

BIRIMIAN GOLD LIMITED

ACN 113 931 105

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of three (3) new Shares for every seven (7) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.062 per Share to raise \$2,484,431 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Prospectus also contains an offer for the Company to issue up to 8,064,516 Shares at an issue price of \$0.062 per Share to Merchant Corporate Finance Pty Ltd (or its nominees) to raise up to \$500,000 (**Merchant Offer**).

The Offer is fully underwritten by Merchant Corporate Finance Pty Ltd (**Merchant**). Refer to Section 8 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and 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 Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1. | CORPORATE DIRECTORY | 1 |
| 2. | TIMETABLE..... | 2 |
| 3. | IMPORTANT NOTES..... | 3 |
| 4. | DETAILS OF THE OFFERS | 7 |
| 5. | PURPOSE AND EFFECT OF THE OFFER..... | 11 |
| 6. | RIGHTS AND LIABILITIES ATTACHING TO SECURITIES..... | 15 |
| 7. | RISK FACTORS | 19 |
| 8. | MATERIAL CONTRACTS..... | 23 |
| 9. | ADDITIONAL INFORMATION..... | 29 |
| 10. | DIRECTORS' AUTHORISATION..... | 36 |
| 11. | GLOSSARY..... | 37 |

1. CORPORATE DIRECTORY

Directors

Mr Winton Willesee
Non Executive Chairman

Mr Kevin Joyce
Managing Director

Mr Hugh Bresser
Non Executive Director

Company Secretary and CFO

Ms Beverley Nichols

Registered Office

Suite 9, 5 Centro Avenue
SUBIACO WA 6008

Telephone: +61 (08) 9286 3045
Facsimile: +61 (08) 9226 2027

Email: info@birimiangold.com
Website: www.birimiangold.com

Underwriter

Merchant Corporate Finance Pty Ltd
Suite 43, Chelsea Village
145 Stirling Highway
NEDLANDS WA 6009

Solicitors

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

Auditor*

Grant Thornton Audit Pty Ltd
Level 1
10 Kings Park Road
WEST PERTH WA 6005

Share Registry*

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: 1300 850 505
International: +61 (03) 9415 4000

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

2. TIMETABLE

| | |
|---|---------------|
| Lodgement of Prospectus with the ASIC | 24 March 2016 |
| Lodgement of Prospectus & Appendix 3B with ASX | 24 March 2016 |
| Notice sent to Optionholders | 30 March 2016 |
| Notice sent to Shareholders | 30 March 2016 |
| Ex date | 1 April 2016 |
| Record Date for determining Entitlements | 4 April 2016 |
| Prospectus sent out to Shareholders & Company announces this has been completed | 6 April 2016 |
| Last day to extend the Closing Date | 13 April 2016 |
| Closing Date* | 18 April 2016 |
| Shares quoted on a deferred settlement basis | 19 April 2016 |
| ASX notified of under subscriptions | 21 April 2016 |
| Issue date for Shares. Deferred settlement trading ends. Last day to confirm information in Appendix 3B | 22 April 2016 |
| Trading of Shares issued under the Offer | 26 April 2016 |

* 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 are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 24 March 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares 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 Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance 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.

3.1 Risk factors

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 7 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 Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

A summary of some of the Company specific risks include:

| Risk | Description | Reference in Prospectus |
|--|---|-------------------------|
| Potential of significant dilution | Upon implementation of the Offers, assuming all Entitlements are accepted, 8,064,516 Shares are issued pursuant to the Merchant Offer and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 93,500,119 currently on issue to 141,636,115. This means that each Share will represent a significantly lower proportion of the ownership of the Company. | Section 7.2(a) |

| | | |
|--|---|----------------|
| Risks associated with operating in Liberia and Mali | <p>The Company's projects are located in Liberia and Mali, West Africa and the Company will be subject to the risks associated with operating in those countries.</p> <p>Changes to Liberia or Mali's mining or investment policies and legislation or a shift in political attitude or the commencement of local hostilities may adversely affect the Company's operations and profitability. The Company might also be required by local authorities to invest in social projects for the benefit of the local community.</p> | Section 7.3(a) |
| Legal environment | The legal system in Liberia and Mali is less developed than more established countries and this could result in a number of risks. | Section 7.3(b) |
| 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. | Section 7.4(a) |
| 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. | Section 7.4(b) |

