investment speculative**

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 Shares offered under this Prospectus.

Therefore, the Shares 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 Shares.

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

## 5. Additional Information

---

### 5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### (a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

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

#### (b) Voting rights

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

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

#### (c) Issues of further Shares

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the 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.

#### (d) Shareholder liability

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

(e) **Variation of rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(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 or the Listing Rules.

(g) **Dividends**

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

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

Subject to the 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.

(h) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

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

(i) **Alteration of constitution**

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

## 5.2 **Underwriting Agreement**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Offer in full to the Underwritten Amount and may appoint sub-underwriters to sub-underwrite the Offer.

The Company has agreed to pay the Underwriter an underwriting fee equal to 6% of the Underwritten Amount pursuant to the Offer (payable on completion).

The Company has agreed to pay and indemnify the Underwriter against and in relation to, all costs and expenses of and incidental to the Offer, up to \$10,000.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination.

The Underwriter may terminate its obligations under the Underwriting Agreement in the event of any of the termination events set out below occurring:

- (a) **(Misleading offer materials):** the Underwriter reasonably forms the view that there is a material omission from the Prospectus, they contain a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
- (b) **(Unable to issue Shares):** the Company is prevented from issuing the Shares under the Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (c) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act;
- (d) **(Index changes):** the S&P / ASX All Ordinaries Index (ASX Code: XAO) or S&P / ASX Small Resources Index (ASX Code: XSR) fall more than 10% from the date of the Underwriting Agreement and remains at that level for at least a period of 3 consecutive Business Days;
- (e) **(Indictable offence):** a Director of the Company or any Related Corporation is charged with an indictable offence;
- (f) **(Return of capital or financial assistance):** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;
- (g) **(Banking facilities):** the Company's bankers terminating or amending the terms of any existing facility to the Company's detriment or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (h) **(Change in laws):** any of the following occurs:

- (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
- (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
- (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;

- (i) **(Failure to comply):** the Company or any Related Corporation fails to comply with any of the following:

- (i) a provision of its constitution;
- (ii) any statute;
- (iii) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
- (iv) any material agreement entered into by it,

in relation to the Offer;

- (j) **(Alteration of capital structure or constitution):** except as described in the Prospectus, the Company alters its capital structure or its constitution without the prior written consent of the Underwriter;
- (k) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
- (l) **(Default):** the Company is in material default of any of the terms and conditions of the Underwriting Agreement or materially breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (m) **(Adverse change):** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (n) **(Investigation):** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation in respect of the Offer;
- (o) **(Due diligence):** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation are false or misleading;
- (p) **(Prescribed Occurrence):** a Prescribed Occurrence occurs in respect of the Company after the date of the Underwriting Agreement, other than:

- (i) as contemplated by the Underwriting Agreement; or
- (ii) as permitted with the Underwriter's consent, whose consent must not be unreasonably withheld;
- (q) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (r) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Related Corporation; or
- (s) **(Judgment against a Related Corporation):** a judgment of an amount exceeding \$200,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days.

The Underwriter may only terminate its obligations under the Underwriting Agreement in the event of any of the termination events described in Sections 5.2(g) to 5.2(s) above (inclusive), if the Underwriter reasonably believes and does believe the event:

- (a) has or is likely to have a materially adverse effect on:
  - (i) the success of, ability of the Underwriter to market, or effect settlement of, the Offer (irrespective of whether or not the Offer has opened); or
  - (ii) the market price of Shares; or
- (b) has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any law or regulation.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

### 5.3 **Lead Manager**

The Company has appointed Argonaut Securities Pty Ltd (ACN 108 330 650) to lead manage the Non-Vendor Placement (**Lead Manager**). The Company has agreed to pay the Lead Manager a capital raising fee equal to 6% of the amount raised under the Non-Vendor Placement (in respect of which the Underwriter is entitled to be paid a fee, as described in Section 5.2).

