



**ACN 124 444 122**

**PROSPECTUS**

This Prospectus is primarily being issued for a non-renounceable pro rata offer to Eligible Shareholders of 1 new Share for every 10 Shares held on the Record Date, at an issue price of \$0.015 per new Share, together with 1 free Attaching Option for every 4 new Shares subscribed for (**Entitlement Offer**).

This Prospectus is also being issued for the Secondary Offers described in this Prospectus.

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

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

**The Securities offered in connection with this Prospectus are of a speculative nature.**

## Important information

This Prospectus is dated 12 August 2020 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

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

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 8, 8 Clive Street, West Perth, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.6).

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

In light of the ongoing COVID-19 pandemic, Applications for Securities under the Offers can only be by BPAY® or Electronic Funds Transfer. There is no need to return the original Application Form.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and New Zealand.

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

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

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Perth, Western Australia unless otherwise indicated.

## Corporate Directory

### Directors

Mr Lindsay Dudfield	Non-Executive Chairman
Mr Leigh Ryan	Managing Director
Ms Liza Carpene	Non-Executive Director
Mr Anthony Ho	Non-Executive Director

### Share Registry

Automic Group  
Level 2, 267 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 288 664 or +61 2 9698 5414

### Company Secretary

Mr Bernard Crawford

### Lawyers

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

### Registered Office

Suite 8  
8 Clive Street  
West Perth WA 6005  
Telephone: +61 (8) 9481 4400

### ASX Code: ALY

**Website:** [www.alchemyresources.com.au](http://www.alchemyresources.com.au)

Fax: +61 (8) 9481 4404  
Email: [admin@alchemyresources.com.au](mailto:admin@alchemyresources.com.au)

## Proposed timetable

Announcement of Placement and Entitlement Offer Lodgement of Appendix 3B with ASX	11 August 2020
Lodgement of Prospectus with ASIC and ASX Notice of Entitlement Offer sent to Option holders	12 August 2020
Notice of Entitlement Offer sent to Shareholders	12 August 2020
Shares quoted on an "EX" basis	14 August 2020
Record Date for determining Entitlements	17 August 2020
Prospectus and Application Form dispatched to Eligible Shareholders	20 August 2020
Last day to extend Closing Date	1 September 2020
Closing Date (5pm WST)*	4 September 2020
Shares quoted on a deferred settlement basis	7 September 2020
Notification of Shortfall	9 September 2020
Issue date of new Securities Deferred settlement trading ends	11 September 2020
Anticipated date for commencement of new Shares trading on a normal settlement basis	14 September 2020

\* The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Securities offered under this Prospectus are expected to be issued and commence trading on ASX may vary.

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## Letter from the Chairman

Dear Shareholder,

On behalf of your Directors, I am pleased to invite you to participate in this non-renounceable pro-rata 1- for-10 Entitlement Offer at an issue price of \$0.015 per Share with 1 free Attaching Option for every 4 new Shares subscribed for, to raise up to approximately \$825,800 (before costs).

Eligible Shareholders also have the opportunity to subscribe for any Securities that are not subscribed for under the Entitlement Offer pursuant to the Shortfall Offer under this Prospectus.

The Company recently undertook a Placement as announced on 11 August 2020. This Prospectus also incorporates an offer to Placement Subscribers of 16,666,667 free Attaching Options on the basis of 1 Option for every 4 Shares issued under the Placement with an exercise price of \$0.03 each and expiring on 30 September 2022.

Funds raised under the Placement and the Entitlement Offer are intended to be used primarily to fund drilling activities within the Overflow and Yellow Mountain Gold-Base Metal projects (NSW) and the Karonie Gold Project (WA), as well as for general working capital and the costs of the Offers. For further details on the proposed use of funds to be raised under the Entitlement Offer, please see Section 1.3 of this Prospectus.