3.2 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement (assuming their Options are not exercised), is set out in the table below.

| Director | Shares | Options | Entitlement (Shares) | \$ |
|------------------------------|------------------------|------------------------|----------------------|--------|
| Winton Willesee ¹ | 1,701,654 ¹ | 600,000 ² | 729,280 | 45,215 |
| Kevin Joyce | 1,729,297 ³ | 1,770,500 ⁴ | 741,127 | 45,950 |
| Hugh Bresser | 1,052,168 ⁵ | 600,000 ⁶ | 450,929 | 27,958 |

Notes

1. Mr Willesee's interest in these Shares is held indirectly through Chinchierinchee Nominees Pty Ltd and Silverinch Pty Ltd atf the Silverinch Superannuation Fund, entities controlled by Mr Willesee.
2. This consists of 300,000 unlisted options exercisable at \$0.20 each expiring on or before 11 December 2016 and 300,000 unlisted options exercisable at \$0.21 each expiring on or before 12 December 2017. Mr Willesee's interest in these Options is held indirectly through Azalea Family Holdings Pty Ltd <No 2 A/C> of which Mr Willesee is a trustee and a beneficiary.
3. Mr Joyce's interest in these Shares is held as follows: 1,388,297 Shares are held indirectly by Wavecape Holdings Pty Ltd <Joyce Family A/C> of which Mr Joyce is a trustee and a beneficiary and 341,000 Shares are held indirectly by Joywoods Enterprises Pty Ltd, a company controlled by Mr Joyce.
4. This consists of 800,000 unlisted options exercisable at \$0.20 each expiring on or before 11 December 2016, 800,000 unlisted options exercisable at \$0.21 each expiring on or before 12 December 2017 and 170,500 listed options exercisable at \$0.15 on or before the earlier of 14 June 2018 or 30 trading days after the Company's Shares close at a price above \$0.15 on ASX for the 20th consecutive trading day. All of these options are held indirectly by Wavecape Holdings Pty Ltd <Joyce Family A/C> of which Mr Joyce is a trustee and a beneficiary.
5. Mr Bresser's interest in 873,000 Shares is held indirectly through Milagro Ventures Pty Ltd <Milagro Investment A/C> of which Mr Bresser is a trustee and beneficiary. Mr Bresser's interest in 179,168 Shares is held indirectly through Mr Hugh Alan Bresser and Ms Heather Dianne Branchi <Bresser Family S/F A/C> of which Mr Bresser is a trustee and beneficiary.
6. This consists of 300,000 unlisted options exercisable at \$0.20 each expiring on or before 11 December 2016 and 300,000 unlisted options exercisable at \$0.21 each expiring on or before 12 December 2017 held indirectly through Milagro Ventures Pty Ltd <Milagro Investment A/C> of which Mr Bresser is a trustee and beneficiary.

The Directors reserve the right to take up their Entitlements under the Offer.

3.3 Substantial Holders

As at the date of this Prospectus, there are no substantial holders in the Company. On completion of the Offers, no Shareholder (or any of their associates) will hold 5% or more in the issued Shares in the Company.

3.4 Underwriting

The Offer is fully underwritten by Merchant. Refer to Section 8.1 of this Prospectus for details of the terms of the underwriting.

3.5 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its quoted securities, including 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 most recent respective dates of those sales were:

| | | |
|---------|---------|-----------------|
| Highest | \$0.160 | 16 March 2016 |
| Lowest | \$0.051 | 4 February 2016 |
| Last | \$0.15 | 23 March 2016 |

3.6 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 our Company, the Directors and our management.

We 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.

We 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.

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 7 of this Prospectus.

4. DETAILS OF THE OFFERS

4.1 The Offers

(a) Offer

The Offer is being made as a non-renounceable entitlement issue of three (3) new Shares for every seven (7) Shares held by eligible Shareholders registered at the Record Date at an issue price of \$0.062 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of approximately 40,071,480 Shares will be issued pursuant to this Offer to raise approximately \$2,484,431.

(b) Merchant Offer

Pursuant to the Underwriting Agreement, if the Offer is fully or partially subscribed, in addition to meeting its underwriting commitment, Merchant may subscribe for additional Shares at \$0.062 per Share (being an additional 8,064,516 Shares) up to the value of \$500,000 (**Merchant Offer**). As a result, the Merchant Offer is also being made pursuant to this Prospectus.