### 5.4 **Sub-underwriting**

Directors, John Hutton and Geoffrey Jones, have entered into a sub-underwriting arrangement with the Underwriter. The Underwriter may also appoint additional third party sub-underwriters to subscribe for Shares up to the Underwritten Amount. The Underwriter has confirmed that any sub-underwriter will not, by its sub-underwriting, increase their relevant interest in the Shares to 20% or more.

Pursuant to the sub-underwriting arrangements, in the event of a Shortfall and subject to the availability of Shortfall Shares, Mr Hutton and Mr Jones have agreed to sub-underwrite up to \$170,000 and \$30,000, being 5,666,667 and 1,000,000 Shares respectively, in relation to the Offer (**Committed Amount**). The Committed Amount is in addition to Mr Hutton and Mr Jones' Entitlement. Mr Hutton and Mr Jones will not be paid a fee for their sub-underwriting commitments.

The maximum total shareholding of Mr Hutton and Mr Jones following the Offer has been calculated in the table below on the basis that:

- (i) Mr Hutton and Mr Jones subscribes for their full Entitlement and the full Committed Amount; and
- (ii) no other Eligible Shareholder subscribes for their Entitlement.

Director	Current shareholding (including direct and indirect)	Current interest in voting shares	New shares to be issued <sup>1</sup>	Entitlement	Total shares held post Rights Issue	Post Offer interest in voting shares <sup>2</sup>
John Hutton	2,709,178	3.4%	5,666,666	1,161,077	9,536,921	8.4%
Geoffrey Jones	397,499	0.5%	1,000,000	170,357	1,567,856	1.4%

**Notes:**

- These figures assume that no Entitlements under the Offer are taken up by Eligible Shareholders (other than Mr Hutton and Mr Jones) and the Shares will be allocated to Mr Hutton and Mr Jones in accordance with the sub-underwriting arrangement to take up those Shares to the maximum Committed Amount (**Director Sub-underwritten Shares**) and the Underwriter to take up the balance of the Underwritten Amount.
- These percentages assume that all the Underwritten Shares have been taken up by the Underwriter and sub-underwriters (including Director Sub-underwriters).

## 5.5 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.7 below). Copies of all documents announced to the ASX can be found at <https://www.fireflyresources.com.au/investors-and-media/>.

## 5.6 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

## 5.7 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 30 June 2019 lodged with ASX on 26 September 2019 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2019 lodged with ASX on 12 March 2020; and
- (c) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX on 26 September 2019, until the date of this Prospectus:

Date lodged	Subject of Announcement
29/06/2020	Change of Registered Office Address
25/06/2020	Firefly Managing Director Interview, RRS 10-in-10
24/06/2020	Proposed issue of Securities - FFR
24/06/2020	Proposed issue of Securities - FFR
24/06/2020	Proposed issue of Securities - FFR
24/06/2020	Proposed issue of Securities - FFR
24/06/2020	Proposed issue of Securities - FFR
24/06/2020	Transformational Acquisition of Yalgoo Gold Project, WA
19/06/2020	Trading Halt
30/04/2020	Quarterly Activities Report
30/04/2020	Quarterly Cashflow Report
01/04/2020	Exploration Activities and COVID-19 Update
12/03/2020	Half Yearly Report and Accounts
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report

Date lodged	Subject of Announcement
20/01/2020	Change of Share Registry
02/01/2020	Change of Director's Interest Notices x 2
02/01/2020	Expiry of Unlisted Options and Appendix 3B
17/12/2019	Amended Appendix 3B
17/12/2019	Change of Director's Interest Notices x 4
17/12/2019	Appendix 3B
05/12/2019	Change of Company Name and ASX Code
04/12/2019	Forrestania Gold Project - Gemcutter Drilling Update
29/11/2019	Results of Meeting
20/11/2019	Corporate and Projects Update
31/10/2019	Quarterly Activities Report
31/10/2019	Quarterly Cashflow Report
30/10/2019	Notice of Annual General Meeting/Proxy Form
28/10/2019	Marindi makes new high-grade gold discoveries at Forrestania
23/10/2019	Forrestania Gold Project Drilling Update
10/10/2019	Appointment of Director
07/10/2019	Becoming a substantial holder
26/09/2019	Corporate Governance Statement and Appendix 4G
26/09/2019	Annual Report to Shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (d) this Prospectus;
- (e) the Constitution; and
- (f) the consents referred to in Section 5.14 and the consents provided by the Directors to the issue of this Prospectus.