The Entitlement Offer is scheduled to close at **5.00pm (AWST) on Friday, 4 September 2020**. Eligible Shareholders wishing to participate in the Entitlement Offer or the Shortfall Offer must apply for new Securities before this time in accordance with the instructions set out in Section 2 and on the Application Form accompanying this Prospectus.

In light of the ongoing COVID-19 pandemic, Applications for Securities under the Offers can only be by BPAY® or Electronic Funds Transfer. There is no need to return the original Application Form. The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

The Board recommends that you take up your Entitlement after reading this Prospectus in its entirety including the risks outlined in Section 4.

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

I look forward to your continued support.

Yours faithfully



Lindsay Dudfield  
**Non-Executive Chairman**

## Investment overview

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

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> <li>• <b>Grant and renewal of permits:</b> Exploration activities are dependent upon the maintenance (including renewal) of tenements, which is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements.</li> </ul> <p>The Company also has tenement applications. There can be no guarantee that the tenement applications will be granted, or if they are granted, that they will be granted in their entirety. If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets or projects of the Company.</p> <ul style="list-style-type: none"> <li>• <b>Land access:</b> There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Commonly, this will affect the procedure required for access and may impose obligations in respect of compensation, land rehabilitation and/or land impact management. Inability to access, or delays experienced in accessing, the land and unforeseen expenses associated therewith may impact on the Company's activities.</li> <li>• <b>Exploration and development risk:</b> Mineral exploration and development is a high risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit or that it can be economically exploited.</li> </ul>	Section 4

Key Information	Further Information
<ul style="list-style-type: none"> <li>• <b>Future capital needs and additional funding:</b> The Company believes that the proceeds from the Entitlement Offer will provide adequate funding to achieve its exploration strategy of drill testing and building mineral resources within its WA and NSW projects. Additional funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on acceptable terms or at all.</li> <li>• <b>General market risks:</b> Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.</li> <li>• <b>Coronavirus (COVID-19) risk:</b> The global economic outlook is facing uncertainty due to the COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The price of the Company's Securities may be adversely affected by the economic uncertainty caused by COVID-19. Further, measures to limit the transmission of the virus implemented by governments in Australia and around the world (such as travel bans and quarantining) may adversely impact the Company's operations. In particular, the restrictions on accessing remote Aboriginal communities may materially impact the timeline for negotiations in relation to native title access agreements and heritage clearances required by the Company.</li> </ul>	
<p><b>Entitlement Offer</b></p> <p>This Prospectus is for a non-renounceable entitlement offer of 1 new Share for every 10 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.015 per new Share to raise up to approximately \$825,800 (before costs). Participants in the Entitlement Offer will also be issued 1 free Attaching Option for every 4 new Shares subscribed for.</p>	Section 1.1
<p><b>Secondary Offers</b></p> <p>The Company is also undertaking the Secondary Offers under this Prospectus.</p> <p>The Secondary Offers are being made under this Prospectus to:</p> <ul style="list-style-type: none"> <li>• ensure that the offers of the Securities under the Secondary Offers are made in accordance with the disclosure requirements of Part 6D.2 of the Corporations Act; and</li> <li>• remove the need for an additional disclosure document to be issued upon the sale of any Options (or any Shares issued on exercise of any Options) that are issued under the Secondary Offers.</li> </ul>	Section 1.2
<p><b>Shortfall Offer</b></p> <p>Any Securities not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Securities under the Shortfall Offer subject to such Applications being received by the Closing Date.</p>	Section 1.2(b)