Only Merchant may accept the Merchant Offer. A personalised Application Form in relation to the Merchant Offer will be issued to Merchant together with a copy of this Prospectus.

Please note, do not apply for Shortfall Shares as part of the Offer unless instructed to do so by the Directors or the Underwriter.

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 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offers and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

The minimum subscription under the Offer is \$2,484,431.

4.3 Underwriting

The Offer is fully underwritten by the Merchant. Refer to Section 8.1 for details of the terms of the underwriting.

4.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form (at \$0.062 per Share);
- (c) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.062 per Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Birimian Gold – Entitlement Issue Account" and crossed "Not Negotiable".

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

4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance 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 Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00 pm (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 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.

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

4.7 Shortfall Offer

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

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 \$0.062 being the price at which Shares have been offered under the Offer.

The Underwriter and the Directors reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, do not apply for Shortfall Shares unless instructed to do so,

4.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares 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 Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.9 Issue of Shares

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

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

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

4.10 Overseas Shareholders

This document is only intended to be distributed and made available to existing Shareholders of the Company and is personal to each Shareholder to whom it has been delivered. This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares and Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares and Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

The distribution of this Prospectus in jurisdictions outside Australia 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. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia and New Zealand.

If you are outside Australia and New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

4.11 Enquiries

Any questions concerning the Offer should be directed to Beverley Nichols, Company Secretary, on + 61 8 9286 3045.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offers

The purpose of the Offer is to raise \$2,484,431 (before expenses).

The purpose of the Merchant Offer is to raise up to \$500,000 (before expenses).

The funds raised from the Offer and the Merchant Offer (together the **Offers**) are planned to be used in accordance with the table set out below:

| Item | Proceeds of the Offers | Offer (excluding Merchant Offer) (\$) | % | Offer and Merchant Offer | % |
|------|--|--|-------------|--------------------------|-------------|
| 1. | Evaluation drilling, technical studies and reconnaissance exploration ¹ | 1,500,000 | 60% | 1,500,000 | 50% |
| 2. | Identification and evaluation of potential West African gold and lithium projects | 200,000 | 8% | 200,000 | 7% |
| 3. | Expenses of the Offers ² | 187,320 | 8% | 218,070 | 7% |
| 4. | Working Capital ³ | 597,111 | 24% | 1,066,361 | 36% |
| | Total | \$2,484,431 | 100% | \$2,984,431 | 100% |

Notes:

1. Evaluation drilling, technical studies, reconnaissance exploration and new prospect delineation at advanced prospects within the Massigui Gold Project and Bougouni Lithium Project, Mali.
2. This figure is exclusive of GST. Refer to Section 9.8 of this Prospectus for further details relating to the estimated expenses of the Offer.
3. Working capital includes general costs associated with the management and operation of the business including administration expenses, salaries, directors' fees, rent and other associated costs.
4. To the extent the Company raises more than the minimum subscription (\$2,484,431) but less than the full amount pursuant to both Offers (\$2,984,431), after adjustment to expenses of the Offer, any funds raised will be allocated to items 1 and 2 (in order of priority).

The Directors consider that the funds raised pursuant to the Offer will provide a sound platform to pursue the Company's stated objectives (and will have sufficient working capital in this regard).

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Shares offered under the Prospectus are issued (and Merchant fully subscribes under the Merchant Offer),

will be to:

- (a) increase the cash reserves by \$2,766,361 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 93,500,119 as at the date of this Prospectus to 141,636,115 Shares following completion of the Offers.

The number of Options on issue as at the date of this Prospectus will also increase from 22,693,128 to 28,693,128 Options as a result of the issue of 6,000,000 Options to Merchant as part of its underwriting fee.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2015 and the unaudited pro-forma balance sheet as at 31 December 2015 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 balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet 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.

