

# EMMERSON RESOURCES LTD

## ACN 117 086 745

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### PROSPECTUS

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For an offer to Eligible Shareholders of 10,000,000 SPP Shares and 10,000,000 free SPP Options at an issue price of \$0.10 per Share to raise \$1,000,000 (**SPP Offer**). The Company reserves the right to accept oversubscriptions under the SPP Offer.

This Prospectus also contains an offer of up to 35,750,000 Placement Options to sophisticated and professional investors who subscribed for Shares under the Placement as described in Section 3.1 (**Placement Options Offer**).

The issue of the SPP Options and 15,750,000 of the Placement Options is subject to the Company obtaining Shareholder approval at the upcoming general meeting proposed to be held in or around August 2020 (**General Meeting**).

The SPP Offer and the Placement Options Offer are together referred to as the **Offers**.

#### IMPORTANT INFORMATION

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

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

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## 1. CORPORATE DIRECTORY

### Directors

Mr Rob Bills  
*Managing Director and Chief  
Executive Officer*

Mr Andrew McIlwain  
*Non-Executive Chairman*

Dr Allan Trench  
*Non-Executive Director*

### Company Secretary

Mr Paul Mason

### ASX Code

ERM

### Solicitors

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Registered Office

3 Kimberley Street  
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### Lead Manager and Broker

Hartleys Limited  
Level 6, 141 St Georges Terrace  
PERTH WA 6000

### Share Registry\*

Advanced Share Registry Services Limited  
110 Stirling Highway  
NEDLANDS WA 6009

### Auditors

Ernst & Young  
The Ernst & Young Building  
11 Mounts Bay Road  
PERTH WA 6005

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

## 2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### 2.1 Indicative Timetable

Event	Date (WST)
Record Date	1 July 2020
Announcement of SPP Offer and Placement	2 July 2020
Lodgement of Prospectus with ASIC and ASX Opening Date of SPP Offer and Placement Options Offer	13 July 2020
Closing Date for SPP Offer and Placement Options Offer**	31 July 2020
Announcement of results of SPP Offer	5 August 2020
Issue of SPP Shares pursuant to the SPP Offer	11 August 2020
Trading commences for SPP Shares issued pursuant to the SPP Offer	12 August 2020
Proposed date of General Meeting of the Company	18 August 2020
Issue of SPP Options and Placement Options***	19 August 2020

\* The above dates are indicative only and may change without prior notice.

\*\* Subscribers under the SPP Offer should ensure that they have lodged their SPP Application Form by this date.

\*\*\* Assuming Shareholder approval is obtained for the issue of the SPP Options and 15,750,000 of the Placement Options at the General Meeting proposed to be held in or around August 2020. The Company notes that 20,000,000 of the Placement Options that are not subject to Shareholder approval may be issued prior to the closing date of the Placement Options Offer.

### 2.2 Important Notes

This Prospectus is dated 13 July 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. 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.

### **2.3 ASIC Instrument on Share Purchase Plans**

In certain circumstances a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). This ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus.

The ASIC Instrument only applies to the issue of shares and does not extend to the issue of other securities (including options). As the SPP Offer includes the issue of SPP Options, the ASIC Instrument does not apply and the Company is undertaking the share purchase plan under this Prospectus.

### **2.4 Investment Advice**

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

### **2.5 Risk factors**

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

### **2.6 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Securities under this Prospectus.

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

### **2.7 Applicants outside Australia**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

### **2.8 Disclaimer**

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be

relied on as having been authorised by the Company in connection with the Offers. You should rely only on information in this Prospectus.

## **2.9 Forward-looking statements**

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

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

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

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

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

## **2.10 Website**

No document or information included on the Company's website is incorporated by reference into this Prospectus.

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### 3. DETAILS OF THE OFFERS

#### 3.1 Background to the SPP Offer and Placement

As announced on 2 July 2020, the Company is undertaking a capital raising to raise up to \$4,575,000 (**Capital Raising**), comprising:

- (a) a placement to sophisticated and professional investors of 35,750,000 Shares with an issue price of \$0.10 per Share, together with one (1) attaching Option for every one (1) Share subscribed for and issued (being, up to 35,750,000 Options) (**Placement Options**), to raise up to \$3,575,000 (before costs) (**Placement**); and
- (b) pursuant to this Prospectus, a SPP Offer to Eligible Shareholders of up to \$30,000 worth of Shares at an issue price of \$0.10 per Share (**SPP Shares**), together with one (1) attaching Option for every one (1) SPP Share subscribed for and issued (**SPP Options**), to raise up to \$1,000,000 (before costs) (**SPP Offer**).