Key Information	Further Information
<p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.015 being the price at which new Shares have been offered under the Entitlement Offer. Participants in the Shortfall Offer will also be issued 1 free Attaching Option for every 4 new Shares subscribed for.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.2(b). There is no guarantee that Eligible Shareholders will receive new Securities applied for under the Shortfall Offer.</p>	
<p><b>Placement Offer</b></p> <p>As announced on 11 August 2020, the Company has received binding commitments for the subscription of 66,666,667 Shares at an issue price of \$0.015 per Share to raise \$1 million (before costs).</p> <p>The Placement Subscribers are entitled to be issued 1 free Attaching Option for every 4 Shares subscribed for and issued under the Placement.</p> <p>The offer of up to 16,666,667 free Attaching Options to the Placement Subscribers is made pursuant to this Prospectus, with an exercise price of \$0.03 each and expiring on 30 September 2022.</p>	Section 1.2(c)
<p><b>Lead Manager Offer</b></p> <p>The Company is undertaking a Lead Manager Offer under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale of any Options issued under the Lead Manager Offer.</p> <p>The Company has agreed to issue a total of 3,000,000 Options to Veritas Securities Limited for a nil issue price, exercisable at \$0.03 each and expiring on 30 September 2022.</p>	Section 1.2(d)
<p><b>Eligible Shareholders</b></p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> <li>• are the registered holder of Shares as the Record Date; and</li> <li>• have a registered address in Australia or New Zealand.</li> </ul>	Sections 1.15 and 1.17
<p><b>Underwriting</b></p> <p>The Entitlement Offer is not underwritten.</p>	Section 1.6
<p><b>Use of funds</b></p> <p>Funds raised under the Entitlement Offer are intended to be used primarily to fund exploration drilling at the Overflow and Yellow Mountain Gold-Base Metal projects (NSW), exploration drilling at the Karonie Gold Project (WA), surface IP surveys across parts of the Melrose hydrothermal magnetite anomaly, as well as for general working capital and the costs of the Offer.</p>	Section 1.3
<p><b>Effect on control of the Company</b></p> <p>The Company is of the view that the Offers will not affect the control of the Company.</p>	Sections 1.7 and 1.8

Key Information	Further Information																		
<p>No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers.</p> <p>Shareholders should note that if they do not participate in the Offers, their holdings will be diluted. Examples of how the dilution may impact Shareholders are set out in Section 1.8.</p>																			
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table border="1" data-bbox="209 622 1219 1182"> <thead> <tr> <th></th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>550,524,351</td> <td>27,000,000</td> </tr> <tr> <td>To be issued pursuant to the Placement</td> <td>66,666,667</td> <td>16,666,667</td> </tr> <tr> <td>To be issued pursuant to the Lead Manager Offer</td> <td>Nil</td> <td>3,000,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Entitlement Offer</td> <td>55,052,435</td> <td>13,763,109</td> </tr> <tr> <td><b>Total</b></td> <td><b>672,243,453</b></td> <td><b>60,429,776</b></td> </tr> </tbody> </table> <p>The above table assumes that the Offers are fully subscribed and that Shareholder approval is received for the issue of the Options under the Placement Offer and Lead Manager Offer.</p> <p>The indicative pro-forma balance sheet showing the effect of the Offers is in Section 3.2.</p>		Shares	Options	Balance at the date of this Prospectus	550,524,351	27,000,000	To be issued pursuant to the Placement	66,666,667	16,666,667	To be issued pursuant to the Lead Manager Offer	Nil	3,000,000	Maximum to be issued pursuant to the Entitlement Offer	55,052,435	13,763,109	<b>Total</b>	<b>672,243,453</b>	<b>60,429,776</b>	<p>Sections 3.1 and 3.2</p>
	Shares	Options																	
Balance at the date of this Prospectus	550,524,351	27,000,000																	
To be issued pursuant to the Placement	66,666,667	16,666,667																	
To be issued pursuant to the Lead Manager Offer	Nil	3,000,000																	
Maximum to be issued pursuant to the Entitlement Offer	55,052,435	13,763,109																	
<b>Total</b>	<b>672,243,453</b>	<b>60,429,776</b>																	

**Directors' interests in Shares and Entitlements**

Section 5.9(b)

The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:

Name	Existing Shares	Entitlement
Leigh Ryan	1,250,000	125,000
Lindsay Dudfield	64,909,200	6,490,920
Liza Carpene	1,000,000	100,000
Anthony Ho	-	-

It is the intention of Mr Ryan and Ms Carpene to take up all of their respective Entitlements specified above under the Entitlement Offer.