| | UNAUDITED 31 DECEMBER 2015 | PROFORMA (EXCLUDING MERCHANT OFFER) 31 DECEMBER 2015 | PROFORMA (INCLUDING MERCHANT OFFER) 31 DECEMBER 2015 |
|--|-------------------------------------|--|--|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 468,664 | 2,765,776 | 3,235,026 |
| Other current assets | 20,744 | 20,744 | 20,744 |
| TOTAL CURRENT ASSETS | 489,408 | 2,786,520 | 3,255,770 |
| | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 19,715 | 19,715 | 19,715 |
| Exploration and evaluation expenditure | 4,335,512 | 4,335,512 | 4,335,512 |
| TOTAL NON-CURRENT ASSETS | 4,355,227 | 4,355,227 | 4,355,227 |
| | | | |
| TOTAL ASSETS | 4,844,635 | 7,141,747 | 7,610,997 |
| | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 243,696 | 243,696 | 243,696 |

| | UNAUDITED 31 DECEMBER 2015 | PROFORMA (EXCLUDING MERCHANT OFFER) 31 DECEMBER 2015 | PROFORMA (INCLUDING MERCHANT OFFER) 31 DECEMBER 2015 |
|--------------------------------------|-------------------------------------|--|--|
| Other creditors | 42,750 | 42,750 | 42,750 |
| TOTAL CURRENT LIABILITIES | 286,446 | 286,446 | 286,446 |
| | | | |
| NON CURRENT LIABILITIES | | | |
| Other creditors | 95,917 | 95,917 | 95,917 |
| TOTAL NON CURRENT LIABILITIES | 95,917 | 95,917 | 95,917 |
| | | | |
| TOTAL LIABILITIES | 382,363 | 382,363 | 382,363 |
| | | | |
| NET ASSETS (LIABILITIES) | 4,462,272 | 6,759,384 | 7,228,634 |
| | | | |
| EQUITY | | | |
| Issued capital | 19,502,454 | 21,799,566 | 22,268,816 |
| Reserves | 2,596,780 | 2,596,780 | 2,596,780 |
| Accumulated losses | (17,636,962) | (17,636,962) | (17,636,962) |
| TOTAL EQUITY | 4,462,272 | 6,759,384 | 7,228,634 |

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Shares offered under the Prospectus are issued and no Options are exercised, is set out below.

Shares

| | Number |
|---|--------------------|
| Shares currently on issue | 93,500,119 |
| Shares to be issued pursuant to the Offer ¹ | 40,071,480 |
| Total Shares on issue after completion of the Offer | 133,571,599 |
| Shares to be issued pursuant to the Merchant Offer | 8,064,516 |
| Total Shares on issue after completion of the Offers | 141,636,115 |

Options

| | Number |
|--|-----------|
| Listed Options exercisable at \$0.15 expiring on the earlier of 14/06/2018 or 30 trading days after the Company's Shares close at a price above \$0.15 on ASX for the 20 th consecutive | 3,093,128 |

| | |
|--|-------------------|
| trading day | |
| Unlisted Options exercisable at \$0.315 expiring on 24/04/2016 | 2,000,000 |
| Unlisted Options exercisable at \$0.20 expiring on 11/12/2016 | 1,450,000 |
| Unlisted Options exercisable at \$0.21 expiring on 12/12/2017 | 1,450,000 |
| Unlisted Options exercisable at \$0.25 expiring on 27/04/2017 | 14,000,000 |
| Unlisted Options exercisable at \$0.14 expiring on 27/04/2017 | 700,000 |
| Options to be issued to Merchant (or its nominees) pursuant to the Mandate, exercisable at \$0.093 expiring two years from their date of issue | 6,000,000 |
| Total Options on issue after completion of the Offers | 28,693,128 |

Note

1. Subject to rounding on an individual Shareholder basis.
2. As announced on 2 March 2016, the Company also proposes to offer, subject to shareholder approval, a performance incentive program to its Board and management. The package (which will be set out in an upcoming notice of meeting) will be structured around reward on achieving value accretive milestones.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

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

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

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 of the Company.

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:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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).

Dividend rights

Subject to the Corporations Act and to any special rights or restrictions attached to any Shares, Directors may from time to time authorise the Company to pay interim and final dividends which appear to the Directors to be justified by the profits of the Company.

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. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

Transfer of Shares

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

Future increase in capital

The allotment and issue of any 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.

Variation of rights

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

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

The Shares are quoted on ASX.

6.2 Options

As part of Merchant's underwriting fee, the Company will be required to issue Merchant 6,000,000 options, which will have the following terms:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.093 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on that date which is the earlier of:

- (i) two (2) years from their date of issue; or
- (ii) 30 trading days after the Company's Shares close at a price above \$0.20 on ASX for the 30th consecutive trading day (**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) allot and 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) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **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.

(k) **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.