The issue of the SPP Options and 15,750,000 of the Placement Options is subject to the Company obtaining Shareholder approval at the General Meeting. The issue of the SPP Options and 15,750,000 of the Placement Options exceeds the Company's 15% limit in Listing Rule 7.1 and therefore requires the approval of Shareholders under Listing Rule 7.1.

The funds raised under the Capital Raising will be applied as set out in the use of funds table contained in Section 4.1.

#### 3.2 The SPP Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for up to 10,000,000 SPP Shares at an issue price of \$0.10 per SPP Share, together with one (1) attaching SPP Option for every one (1) SPP Share subscribed for and issued, to raise up to \$1,000,000 (before costs).

Eligible Shareholders are entitled to apply for a maximum of \$30,000 worth of Shares (representing 300,000 SPP Shares at an issue price of \$0.10 per SPP Share), together with one (1) SPP Option for every one (1) SPP Share subscribed for and issued. This is a 13.7% discount to the VWAP for Shares calculated over the last five (5) days on which sales of the Shares were recorded before the date of announcement of the Share Purchase Plan.

The Company will issue the SPP Shares pursuant to ASX Listing Rule 7.2, Exception 5 and, accordingly:

- (a) the total number of SPP Shares will not equate to more than 30% of Shares on issue at the issue date of the SPP Shares; and
- (b) the issue price of the SPP Shares (being \$0.10 per SPP Share) is equal to or greater than 80% of the VWAP of Shares for the 5 days in which trading in the Shares occurred before the date of the announcement of the SPP Offer.

As stated above, the issue of up to 10,000,000 SPP Options (assuming full subscription under the SPP Offer) will be subject to Shareholder approval at the General Meeting.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the SPP Options offered under this Prospectus will be issued on the terms and conditions set out in section 5.2 of this Prospectus. All Shares issued on conversion of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose and effect of the SPP Offer is set out in Section 4 of this Prospectus.

### **3.3 The Placement Options Offer**

By the Placement Options Offer under this Prospectus, the Company offers, for nil cash consideration, up to 35,750,000 free-attaching Options on the basis of one (1) free-attaching Option for every one (1) Share subscribed for by subscribers under the Placement.

No funds will be raised from the issue of Placement Options pursuant to the Placement Options Offer.

Only participants in the Placement Options Offer will be eligible to apply for Placement Options under the Placement Options Offer. Accordingly, the Placement Options Offer will only be extended to specific parties on invitation from the Directors and the Placement Options Offer Application Form will be provided by the Company to these parties only.

As stated above, the issue of up to 15,750,000 of the Placement Options will be subject to Shareholder approval at the General Meeting.

The Placement Options will be issued on the terms and conditions set out in Section 5.2.

The purpose and effect of the Placement Options Offer is set out in Section 4.1.

### **3.4 Eligibility to participate in the SPP Offer**

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia or New Zealand.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may not apply for Shares:

- (a) with an aggregate value of more than \$30,000; or
- (b) which would result in the aggregate value of the Shares applied for (including through a custodian) under the SPP Offer and any similar arrangement in the last 12 months being more than \$30,000.

The Company reserves the right to reject any application for Shares under the SPP Offer under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Additionally, the Board may, at its absolute discretion, accept,



reject, correct or amend your application for Shares under the SPP Offer, including, without limitation, if:

- (a) the SPP Application Form is incomplete, incorrectly filled out or accompanied by a cheque, bank draft or money order which is not paid in full on first presentation;
- (b) the BPAY® payment received in respect of your application is for less than the full, requisite amount; or
- (c) the Board is not reasonably satisfied that you are an Eligible Shareholder.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

### 3.5 Minimum subscription

The SPP Offer has a minimum subscription of \$2,000 (20,000 Shares and 20,000 SPP Options) per Eligible Shareholder.

There is no minimum subscription for the Placement Options Offer.

### 3.6 Applications

#### 3.6.1 SPP Offer

An application for the SPP Offer must be made on the SPP Application Form accompanying this Prospectus. Eligible Shareholders may participate by selecting one of the options (**SPP Application Amount**) to purchase Shares under the SPP Offer set out in the table below.

	Total amount payable	Number of SPP Shares which may be purchased
Offer A	\$30,000	300,000
Offer B	\$25,000	250,000
Offer C	\$20,000	200,000
Offer D	\$15,000	150,000
Offer E	\$10,000	100,000
Offer F	\$5,000	50,000
Offer G	\$2,000	20,000

Where the SPP Application Amount applied for results in a fraction of a Security the number of Shares issued will be rounded down to the nearest whole Security.

Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded without interest.

Eligible Shareholders may apply for the SPP Offer by completing the SPP Application Form accompanying this Prospectus in accordance with the instructions outlined on the SPP Application Form. Applications pursuant to the SPP Offer must only be made by those Eligible Shareholders invited to make an application under the SPP Offer.

The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Securities offered under the SPP Offer.

The Company reserves the right to close the SPP Offer early.

If you require assistance in completing an SPP Application Form, please contact the Company on +61 (8) 9381 7838.

### **3.6.2 Placement Options Offer**

The Placement Options Offer will only be extended to specific parties on invitation from the Directors. Placement Options Application Forms will only be provided by the Company to these parties. By completing a Placement Options Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Placement Options Application Form together with a complete and unaltered copy of the Prospectus.

### **3.7 Oversubscriptions**

The Company reserves the right to accept oversubscriptions under the SPP Offer.

### **3.8 Payment**

#### **3.8.1 By cheque/bank draft**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Emmerson Resources Limited" and crossed "Not Negotiable".

Your completed SPP Application Form and cheque must reach the Company's share registry no later than 5:00pm (WST) on the Closing Date.

#### **3.8.2 By BPAY®**

For payment by BPAY®, please follow the instructions on the SPP Application Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the SPP Application Form but are taken to have made the declarations on that SPP Application Form; and
- (b) if you do not pay an amount equal to one of the SPP Application Amounts set out in the table in Section 3.6.1, you will be deemed to have applied for the SPP Application Amount that is the next lowest compared to your payment. In this event, the additional application monies will be refunded promptly, without interest, following the date of issue of the SPP Shares and SPP Options.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of SPP Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.**

### 3.9 Shortfall Offer

In the event that less than \$1,000,000 is applied for under the SPP Offer by Eligible Shareholders, the Directors will seek to place any Securities not taken up pursuant to the SPP Offer under the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.10 being the price at which SPP Shares have been offered under the SPP Offer. One (1) SPP Option will be issued for every one (1) SPP Share issued under the Shortfall Offer.

The allocation of the Shortfall Securities will be at the absolute discretion of the Board, taking into account compliance with the Listing Rules and the Corporations Act. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

### 3.10 Not underwritten

The Offers under this Prospectus are not underwritten.

### 3.11 Lead manager

Hartleys Limited (ACN 104 195 057) (**Hartleys**) has been appointed as lead manager and broker to the Capital Raising on the following terms:

- (a) **Fees:** The Company has agreed to pay Hartleys the following fees in respect of its services as lead manager and broker to the Capital Raising:
  - (i) a monthly retainer of \$5,000 for a period of up to 12 months; and
  - (ii) a capital raising fee of up to 6% (plus GST) of the total amount raised under the Capital Raising (being a fee of up to \$274,500). Note the percentage fee will be reduced to 2.5% where funds are raised from certain subscribers under the Capital Raising as set out in the mandate.
- (b) **Expenses:** Hartleys is entitled to be reimbursed for all out-of-pocket expenses incurred during its engagement in connection with services provided. Hartleys will obtain the Company's approval in advance for any expense item above \$2,000.
- (c) **Term:** The terms of the mandate will remain in place until 24 June 2021, unless terminated earlier.
- (d) **Right of First Refusal:** The Company will offer Hartleys first right to act as lead or joint lead manager in respect of any capital raising undertaken during the Term. The Company will, upon settlement of any capital raising, pay Hartleys a fee of 6% of the gross amount subscribed through Hartleys' bookbuild (based on final allocations) pursuant to the capital raising.

The mandate otherwise contains terms and conditions typical for a mandate of its nature, including confidentiality, intellectual property protection and indemnities.

### **3.12 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2.1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

The Company will not apply for Official Quotation of the Options offered pursuant to this Prospectus.

### **3.13 Issue**

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Securities issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offers.

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

Holding statements for Securities issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

### **3.14 Overseas shareholders**

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

#### **New Zealand**

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

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

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

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

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

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

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

### **3.15 Commissions payable**

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

### **3.16 Enquiries**

Any questions concerning the Offers should be directed to Paul Mason, Company Secretary, on +61 (8) 9381 7838.

## 4. PURPOSE AND EFFECT OF THE OFFERS

### 4.1 Purpose of the Offers

The primary purpose of:

- (a) the SPP Offer is to raise up to \$1,000,000 (before costs and assuming full subscription); and
- (b) the Placement was to raise \$3,575,000 (before costs).

No funds will be raised from the issue of the Options as they are free attaching to subscribers under the Capital Raising.