## 5.8 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus, however, the

Company is currently considering its upcoming exploration activities and intends to provide a market update in this regard early in the new financial year.

## 5.9 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## 5.10 Interests of Directors

### (a) Information disclosed in this Prospectus

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

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

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offer.

### (b) Security holdings

The relevant interests of each of the Directors in securities of the Company as at the date of this Prospectus is set out below.

Director	Existing Shares	Existing Options	Entitlement	Sub-Underwriting Commitment
John Hutton	2,709,178 <sup>1</sup>	1,250,000 <sup>2</sup>	1,161,077	5,666,666 <sup>7</sup>
Simon Lawson <sup>3</sup>	541,666	2,833,332	232,143	Nil
Geoffrey Jones	397,499 <sup>4</sup>	1,166,666 <sup>5</sup>	170,357	1,000,000 <sup>8</sup>
Michael Edwards <sup>6</sup>	Nil	1,000,000	Nil	Nil

#### Notes:

1. Mr Hutton's Shares are held as follows:

- (a) 1,335,299 Shares held indirectly by Mr Hutton through Faustus Nominees Pty Ltd <G J Hutton Family Trust>;
- (b) 268,204 Shares held indirectly by Mr Hutton through Mathry Pty Ltd <DMH Superfund>;

- (c) 786,787 Shares held indirectly by Mr Hutton through JCO Investments Pty Ltd <JCO Super Fund>; and
  - (d) 318,888 Shares held indirectly by Mr Hutton through JCO Investments Pty Ltd <JH Family A/C>.
2. 1,250,000 Options held indirectly by Mr Hutton through JCO Investments Pty Ltd <JH Family A/C> comprising of:
    - (a) 250,000 unlisted Options expiring on 15 April 2021 exercisable at \$1.20 with varying vesting conditions;
    - (b) 500,000 unlisted Options exercisable at \$0.12 each on or before 31 December 2021; and
    - (c) 500,000 unlisted Options exercisable at \$0.14 each on or before 31 December 2022.
  3. Mr Lawson's Securities are directly held as follows:
    - (a) 541,666 Shares;
    - (b) 833,332 unlisted Options expiring on 15 April 2021 exercisable at \$1.20 with varying vesting conditions;
    - (c) 1,000,000 unlisted Options exercisable at \$0.12 each on or before 31 December 2021; and
    - (d) 1,000,000 unlisted Options exercisable at \$0.14 each on or before 31 December 2022.
  4. Mr Jones' Shares are held as follows:
    - (a) 381,093 Shares are held indirectly by Geoffrey M Jones & Christine L Lee <Lee Jones Super Fund A/C>; and
    - (b) 16,406 Shares are held indirectly by JMG Projects Pty Ltd.
  5. 1,166,666 Options held directly by Mr Jones' comprising of:
    - (a) 166,666 unlisted Options expiring on 15 April 2021 exercisable at \$1.20 with varying vesting conditions;
    - (b) 500,000 unlisted Options exercisable at \$0.12 each on or before 31 December 2021; and
    - (c) 500,000 unlisted Options exercisable at \$0.14 each on or before 31 December 2022.
  6. 1,000,000 Options comprising of:
    - (a) 500,000 unlisted Options exercisable at \$0.12 each on or before 31 December 2021; and
    - (b) 500,000 unlisted Options exercisable at \$0.14 each on or before 31 December 2022.
  7. Mr Hutton has entered into a sub-underwriting agreement with the Underwriter for 5,666,666 Shares (being a value of \$170,000). Mr Hutton will not receive a fee for his sub-underwriting commitment taken up.
  8. Mr Jones has entered into a sub-underwriting agreement with the Underwriter for 1,000,000 Shares (being a value of \$30,000). Mr Jones will not receive a fee for his sub-underwriting commitment taken up.