(l) **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.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

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

7. RISK FACTORS

7.1 Introduction

The Shares 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 Shares 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.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 93,500,119 currently on issue to up to 141,636,115. This means that each Share will represent a significantly lower proportion of the ownership of the Company. However, a Shareholder can retain their percentage interest in the Company by taking up their Entitlement, subject to the number of Shares issued pursuant to the Merchant Offer.

The Company will also be required to issue an additional 6,000,000 options to Merchant as part of it underwriting fee.

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 trading price of Shares on ASX prior to this Prospectus being lodged (being 23 March 2016) of \$0.15 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

7.3 Country specific

(a) Risks Associated with Operating in Liberia & Mali

The Company's projects are located in Liberia and Mali, West Africa and the Company will be subject to the risks associated with operating in those countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or

government regulations that require the employment of local residents or contractors or require other benefits to be provided to local residents.

In particular, Mali has recently experienced conflict that saw the shut down of some mining operations in the country for a period of time. In addition, changes to Liberia or Mali's mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. The Company might also be required by local authorities to invest in social projects for the benefit of the local community.

(b) Legal Environment

The legal system in Liberia and Mali is less developed than more established countries and this could result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;
- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

The commitment to local business people, government officials and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed.

7.4 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 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) 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 in Liberia and Mali (as applicable). 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.

7.5 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) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve

restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **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.

(e) **Reliance on key personnel**

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

8. MATERIAL CONTRACTS

8.1 Underwriting Agreement

By an agreement between Merchant Corporate Finance Pty Ltd (**Merchant**) and the Company (**Underwriting Agreement**), Merchant has agreed to fully underwrite the Offer for 40,071,480 Shares (**Underwritten Securities**), subject to the satisfaction of the following conditions precedent:

- (a) Merchant being satisfied (in its sole and absolute discretion) with the due diligence program implemented by the Company for the purpose of preparing the Prospectus;
- (b) Merchant being satisfied (in its sole and absolute discretion) with the form of the Prospectus;
- (c) Merchant obtaining sufficient sub-underwriting commitments for the Offer to its sole satisfaction; and
- (d) the Prospectus being lodged with ASIC prior to 5:00pm on the Lodgement Date.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay Merchant a management fee of 6% of the total value of the Underwritten Securities (being \$149,066);
- (b) issue Merchant (or its nominee) with 6,000,000 unlisted Options exercisable at \$0.093, expiring on the earlier of two (2) years from the date of issue or 30 trading days after the Company's Shares close at a price above \$0.20 on ASX for the 30th consecutive trading day; and
- (c) at the Closing Date and at Merchant's sole discretion, issue Merchant any additional Shares subscribed under the Merchant Offer.

The payment of the above fees is deemed to satisfy the Company's obligation to pay the same fees under the Mandate (outlined in Section 8.2 of this Prospectus), with such fees only being payable once.

Merchant may (following reasonable consultation with, and due consideration of any comments provided by, the Company) at any time in its absolute discretion appoint sub-underwriters to sub-underwrite the Offer. The Underwriting Agreement provides that Merchant will ensure that neither itself nor any person participating in sub-underwriting the Offer, will acquire 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 Offer.

The obligation of Merchant to underwrite the Offer is subject to certain events of termination. Merchant may terminate its obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 20% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or

- (b) **(Share price)**: the Shares finish trading on the ASX under the ASX code of "BGS" on any two (2) consecutive trading days with a closing price that is less than \$0.062; or
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company; or
- (d) **(Supplementary prospectus)**:
 - (i) Merchant, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in Section 8.1(q)(v), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as Merchant may reasonably require; or
 - (ii) the Company lodges a Supplementary Prospectus without the prior written agreement of Merchant; or
- (e) **(Non compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities; or
- (f) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (g) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so; or
- (h) **(Unable to Issue Securities)**: the Company is prevented from issuing the Underwritten Securities 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; or
- (i) **(future matters)**: any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of Merchant, unlikely to be met in the projected timeframe; or

- (j) **(Withdrawal of consent to Prospectus):** any person (other than Merchant) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (k) **(No Quotation Approval):** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation; or
- (l) **(ASIC application):** an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn; or
- (m) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act; or
- (n) **(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, which in Merchant's reasonable opinion has a Material Adverse Effect; or
- (o) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to Merchant; or
- (p) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (q) **(Termination Events):** any of the following events occurs, provided that its occurrence has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of Merchant under the Corporations Act:
 - (i) **(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, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and Merchant believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the Underwriting Agreement;
 - (ii) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (iii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;