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

Proceeds of the Capital Raising	Full Subscription	%
Further exploration at the Kiola Project	\$750,000	16.4
Drilling at the Kadungle Project and the Sebastopol gold field	\$480,000	10.5
Exploration at the Wellington copper-gold project	\$250,000	5.5
Sebastopol drilling <sup>1</sup>	\$220,000	4.8
Edna Beryl underground drilling	\$600,000	13.1
Working capital and identifying new projects	\$1,949,000	42.6
Expenses of the Offers <sup>2</sup>	\$326,000	7.1
<b>Total</b>	<b>\$4,575,000</b>	<b>100%</b>

**Notes:**

- 1. 50% of programme costs shared with Longreach Minerals Exploration under the strategic alliance agreement entered into between the Company and Longreach Minerals Exploration. Refer to the Company's ASX announcement dated 24 June 2020 for further detail.
- 2. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the SPP Offer and the Placement.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, 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 funds are applied on this basis.

If there is a shortfall under the SPP Offer, the Directors have reserved the right to place the shortfall pursuant to the Shortfall Offer.

On completion of the SPP Offer and Placement, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, the Company may scale back or delay a portion of the exploration works set out above while it seeks alternative sources of funding, if required. Subject to the results of the exploration work to be undertaken, additional funding may be required to advance the Company's

projects, as deemed appropriate by the Board. The expenses of the Offers will remain unchanged.

## 4.2 Effect of the Offers

The principal effect of the Offers, assuming full subscription under the Placement and SPP Offer, will be to:

- (a) increase the cash reserves by \$4,249,000 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 424,853,874 as at the date of this Prospectus to 470,603,874; and
- (c) increase the number of Options on issue from 29,700,000 as at the date of this Prospectus to 75,450,000.

## 4.3 Effect on capital structure

The effect of the Offers (assuming full subscription under the SPP Offer) on the capital structure of the Company is set out below.

### Shares

	Number
Shares currently on issue <sup>1</sup>	424,853,874
Shares to be issued pursuant to the Placement	35,750,000
Shares to be issued pursuant to the SPP Offer	10,000,000
<b>Total Shares on issue on completion of the Offers</b>	<b>470,603,874</b>

### Options

	Number
Options currently on issue <sup>2</sup>	29,700,000
Options to be issued pursuant to the Placement <sup>3</sup>	35,750,000
Options to be issued pursuant to the SPP Offer <sup>3</sup>	10,000,000
<b>Total Options on issue on completion of the Offers</b>	<b>75,450,000</b>

### Notes:

- The Company notes that it is seeking Shareholder approval for the issue of 12,987,013 Shares to NT Bullion at the General Meeting.
- Comprising, 19,800,000 unquoted Options exercisable at \$0.135 each on or before 30 September 2020; 4,900,000 unquoted Options exercisable at \$0.09 each on or before 14 November 2021 and 5,000,000 unquoted Options exercisable at \$0.14 each on or before 31 December 2023. The Company notes that it is seeking Shareholder approval for the issue of 8,500,000 Options to the Directors at the General Meeting.
- The Placement Options and SPP Options are exercisable at \$0.16 each on or before the 9 July 2023. All of the SPP Options and 15,750,000 of the Placement Options are subject to Shareholder approval to be obtained at the General Meeting.

The capital structure on an undiluted basis as at the date of this Prospectus and assuming issue of 35,750,000 Shares under the Placement would be 460,603,874 Shares and on completion of the Offers on an undiluted basis (assuming full subscription under the SPP Offer) would be 470,603,874 and the shareholding of existing Shareholders would be diluted by approximately 2.1%.

#### 4.4 Substantial Shareholders

Based on substantial Shareholder notices lodged prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus are set out below:

Shareholder	Shares	%
Noontide Investments Ltd	77,524,542	18.2%
JP Morgan Nominees Australia Pty Ltd	60,705,084	14.3%
Evolution Mining Limited	49,144,000	11.6%

The Directors confirm that no person will acquire, through participation in the Offers, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the Offers.

#### 4.5 Effect on control of the Company

The current shareholding of the substantial shareholders of the Company is set out in Section 4.4 above. The maximum potential increase in voting power to all substantial shareholders of the Company is set out below.