The Directors have informed the Company that they intend to take up all or part of their respective Entitlements.

**(c) Remuneration**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution, to be divided between the non-executive directors as the Directors shall determine and, in default of agreement between them, then in equal shares. No non-executive director shall be paid as part or whole of his remuneration a commission on or a percentage of profits or operating revenue.

The aggregate amount of compensation for non-executive directors was set by the Board on 11 November 2011 at \$250,000. There has been no change to these levels since 2011. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board.

The remuneration of executive directors is entitled to receive remuneration (whether by way of salary, commission or participation in profits) as the Directors may determine. The Company currently has one Executive Director, Mr Simon Lawson. Mr Lawson's base salary is comprised of a base salary of \$230,000 per year (inclusive of superannuation).

The Constitution also provides that:

- (i) the Company must pay a Director (in addition to any remuneration) all reasonable expenses (including travelling and accommodation expenses) incurred by the director in or about the performance of their duties as a Director; and
- (ii) if a Director, at the request of the Board and for the purposes of the Company, performs extra services or makes special exertions, the Company may pay additional remuneration and this may be either in addition to or in substitution for the Directors share in the remuneration provided by the Constitution.

Directors received the following remuneration for the year to 30 June 2019:

Director	Directors' fees and salary (\$)	Annual Leave (\$)	Non-monetary benefits (\$)	Super-annuation (\$)	Share-based payments (\$)	Total (\$)
John Hutton <sup>1</sup>	27,500	-	4,489	2,613	-	34,602
Simon Lawson <sup>2</sup>	192,542	(5,655)	4,489	18,291	-	209,667
Geoffrey Jones	18,333	-	4,489	1,742	-	24,564
Jeremy Robinson <sup>3</sup>	147,867	(13,816)	3,542	18,406	160,342	316,341
Michael Edwards <sup>4</sup>	-	-	-	-	-	-

**Notes:**

- Mr Hutton was appointed as Non-Executive Director on 15 December 2010 and Non-Executive Chairman on 3 November 2017, replacing Mr Ashton.
- Mr Lawson was appointed as Managing Director and Chief Executive Officer on 1 May 2018, replacing Mr Treacy.
- Mr Robinson resigned from his position as Company Secretary on 15 April 2019.
- Mr Edwards was appointed as Non-Executive Director on 10 October 2019 and did not receive any remuneration for the financial year ending 30 June 2019.

Directors received the following remuneration for the year ended 30 June 2018:

Director	Directors' fees and salary (\$)	Annual Leave (\$)	Non-monetary benefits (\$)	Super-annuation (\$)	Share-based payments (\$)	Total (\$)
John Hutton	26,417	-	3,095	2,510	25,385	57,407
Simon Lawson	35,008	(4,578)	517	3,326	155,901	190,174
Geoffrey Jones	20,000	-	3,095	1,900	16,924	41,919
Jeremy Robinson	177,375	3,411	3,095	16,851	8,781	209,513
Joseph Treacy <sup>1</sup>	197,083	(2,125)	2,586	18,723	7,338	223,605
Ross Ashton <sup>2</sup>	10,346	-	1,068	983	-	12,397

**Notes:**

1. Mr Treacy resigned from his position as Managing Director and Chief Executive Officer on 1 May 2018 and was replaced by Mr Lawson.
2. Mr Ashton resigned from his position as Non-Executive Chairman on 3 November 2017 and was replaced by Mr Hutton.

#### 5.11 Related party transactions

There are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

#### 5.12 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

HWL Ebsworth Lawyers will be paid approximately \$20,000 (plus GST) in fees for legal services in connection with the Offer.