- (iv) **(Contravention of constitution or Act):** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in Merchant's reasonable opinion, unlikely to be met in the projected time;
- (vi) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was, misleading or deceptive, materially false or that there was a material omission from them;
- (vii) **(Significant change):** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements):** without the prior approval of Merchant a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to Merchant in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified):** the official quotation is qualified or conditional other than as contemplated by the Underwriting Agreement;
- (xi) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xii) **(Prescribed Occurrence):** a prescribed occurrence occurs (as defined in the Underwriting Agreement), other than as disclosed in the Prospectus;
- (xiii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;

- (xiv) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (xv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
- (xvii) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities or Shares subscribed under the Merchant Offer without the prior written consent of Merchant;
- (xviii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xx) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of Merchant;
- (xxii) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (xxiii) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified; or
- (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

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

8.2 Mandate

The Company has entered into a corporate advisory mandate with Merchant whereby Merchant will act as corporate advisor and underwriter to the Offers.

Merchant will receive an underwriting fee of 6% (plus GST) of the dollar amount underwritten and for any additional shares subscribed under the Merchant Offer. In addition, and subject to the successful completion of the underwriting, the Company will also issue Merchant (or its nominees) 6,000,000 Options on the terms set out in Section 6.2.

A corporate advisory fee of \$10,000 per month (plus GST) will also be payable to Merchant as well as any reasonable out of pocket expenses incurred in connection with the Mandate or the underwriting.

8.3 Acquisition Agreement - Bougouni Lithium Project

The Company, via its wholly owned Malian subsidiary, Timbuktu Resources SARL has entered into an agreement (**Agreement**) with a Malian entity, La Societe Cooperative Femima (**Femima**) to acquire 100% of the Bogodassale-Est permit, in Southern Mali (comprising the Bougouni Lithium Project) (**Permit**).

The Parties have agreed to the following terms:

- (a) Birimian will pay Femima US\$10,000 on execution of the Agreement (which has now been paid);
- (b) Birimian will undertake the preliminary fieldwork on the Permit and will prepare the technical reports for the Permit;
- (c) Birimian will cover the costs of the permit administration fees, being approximately US\$20,000 (which has now been paid); and
- (d) upon the commencement of commercial production on the Permit, Birimian will pay Femima US\$200,000.

9. ADDITIONAL INFORMATION

9.1 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.

9.2 Negotiations with Rangold Resources

As disclosed to the market previously, the Company has been focussed on unlocking value through developing a processing solution for its gold deposits at its Massigui Gold Project in Mali. These deposits are located within 25km of the underutilised Morila Gold Mine (**Morila Mine**) and processing facility, operated by Rangold Resources Limited (**Rangold**).

The Company wishes to advise that it is currently in discussions with Rangold for the potential structure and terms for the processing of ore from the Company's Ntiola Deposit (within the Massigui Gold Project) at Rangold's Morila Mine plant. Whilst the Company is continuing to seek to reach a suitable agreement, there can be no assurances any binding agreement or arrangement will be reached with Rangold, if at all.

9.3 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 |
|------------|--|
| 15/03/2016 | Half yearly accounts |
| 15/03/2016 | Lithium Project Acquisition Presentation |
| 02/03/2016 | Reinstatement |
| 02/03/2016 | Lithium Project Acquisition |
| 01/03/2016 | Change in substantial holding |
| 26/02/2016 | Voluntary Suspension |
| 25/02/2016 | Trading Halt |
| 16/02/2016 | Change of Director's Interest Notice |
| 16/02/2016 | Appendix 3B |
| 08/02/2016 | Mining Indaba Presentation |
| 29/01/2016 | Quarterly Cashflow Report |
| 29/01/2016 | Quarterly Activities Report |
| 08/12/2015 | Change of Director's Interest Notice |
| 08/12/2015 | Appendix 3B |

| Date | Description of Announcement |
|------------|---|
| 20/11/2015 | Results of Meeting |
| 20/11/2015 | AGM Presentation |
| 30/10/2015 | Quarterly Cashflow Report |
| 30/10/2015 | Quarterly Activities Report |
| 23/10/2015 | Consolidation / Split - BGS |
| 22/10/2015 | Notice of Annual General Meeting |
| 22/10/2015 | Notice of Annual General Meeting / Proxy Form |
| 16/10/2015 | Expiry of Unlisted Options |
| 30/09/2015 | Corporate Governance Statement |
| 30/09/2015 | Appendix 4G |

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 www.birimiangold.com.