Name	Current Shareholding	Current voting power	Voting Power Post Placement	Voting Power Post SPP <sup>1</sup>
Noontide Investments Ltd	77,524,542	18.2%	16.9%	16.9% <sup>2</sup>
JP Morgan Nominees Australia Pty Ltd	60,705,084	14.3%	13.2%	13.2% <sup>3</sup>
Evolution Mining Limited	49,144,000	11.6%	10.7%	10.7% <sup>4</sup>

**Notes:**

1. Assuming no other Shareholders subscribe for Shares under the SPP Offer.
2. Assuming Noontide Investments Ltd takes up its full entitlement under the SPP Offer (being 300,000 SPP Shares).
3. Assuming JP Morgan Nominees Australia Pty Ltd takes up its full entitlement under the SPP Offer (being 300,000 SPP Shares).
4. Assuming Evolution Mining Limited takes up its full entitlement under the SPP Offer (being 300,000 SPP Shares).

The above table shows the potential effect on control of the Company if the substantial shareholders of the Company take up their full entitlements under the SPP Offer. However, the Directors consider it unlikely that no Eligible Shareholders will subscribe for Shares under the SPP Offer.

#### 4.6 Pro-forma balance sheet

The auditor reviewed statement of financial position as at 31 December 2019 and



the pro-forma statement of financial position as at 31 December 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma statement of financial position has been prepared assuming the maximum number of SPP Shares offered under this Prospectus are issued; no existing Options are exercised prior to the Record Date and including the expenses of the SPP Offer.

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

	Note	Historical Balance Sheet 31 December 2019 (reviewed) \$	Pro-Forma Adjustments \$	Pro Forma Historical Balance Sheet \$
Cash and cash equivalents	1	1,900,304	4,249,000	6,149,304
Trade and other receivables		446,430	-	446,430
<b>Total Current Assets</b>		2,346,734	4,249,000	6,595,734
<b>Non-Current Assets</b>				
Other financial assets		359,181	-	359,181
Property, plant and equipment		175,278	-	175,278
Exploration and evaluation assets		14,005,400	-	14,005,400
<b>Total Non-Current Assets</b>		14,539,859	-	14,539,859
<b>Total Assets</b>		16,886,593	4,249,000	21,135,593
<b>Current liabilities</b>				
Trade and other payables		84,777	-	84,777
Provisions		257,759	-	257,759
<b>Total Current Liabilities</b>		342,536	-	342,536
<b>Total Liabilities</b>		342,536	-	342,536
<b>Net Assets</b>		16,544,057	4,249,000	20,793,057
<b>Equity</b>				
Contributed equity	1	47,912,926	4,249,000	52,161,926
Share-based payments reserve		2,997,998	-	2,997,998
Accumulated losses		(34,366,867)	-	(34,366,867)
<b>Total Equity</b>		16,544,057	4,249,000	20,793,057

**Notes:**

1. Funds raised of \$4,575,000 less expenses of the Offers of \$326,000.

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## **5. RIGHTS ATTACHING TO SECURITIES**

### **5.1 Shares**

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

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

#### **(a) General meetings**

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

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

#### **(b) Voting rights**

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

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

#### **(c) Dividend rights**

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

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

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

Generally, Shares 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 ASX Listing Rules.

(g) **Variation of rights**

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

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

(h) **Alteration of Constitution**

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 **Terms and Conditions of Options**

The terms and conditions of the Options are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.16 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 9 July 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable

to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## 6. RISK FACTORS

### 6.1 Introduction

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

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

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

### 6.2 Company specific

#### (a) Strategic Alliance risk

As announced on 28 April 2020, the Company has entered into a strategic alliance with NT Bullion Pty Ltd (**NT Bullion**) for the Northern Project Area at Tennant Creek (**Strategic Alliance**). As part of the Strategic Alliance and pursuant to a subscription agreement entered into between the Company and NT Bullion (**Subscription Agreement**), the Company agreed to issue, and NT Bullion agreed to subscribe for, \$2,000,000 worth of Shares, consisting of a non-refundable deposit of \$200,000 and two further payments totalling \$1,800,000. As further announced on 12 June 2020, the subscription agreement was subsequently amended by the parties such that NT Bullion forfeited the initial \$200,000 deposit and agreed to subscribe for 12,987,013 Shares at an issue price of \$0.154 per Share being, a total subscription amount of \$2,000,000 (**Subscription**). Please refer to the Company's ASX announcements dated 28 April 2020 and 12 June 2020 for further detail.

In addition to the Subscription Agreement, NT Bullion has also entered into an exploration earn-in and joint venture with the Company in relation to the Northern Project Area (**JVA**). Under the terms of the JVA, NT Bullion has agreed to contribute \$5,000,000 of exploration expenditure at the Northern Project Area within five years to earn a 75% equity interest in the leases comprising Northern Project Area.