Argonaut Capital Limited has been appointed as Underwriter to the Offer and is entitled to be paid the fees summarised in Section 5.2.

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

### 5.13 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expense	\$
ASIC lodgement fees	3,206
ASX quotation fees	14,980 <sup>1</sup>
Underwriter fee	61,672 <sup>2</sup>
Legal and preparation expenses	20,000
Printing, mailing and other expenses	15,000
<b>TOTAL</b>	<b>114,858</b>

**Notes:**

1. Assumes the Offer is fully subscribed.
2. The Company will pay an underwriting fee of 6% of the total Underwritten Amount.

### 5.14 Consents

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

Each of the parties referred to in this Section:

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

HWL Ebsworth Lawyers has given its written consent to being named as the Australian corporate solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Automic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Argonaut Capital Limited has given its written consent to being named as Underwriter to the Offer in this Prospectus. The Underwriter has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 6. Directors' Statement and Consent

---

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



John Hutton  
Chairperson  
**Firefly Resources Limited**

Dated: 29 June 2020

## 7. Unaudited Pro Forma Statement of Financial Position

		Full Subscription <sup>(1)</sup>		Acquisition of the Yalgoo Gold Project and Placement <sup>(2)</sup>			Unaudited Pro Forma
	Reviewed			Unaudited Pro Forma			
	31 December 2019			31 December 2019	Exclusivity Shares	Consideration Shares	Placement Shares
	\$	Offer \$	Costs <sup>(3)</sup> \$	\$	\$	\$	31 December 2019 \$
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	1,535,367	1,027,862	(114,858)	2,448,371			1,300,000
Trade and other receivables	8,076			8,076			
Prepayments	45,421			45,421			
<b>Total Current Assets</b>	<b>1,588,864</b>	<b>1,027,862</b>	<b>(114,858)</b>	<b>2,501,868</b>	<b>-</b>	<b>-</b>	<b>1,300,000</b>
<b>NON-CURRENT ASSETS</b>							
Other assets	11,250			11,250			
Trade and other receivables	76,489			76,489			
Property, plant and equipment	92,333			92,333			
Exploration and evaluation expenditure	115,000			115,000	25,000	2,910,000	
Right-of-use assets	112,275			112,275			
<b>Total Non-Current Assets</b>	<b>407,347</b>	<b>-</b>	<b>-</b>	<b>407,347</b>	<b>25,000</b>	<b>2,910,000</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,996,211</b>	<b>1,027,862</b>	<b>(114,858)</b>	<b>2,909,215</b>	<b>25,000</b>	<b>2,910,000</b>	<b>1,300,000</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	86,242			86,242			
Provisions	469			469			
Lease liabilities	42,661			42,661			
<b>Total Current Liabilities</b>	<b>129,372</b>	<b>-</b>	<b>-</b>	<b>129,372</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>							
Lease liabilities	70,866			70,866			
<b>Total Non-Current liabilities</b>	<b>70,866</b>	<b>-</b>	<b>-</b>	<b>70,866</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>200,238</b>	<b>-</b>	<b>-</b>	<b>200,238</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>1,795,973</b>	<b>1,027,862</b>	<b>(114,858)</b>	<b>2,708,977</b>	<b>25,000</b>	<b>2,910,000</b>	<b>1,300,000</b>
<b>EQUITY</b>							
Issued Capital	40,945,737	1,027,862	(114,858)	41,858,741	25,000	2,910,000	1,300,000
Reserves	2,860,293			2,860,293			
(Accumulated Losses)	(42,010,057)			(42,010,057)			
<b>TOTAL EQUITY</b>	<b>1,795,973</b>	<b>1,027,862</b>	<b>(114,858)</b>	<b>2,708,977</b>	<b>25,000</b>	<b>2,910,000</b>	<b>1,300,000</b>

Notes:

1. This section of the pro-forma does not include the Acquisition or the issue of the Exclusivity Shares, Placement Shares and Consideration Shares.
2. Details of the Acquisition and Placements are set out in Section 1.2. This section of the pro-forma balance sheet assumes that the Exclusivity Shares, Placement Shares and Consideration Shares are issued.
3. Costs of the Offer are set out in Section 5.13.