It is the intention of Mr Dudfield to take up all of his Entitlement, excluding his interests held indirectly through Jindalee Resources Limited. Mr Dudfield has an interest in 17,469,759 Shares held by Jindalee Resources Limited (of which Mr Dudfield is an executive director). Investment decisions made in relation to those 17,469,759 Shares are made by the board of Jindalee Resources Limited without Mr Dudfield.

Mr Dudfield makes no representation as to whether the Entitlement attaching those 17,469,759 Shares (that is 1,746,976 Shares) will be taken up.

**Forward looking statements**

Key Information and Section 4

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 considered reasonable.

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

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

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

# 1. Details of the Offers

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## 1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer of:

- (a) ordinary fully paid Shares at an issue price of \$0.015 each to Eligible Shareholders on the basis of 1 new Share for every 10 Shares held at 5.00pm on the Record Date; and
- (b) Attaching Options on the basis of 1 new free Attaching Option for every 4 new Shares issued under the Entitlement Offer to Eligible Shareholders.

The market price of Shares at the date of this Prospectus is such that it is unlikely that any of the existing Options will be exercised before the Record Date. On the basis that no existing Options are exercised or existing Performance Rights are converted prior to the Record Date, the Entitlement Offer is for a maximum of 55,052,435 Shares, to raise up to approximately \$825,800 (before costs).

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

A summary of the rights and liabilities attaching to the Shares offered under the Entitlement Offer is in Section 5.1.

A summary of the rights and liabilities attaching to the Attaching Options offered under the Entitlement Offer is in Section 5.2. All Shares issued upon the exercise of the Attaching Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

## 1.2 Secondary Offers

### (a) Overview

The Company is also undertaking the Secondary Offers under this Prospectus.

The Secondary Offers are being made under this Prospectus to:

- (i) ensure that the offers of the Securities under the Secondary Offers are made in accordance with the disclosure requirements of Part 6D.2 of the Corporations Act; and
- (ii) remove the need for an additional disclosure document to be issued upon the sale of any Options (or any Shares issued on exercise of any Options) that are issued under the Secondary Offers.

### (b) Shortfall Offer

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

The Shortfall Offer is a separate offer made pursuant to this Prospectus. The issue price of any Shortfall Securities will be \$0.015 per Share, which is the issue price at which

Shares have been offered to Eligible Shareholders under the Entitlement Offer. One free Attaching Option will be issued for every four Shares issued under the Shortfall Offer.

Shortfall Securities will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

Applications by Eligible Shareholders for Shortfall Securities are to be made by making payment using BPAY® or Electronic Funds Transfer (refer to Section 2.1).

Entitlements not subscribed for under the Entitlement Offer may be allocated to Eligible Shareholders who subscribe for Shortfall Securities under the Shortfall Offer. The Board may elect to cap the number of Shortfall Securities that are allotted to Eligible Shortfall Offer Participants, having regard to:

- (i) the number of Securities that an Eligible Shortfall Offer Participant is entitled to subscribe for pursuant to its Entitlement relative to the number of Shortfall Securities that it has applied for;
- (ii) the total number of Shortfall Securities available for subscription; and
- (iii) the number of Shares held by an Eligible Shortfall Offer Participant after the completion of the Offers.