Whilst the Strategic Alliance has been executed and the Company is seeking Shareholder approval for the issue of Shares to NT Bullion at the General Meeting, completion under the Strategic Alliance (including, for the avoidance of doubt, the issue of Shares to NT Bullion) is contingent on NT Bullion meeting conditions subsequent which include completing the Subscription of \$2,000,000 and making an advance payment of \$1,000,000 of the total \$5,000,000 earn-in under the JVA (**Advance**).

As at the date of this Prospectus, NT Bullion has not completed the Subscription. Accordingly, there is a risk that the Strategic Alliance will not complete and that exploration at the Northern Project Area will not commence. Further, there is a risk that the Strategic Alliance will be

terminated, which may have a negative impact on the Company and its operations.

(b) **Coronavirus**

The outbreak of the coronavirus (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's exploration programs and/or operations and are likely to be beyond the control of the Company.

The COVID 19 restrictions in place in the Northern Territory have impacted the rostering of staff for the refurbishment of our JV partner Territory Resources', Warrego Mill. Accordingly, as at the date of this Prospectus, the refurbishment may continue to delay the commissioning of, and production at, the Warrego Mill which may affect the Company's royalty payments and may have a negative impact on the Company and its operations.

In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are actively monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on any adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

(c) **Royalty risk**

The Company has limited contractual rights relating to operating and development activities at Tennant Creek. In particular, the Company does not have full management control over activities and operations. Except for payments which may be payable in accordance with guarantees, the Company will not be entitled to any material compensation if mining operations do not meet their forecasts or targets in any specified period, or if the mining operations shut down on a temporary or permanent basis. Further, mining operations at Tennant Creek may not commence commercial production within the time frames anticipated, if at all.

At any time, the operators, royalty counterparties or their successors may decide to suspend or discontinue operations at Tennant Creek. The Company is subject to the risk that mining operations shut down on a temporary or permanent basis due to issues including economies, lack of financial capacity, floods, fire, malfunctions, social unrest, expropriation, and other risks. There is no guarantee that mining operations at Tennant Creek (or any other projects in which the Company has or may acquire an interest) will achieve commercial production, ramp-up targets or

complete proposed expansion plans. Accordingly, there is little certainty regarding timing of the Tennant Creek royalty stream.

However, the Company notes that these issues are common in the mining industry and can occur frequently.

(d) **Going concern risk**

The Company's financial report for the half year ended 31 December 2019 included the following emphasis of matter regarding the ability of the Company and its subsidiaries (the **Group**) to continue as a going concern:

*"The loss of the Company for the half-year ended 31 December 2019 amounted to \$718,368 and net cash outflows from operating activities were \$638,599. The cash balance at 31 December 2019 was \$1,900,304 and net assets as at 31 December 2019 were \$16,544,057.*

*The Directors believe there are sufficient funds to meet the consolidated entity's working capital requirements, and as at the date of this report the directors believe they can meet all liabilities as and when they fall due. However, the Directors recognise that additional funding may be required for the consolidated entity to continue actively exploring its mineral properties based on its planned business activities and expenditure levels.*

*The Directors have reviewed the business outlook, assets and liabilities of the consolidated entity and are confident that additional funds can be obtained if required either through joint venture arrangements or further capital raisings based on previous capital raising success, and from receipt of anticipated royalty payments. The Directors have concluded that the going concern basis is the appropriate basis for preparing the financial statements.*

*Should the Group not achieve the matters set out above, there would be uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in this financial report. This financial report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern."*

(e) **Additional requirements for capital**

The funds raised under the Offers are required to accelerate exploration activities, including additional drilling on projects in NSW and evaluate new business opportunities under the strategic alliance with Longreach Minerals. Additional funding may be required to effectively implement the Company's business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or



expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(f) **Reliance on key personnel**

The Company applies high-tech modern exploration techniques with the aim of increasing the probability of discovering mineral deposits. It is reliant on maintaining a highly skilled management team with the appropriate level of technical skill and experience. This expertise, corporate knowledge, industry connections and industry relationships are dependent upon individual connections that may be impeded by personnel change.

(g) **Exploration success**

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

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

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

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its 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 cash reserves of the Company and possible relinquishment of the Tenements.

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.

## 6.3 Industry specific

### (a) 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 labour, consumables, spare parts, plant and equipment.

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

### (b) Resource estimates

Any resource that is delineated on the Company's tenements is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which 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 which may, in turn, adversely affect the Company's operations.