## 8. Glossary of Terms

---

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>\$</b>	means Australian dollars.
<b>Acceptance</b>	means a valid acceptance of Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.
<b>Acquisition</b>	means the acquisition of 100% of the issued capital of Aurum from each of the shareholders of Aurum.
<b>Applicant</b>	means a person who submits an Entitlement and Acceptance Form.
<b>Application</b>	means a valid application for Shares made on an Entitlement and Acceptance Form.
<b>Application Monies</b>	means application monies for Shares received by the Company.
<b>Argonaut</b>	means, in respect of any reference to Argonaut in the context of its role as Underwriter, Argonaut Capital Limited (ACN 099 761 547), and in respect of any reference to Argonaut in the context of its role as the Lead Manager, Argonaut Securities Pty Ltd (ACN 108 330 650).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.
<b>Aurum</b>	means Aurum Minerals Pty Ltd (ACN 128 307 246).
<b>Board</b>	means the Directors meeting as a board.
<b>Business Day</b>	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
<b>CHESS</b>	means ASX Clearing House Electronic Subregistry System.
<b>Closing Date</b>	has the meaning given to it in Section 1.5.
<b>Committed Amount</b>	has the meaning given in Section 5.4.
<b>Company</b>	means Firefly Resources Limited (ACN 118 522 124).
<b>Conditions Precedent</b>	has the meaning given in Section 1.2.
<b>Consideration Shares</b>	means the 97,000,000 Shares proposed to be issued to the Vendors (or their respective nominees), subject to the receipt of Shareholder approval, which will be sought at the Company's general meeting to be convened shortly.

<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	mean the directors of the Company as at the date of this Prospectus.
<b>Director Sub-underwritten Shares</b>	has the meaning given in Section 5.4.
<b>EFT</b>	means payment by way of electronic funds transfer.
<b>Eligible Shareholder</b>	means a person registered as the holder of Shares on the Record Date whose registered address is in Australia, Singapore or New Zealand.
<b>Entitlement</b>	means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Offer, being 3 new Shares for every 7 Shares held on the Record Date.
<b>Entitlement and Acceptance Form</b>	means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Shareholders to subscribe for Shares pursuant to the Offer.
<b>Exclusivity Shares</b>	means up to 833,333 Shares proposed to be issued to the Vendors (or their respective nominees), pursuant to the agreement entered into with the Company for the acquisition of the Project, as announced on 24 June 2020.
<b>Ineligible Foreign Shareholder</b>	means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia, Singapore or New Zealand.
<b>Issuer Sponsored</b>	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>Lead Manager</b>	means Argonaut Securities Pty Ltd (ACN 108 330 650).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>MMPS</b>	means Mining and Metallurgy Process Solutions Pty Ltd (ACN 169 234 431).
<b>Non-Vendor Placement Shares</b>	has the meaning given in Section 1.2(a)(i).
<b>Option</b>	means an option to acquire a Share.
<b>Offer</b>	means the offer under this Prospectus of up to 34,262,080 new Shares to Eligible Shareholders in accordance with their Entitlements.