9.4 Interests of Directors

Other than as set out 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:

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

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in Section 3.2 of this Prospectus.

Remuneration

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company prior to the first annual general meeting of the Company and can only be increased by shareholder approval at a general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount, which was set at the Company's first annual general meeting on 16 January 2006, is an amount not to exceed \$180,000 per annum.

The remuneration of executive Directors is decided by the Board, without the affected executive Director participating in that decision-making process and may be paid by way of fixed salary or commission.

In the last two financial years, \$411,316 in 2015 and \$410,606 in 2014 (not including share based payments) has been paid by the Company by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of directors fees and consultancy fees.

| | 2016 | | | 2015 | | |
|-----------------|---------|--------|---------|---------|--------|---------|
| | Fees | Super | Total | Fees | Super | Total |
| Kevin Joyce | 264,000 | 25,080 | 289,080 | 286,236 | 25,080 | 311,316 |
| Winton Willesee | 60,000 | Nil | 60,000 | 60,000 | Nil | 60,000 |
| Hugh Bresser | 40,000 | Nil | 40,000 | 40,000 | Nil | 40,000 |
| Total | 364,000 | 25,080 | 389,080 | 386,236 | 25,080 | 411,316 |

Please note, as agreed by Shareholders at the Company's 2015 annual general meeting, the Company may issue Shares in lieu of remuneration to each of the directors (or their respective nominees) under a director fee plan (**Plan**). Further details of the Plan are set out in the Company's notice of annual general meeting dated 22 October 2015.

9.5 Agreements with Directors and Related Parties

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

- (a) 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
- (b) 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.

9.6 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:

- (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 any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Merchant Corporate Finance Pty Ltd will be paid an underwriting fee of approximately \$149,066 in respect of the Offer together with a monthly fee of \$10,000. The Company has not paid Merchant Corporate Finance Pty Ltd any fees during the 24 months preceding lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (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 \$69,125 (excluding GST and disbursements) for legal services provided to the Company.

9.7 Consents

Each of the parties referred to in this Section 10.6:

- (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.

Merchant Corporate Finance Pty Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named. Merchant Corporate Finance Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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.

9.8 Expenses of the Offers

In the event that all Entitlements are accepted, and the Merchant Offer is issued in full, the total expenses of the Offers are estimated to be approximately \$187,320 (excluding GST) for the Offer (excluding the Merchant Offer) and \$218,070 (excluding GST) for both Offers and are expected to be applied towards the items set out in the table below:

| | Offer (excluding Merchant Offer) \$ | Offer & Merchant Offer \$ |
|---------------------------|--|--|
| ASIC fees | 2,320 | 2,320 |
| ASX fees | 9,000 | 9,750 |
| Underwriting fees | 159,000 | 189,000 |
| Legal fees | 15,000 | 15,000 |
| Printing and distribution | 2,000 | 2,000 |
| Total | 187,320 | 218,070 |

9.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9286 3045 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.birimiangold.com.

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.

9.10 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.

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

The Company will not be issuing share certificates. The Company is a participant 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. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

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

9.12 Privacy Act

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

The information may also be used from time to time and disclosed to persons inspecting the register, 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 Company's share registry.

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

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

10. 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.



Winton Willesee
Chairman
For and on behalf of
BIRIMIAN GOLD LIMITED

11. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Offer.

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

Application Form means an Entitlement and Acceptance Form.

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Birimian Gold Limited (ACN 113 931 105).

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

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

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

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

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

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Underwritten Securities (including, without limitation, a material adverse effect on a decision of an investor to invest in Underwritten Securities); or

- (b) a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.

Merchant means Merchant Corporate Finance Pty Ltd (ACN 168 562 918).

Merchant Offer means the offer of up to 8,064,516 Shares at an issue price of \$0.062 per Share to Merchant set out in this Prospectus.

Offer means the non-renounceable entitlement issue set out in this Prospectus.

Offers means the Offer or the Merchant Offer as the context requires.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Relevant Company means the Company and each Subsidiary.

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 a Share.

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

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Subsidiary means each company which is now, or before the issue of all the Underwritten Securities becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Underwritten Securities has the definition given in Section 8.1 of this Prospectus.

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