### (c) Tenure and access

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. 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 affect the operations, financial position and/or performance of the Company.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

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

(d) **Environmental**

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

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

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

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

(e) **Climate change risks**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(f) **Fluctuation in commodity prices**

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on base metal and gold prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of these mineral products and the Company's future profits are related to and influenced by the market price of the base metals.

If the price of base metals and gold seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

## **6.4 General risks**

(a) **Economic**

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

(b) **Market conditions**

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

- (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 resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the Northern Territory may change, resulting in impairment of rights and

possibly expropriation of the Company's properties without adequate compensation.

(d) **Dividends**

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

(e) **Taxation**

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

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

## **6.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the 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 speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

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

### **7.2 Continuous Disclosure Obligations**

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

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

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

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

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

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

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

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

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

Date	Description of Announcement
13 July 2020	Share Purchase Plan
10 July 2020	Change of Director's Interest Notice
3 July 2020	Investor Update Presentation
3 July 2020	Appendix 3B (Revised)
2 July 2020	Proposed issue of Securities - ERM
2 July 2020	Update – Proposed issue of Securities - ERM
2 July 2020	Capital Raising
30 June 2020	Trading Halt
25 June 2020	Copper Sulphides Intersected in Kiola Drilling
24 June 2020	Strategic Alliance
12 June 2020	Corporate Update Tennant Creek
27 May 2020	Investor Presentation
26 May 2020	Diamond drilling underway at Kiola gold-copper project NSW
1 May 2020	Change in substantial holding
30 April 2020	Quarterly Cashflow Report
30 April 2020	Quarterly Activities Report
28 April 2020	Proposed issue of Securities - ERM
28 April 2020	\$2m Placement and \$5m Exploration JV in Tennant Creek
24 April 2020	Trading Halt
21 April 2020	Update on Tennant Creek Gold Royalty Stream
14 April 2020	Kadungle Project Update
7 April 2020	Appendix 3G
7 April 2020	Company Secretary Change and Reduction in Remuneration
2 April 2020	New NSW Grants for Next Drill Program

Date	Description of Announcement
12 March 2020	Half Year Accounts
12 March 2020	Investor Update Presentation
12 March 2020	Multiple Gold-Copper Drill Targets at Kiola NSW
5 February 2020	New high-grade gold and copper at Tennant Creek
31 January 2020	Quarterly Cashflow Report
30 January 2020	Quarterly Activities Report
29 November 2019	Investor Update Presentation
26 November 2019	Results of Annual General Meeting
15 November 2019	Exploration Update Presentation
6 November 2019	Investor Update Presentation
4 November 2019	High-Grade Gold results continue at Tennant Creek
23 October 2019	Deep diamond drilling of NSW Whatling Hill
23 October 2019	Notice of Annual General Meeting & Proxy Form
21 October 2019	Quarterly Cashflow Report
21 October 2019	Quarterly Activities Report
3 October 2019	Investor Update Presentation
20 September 2019	Appendix 4G and Corporate Governance Statement

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

The announcements are also available through the Company's website at [www.emmersonresources.com.au](http://www.emmersonresources.com.au).

### 7.3 Market price of Shares

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

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

	(\$)	Date
Highest	0.125	1 June 2020 – 2 June 2020 and 24 June 2020 – 25 June 2020
Lowest	0.088	14 May 2020
Last	0.115	10 July 2020

### 7.4 Interests of Directors

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



- (a) the formation or promotion of the Company;
  - (b) any property acquired or proposed to be acquired by the Company in connection with:
    - (i) its formation or promotion; or
    - (ii) the Offers; or
  - (c) the Offers,
- and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
  - (e) for services provided in connection with:
    - (i) the formation or promotion of the Company; or
    - (ii) the Offers.

### **Security Holdings**

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Options <sup>4</sup>
Rob Bills <sup>1</sup>	7,737,125	Nil
Andrew McIlwain <sup>2</sup>	4,519,927	Nil
Allan Trench <sup>3</sup>	36,000	Nil

#### **Notes:**

1. Held directly held by Rob Bills and indirectly held by Catabatic Superannuation Fund (Mr Bills is a beneficiary of the Catabatic Superannuation Fund).
2. Held by directly by Andrew McIlwain and indirectly held by Macfac Pty Ltd as trustee for McIlwain Family Super Fund (Mr McIlwain is a beneficiary of the McIlwain Family Super Fund).
3. Indirectly held by Allan and Suzanne Trench as trustee for Trench Super Fund (Mr Trench is a beneficiary of the Trench Super Fund).
4. The Company notes that it is seeking Shareholder approval for the issue of a total of 8,500,000 Options to the Directors at the General Meeting, comprising, 4,500,000 Options to Rob Bills, 2,000,000 Options to Andrew McIlwain and 2,000,000 Options to Allan Trench.