<b>Performance Rights</b>	has the meaning given in Section 1.2(c).
<b>Placement</b>	has the meaning given in Section 1.2.
<b>Placement Shares</b>	means the issue of up to 43,333,334 Shares at an issue price of \$0.03 per Share to raise approximately \$1,300,000, subject to the receipt of Shareholder approval, which will be sought at the Company's general meeting.
<b>Prescribed Occurrence</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) a Related Corporation converting all or any of its shares into a larger or smaller number of shares;</li> <li>(b) a Related Corporation resolving to reduce its share capital in any way;</li> <li>(c) a Related Corporation: <ul style="list-style-type: none"> <li>(i) entering into a buy-back agreement or;</li> <li>(ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;</li> </ul> </li> <li>(d) a Related Corporation making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option;</li> <li>(e) a Related Corporation issuing, or agreeing to issue, convertible notes;</li> <li>(f) a Related Corporation disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;</li> <li>(g) a Related Corporation charging, agreeing to charge, the whole, or a substantial part, of its business or property;</li> <li>(h) a Related Corporation resolving that it be wound up;</li> <li>(i) the appointment of a liquidator or provisional liquidator to a Related Corporation;</li> <li>(j) the making of an order by a court for the winding up of a Related Corporation;</li> <li>(k) an administrator of a Related Corporation, being appointed under section 436A, 436B or 436C of the Corporations Act;</li> <li>(l) a Related Corporation executing a deed of company arrangement; or</li> <li>(m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Related Corporation.</li> </ul>
<b>Project or Yalgoo Gold Project</b>	means the Yalgoo Gold Project comprising the following tenements:

<b>Tenement</b>	<b>Legal Tenement Holder (100%)</b>	<b>Beneficial Tenement Holder (100%)</b>
E59/2077	Yalgoo	Yalgoo
E59/2140	Yalgoo	Yalgoo
E59/2230	Gianni, Peter Romeo	Yalgoo
E59/2252	Croft Mining Pty Ltd	Yalgoo
E59/2284	Gianni, Peter Romeo	Yalgoo
E59/2295	Croft Mining Pty Ltd	Yalgoo
E59/2363	Cooke, Jessica May	Yalgoo
E59/2364	Croft Mining Pty Ltd	Yalgoo
P59/2040	MMPS	MMPS
P59/2042	MMPS	MMPS
P59/2138	Cooke, Jessica May	Yalgoo

**Prospectus**

means this prospectus dated 29 June 2020.

**Record Date**

means 5:00pm (WST) on the date identified in the proposed timetable.

**Related Corporation**

means a “related body corporate” of the Company as that expression is defined in the Corporations Act and includes (where applicable) the Company itself and a body corporate which is at any time after the date of the Underwriting Agreement a “related body corporate” but ceases to be a “related body corporate” because of an amendment, consolidation or replacement of the Corporations Act.

**Section**

means a section of this Prospectus.

**Share**

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

**Shareholder**






means a holder of Shares.

**Shortfall**

means the number of Shares under the Offer not validly applied for by Eligible Shareholders before the Closing Date.

<b>Tenements</b>	means the tenements set out in the 'Project or Yalgoo Gold Project' definition.
<b>Terms Sheet</b>	means the agreement entered into between the Company, Aurum and each of the shareholders of Aurum dated 23 June 2020.
<b>Underwriter</b>	means Argonaut Capital Limited (ACN 099 761 547).
<b>Underwriting Agreement</b>	means the underwriting agreement between the Company and the Underwriter dated 23 June 2020, a summary of which is in Section 5.2.
<b>Underwritten Amount</b>	means \$1,027,862.41.
<b>Underwritten Shares</b>	means 34,262,080 Shares.
<b>Vendor Placement Shares</b>	has the meaning given in Section 1.2(a)(ii).
<b>Vendors</b>	means the shareholders of Aurum.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.
<b>Yalgoo</b>	means Yalgoo Exploration Pty Ltd (ACN 166 570 869).



 GPO Box 5193, Sydney NSW 2001  
 1300 288 664 (within Australia)  
 +61 2 9698 5414 (international)  
 [corporate.actions@automicgroup.com.au](mailto:corporate.actions@automicgroup.com.au)  
 [www.automicgroup.com.au](http://www.automicgroup.com.au)

```
[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]
```

Holder Number:  
[HolderNumber]

Shares held as at the Record Date at  
5:00pm (WST) on Friday, 3 July 2020  
**[CumBalance]**

## ENTITLEMENT AND ACCEPTANCE FORM

**OFFER CLOSES 5:00PM (WST) ON 3 AUGUST 2020 (WHICH MAY CHANGE WITHOUT NOTICE)**

As an Eligible Shareholder you are entitled to acquire fully paid ordinary shares in Firefly Resources Limited (**New Shares**) below for the amount payable. **Your entitlement is to three (3) New Shares for every seven (7) existing Shares held at the Record Date at an issue price of \$0.03 per New Share.** The Prospectus dated 30 June 2020 contains information about investing in the Shares and you should carefully read the Prospectus before applying for Shares. This Entitlement and Acceptance Form should be read in conjunction with the Prospectus. If you do not understand the information provided in the Prospectus or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance form, capitalised terms have the same meaning as defined in the Prospectus.

**1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF**

[illegible]

## 2 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

<b>Total Payment</b>	<b>A\$</b>	<div></div> <div></div> <div></div>	,	<div></div> <div></div> <div></div>	,	<div></div> <div></div> <div></div>	,	<div></div> <div></div>
----------------------	------------	-------------------------------------	---	-------------------------------------	---	-------------------------------------	---	-------------------------

### Option A – BPAY®



**Biller Code:**

**Ref No:** [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

**Note:** You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment for your share subscription electronically.

### Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is:      FFR[HolderId]

Funds are to be deposited in AUD currency directly to following bank account:

Account name: Automic Pty Ltd

Account BSB:

**Account number:**

**Swift Code:** WPACAU2S

**IMPORTANT:** You must quote your unique reference number as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New shares subsequently not issued.

**Note:** You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment for your share subscription electronically.

**Due to the Government's direction for people to remain in their residence and other restrictions under the Public Health (COVID-19) Restrictions on Gathering and Movement) Order 2020 and for the purposes of public health and safety, payments in cash or by cheque will not be accepted.**

### 3 PROVIDE YOUR CONTACT DETAILS & ELECT TO BE AN E-SHAREHOLDER

Return to our Share Registry by email to [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

Telephone Number (      )		Contact Name (PLEASE PRINT) _____
Email Address _____		
<b>FFR[HolderId]</b>		

## INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Offer is being made to all Shareholders with a registered address in Australia, New Zealand or Singapore whom are registered as the holder of Shares at 5.00pm WST on the Record Date (**Eligible Shareholders**) unless the Company is satisfied that it is permitted to issue Shares to a Shareholder resident in another jurisdiction by the laws of that Shareholder's country of residence, either unconditionally or after compliance with conditions which the Company regards as acceptable and not unduly onerous or impossible.

### ACCEPTANCE OF OFFER

By returning the Entitlement and Acceptance Form with payment to the Share Registry or making a BPAY or EFT payment:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

#### 1 Acceptance of Full or Partial Entitlement for New Shares

Select the value of New Shares you wish to accept under the Entitlement Offer.

Full Entitlements calculated at the Record Date are rounded down to the nearest whole number.

If you wish to accept for New Shares less than your full entitlement, enter the number of New Shares you wish to accept, which must be less than your full Entitlement, which is set out overleaf. No fractional Share will be allotted, therefore if the dollar amount paid divided by the issue price (A\$0.03) is a fraction of a New Share, the New Shares allotted will be rounded down.

#### 2 Payment

**Payment 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. **To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form.** Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight).

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.

**Payment by EFT:** You can make a payment via Electronic Funds Transfer "EFT". Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time and any associated fees with processing a funds transfer.

**Please ensure you use your unique reference number located on the reverse page.** This will ensure your payment is processed correctly to your application electronically.

You do not need to return this form if you have made payment via EFT. Your unique reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such New Shares for which you have paid.

Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time. **The Company and the Share Register accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.**

**Due to the Government's direction for people to remain in their residence and other restrictions under the Public Health (COVID-19) Restrictions on Gathering and Movement) Order 2020 and for the purposes of public health and safety, payments in cash or by cheque will not be accepted.**

#### 3 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm WST. We may use this email\* or number to contact you regarding your acceptance of the New Shares, if necessary.

\*By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible)

**If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 9:00am and 5:00pm (WST).**