The Company advises that the Directors have not participated in the Placement and do not intend to participate in the SPP Offer.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The

determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

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

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed annual remuneration for the financial year ended 30 June 2021. The year-on-year increase reflects the voluntary temporary reduction of salary and fees adopted in FY2020.

Related Party	Current Financial Year (FY2021)	Previous Financial Year (FY2020)
Rob Bills	\$393,300	\$338,553
Andrew McIlwain	\$73,912	\$64,673
Allan Trench	\$35,478	\$31,043

## 7.5 Interests of Experts and Advisers

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

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

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$13,756.50 (excluding GST and disbursements) for legal services provided to the Company.

Hartleys Limited has acted as broker and lead manager to the Capital Raising. The Company estimates it will pay Hartleys Limited \$274,500 (excluding GST and disbursements) for these services. Please refer to Section 3.11 for further detail regarding the fees payable to Hartleys in respect of the Capital Raising. The Company has not paid any other fees to Hartleys Limited during the 24 months preceding lodgement of this Prospectus with the ASIC.

## **7.6 Consents**

Each of the parties referred to in this Section:

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

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Hartleys Limited has given its written consent to being named as the broker and lead manager to the Company in this Prospectus. Hartleys Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Ernst and Young has given its written consent to being named as auditor to the Company in this Prospectus and to the inclusion of the auditor reviewed financial information included in Section 4.5 of this Prospectus. Ernst and Young has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$326,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Full Subscription \$
ASIC fees	3,206
ASX fees	5,696
Legal fees	25,000
Lead Manager Fees <sup>1</sup>	274,500
Share registry	10,000
Printing, distribution and other expenses	7,598
<b>Total</b>	<b>\$326,000</b>

### Notes:

1. Assuming a fee of 6% is paid on the total amount raised under the Capital Raising (and the Placement and SPP Offer are fully subscribed).

## 7.8 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form (as applicable). If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.emmersonresources.com.au](http://www.emmersonresources.com.au).

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

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

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

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

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

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

## **7.10 Financial forecasts**

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

## **7.11 Privacy statement**

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

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

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

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

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**8. DIRECTORS' AUTHORISATION**

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

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

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**Mr Rob Bills**  
**Managing Director and Chief Executive Officer**  
**For and on behalf of**  
**EMMERSON RESOURCES LTD**

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## 9. GLOSSARY

**\$** means an Australian dollar.

**Applicant** means an investor that applies for Securities under the Offers using an Application Form pursuant to this Prospectus.

**Application Form** means a SPP Application Form (attached to or accompanying this Prospectus) or a Placement Options Offer Application Form (provided to specific parties on invitation from the Directors), as applicable.

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the official listing rules of ASX.

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

**Board** means the board of Directors as constituted from time to time.

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

**Capital Raising** means, collectively, the SPP Offer and the Placement.

**Closing Date** means the closing date of the Offers as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

**Company** means Emmerson Resources Ltd (ACN 117 086 745).

**Constitution** means the constitution of the Company.

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

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

**Eligible Shareholders** are Shareholders with a registered address in Australia or New Zealand who were registered holders of Shares on the Record Date.

**General Meeting** means a general meeting of the Company to be held in or around August 2020.

**Offers** means the SPP Offer and the Placement Options Offer.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Opening Date** means the opening date of the Offers as set out in the indicative timetable in the Section 2.1.

**Option** means an option to acquire a Share.

**Placement** means the placement undertaken by the Company, details of which are set out in the Company's announcement dated 2 July 2020.

**Placement Option** means an Option to be issued to subscribers in the Placement, on the terms and conditions set out in Section 5.2 of this Prospectus.

**Placement Options Offer** means the offer of Options referred to in Section 3.3.

**Placement Options Offer Application Form** means the application form provided to specific parties on invitation from the Directors relating to the Placement Options Offer.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out in section 2.1.

**Section** means a section of this Prospectus.

**Securities** means Shares and / or Options.

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

**Shareholder** means a holder of Shares.

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

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 3.9 of this Prospectus.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall Offer.

**SPP Application Form** means the application form attached to or accompanying this Prospectus relating to the SPP Offer.

**SPP Offer** means the offer of Shares and Options referred to in Section 3.1.

**SPP Option** means an Option to be issued to participants under the SPP Offer on the terms and conditions set out in Section 5.2 of this Prospectus.

**SPP Share** means a Share offered under the SPP Offer with an issue price of \$0.10 per Share.

**VWAP** means the volume weighted average price.

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