The Board will give priority to Shareholders who, after the allocation of their Entitlement, would not hold a marketable parcel of Shares without being allocated a sufficient number of Shortfall Securities under the Shortfall Offer. Otherwise, the Board anticipates that should it receive applications for Shortfall Securities in excess of the number of Securities available for subscription under the Shortfall Offer, it will cap or scale back allocations of Shortfall Securities on a pro-rata basis having regard to each Eligible Shortfall Offer Participant's holding in Shares as at the Record Date. In any event:

- (i) the number of Shortfall Securities available under the Shortfall Offer will not exceed the Shortfall;
- (ii) no Shortfall Securities will be issued to an Eligible Shortfall Offer Participant which would, if issued, result in them increasing their voting power in the Company above 20%; and
- (iii) no Shortfall Securities will be issued if their issue would contravene any law or Listing Rule.

For the avoidance of doubt, the Board reserves the discretion to cap the Shortfall allocated to Eligible Shortfall Offer Participants and issue the balance of the Shortfall during the three month period following the Closing Date. In exercising this discretion, the Board will take into account a number of factors including recommendations of the Lead Manager to place the Shortfall, ensuring the Company has an appropriate and optimal Shareholder base, which may be achieved through strategic investors increasing their interests, or by the introduction of new investors. There is no guarantee of any allocation of Shortfall Securities, or that applications for Shortfall Securities will be satisfied in full. Excess Application Monies for the Shortfall Offer will be refunded without interest.

It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Shares in accordance with the allocation policy described above, the Applicant will be bound to accept such lesser number allocated to them.

Subject to the above, Directors reserve the right to issue the Shortfall at their discretion.

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

A summary of the rights and liabilities attaching to the Attaching Options offered under the Shortfall Offer is in Section 5.2. All Shares issued upon the exercise of the Attaching Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

(c) **Placement Offer**

As announced on 11 August 2020, the Company agreed to issue 66,666,667 Shares at an issue price of \$0.015 per Share to institutional and sophisticated investors, none of whom is a related party of the Company, to raise \$1 million (before costs) (**Placement**).

The Placement was conducted by the Lead Manager.

Participants in the Placement (the **Placement Subscribers**) are entitled to be issued 1 free Attaching Option for every 4 Shares subscribed for and issued. The offer of up to 16,666,667 free Attaching Options to the Placement Subscribers is made pursuant to this Prospectus (**Placement Offer**).

As the issue of the Shares under the Placement will occur after the Record Date, the Placement Subscribers will not be able to participate in the Entitlement Offer with respect to the new Placement Shares to be issued.

A summary of the rights and liabilities attaching to the Attaching Options offered under the Placement Offer is in Section 5.2. All Shares issued upon the exercise of the Attaching Options will rank equally with the Shares on issue at the date of the Prospectus, as summarised in Section 5.1.

Only the Placement Participants may accept the Placement Offer. An Application Form in relation to the Placement Offer will be issued to the Placement Participants together with a copy of this Prospectus.

(d) **Lead Manager Offer**

The Company has agreed to issue Options to the Lead Manager (or its nominees) for assisting the Company to achieve the outcomes set out in the mandate with the Lead Manager for the provision of lead manager services, including coordination and management of the Placement and any shortfall under the Entitlement Offer, as well as marketing services (**Lead Manager Mandate**).

This Prospectus includes a separate offer of 3,000,000 Options to the Lead Manager (or its nominees), exercisable at \$0.03 each and expiring 30 September 2022 (**Lead Manager Options**).

A summary of the rights and liabilities attaching to the Lead Manager Options is in Section 5.2. If the Lead Manager Options are exercised, the resultant Shares will be of

the same class and will rank equally in all respects with the existing Shares in the Company.

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. An Application Form in relation to the Lead Manager Offer will be issued to the Lead Manager (or its nominees) together with a copy of this Prospectus.

Refer to Section 5.3 for a summary of the Lead Manager Mandate.

### 1.3 Use of funds

Completion of the Entitlement Offer will result in an increase in cash at hand of approximately \$1,825,787 (before payment of costs), on the assumption that the Entitlement Offer and the Placement are fully subscribed.

The following indicative table sets out the proposed use of funds raised under the Entitlement Offer and the Placement:

<b>Proposed use</b>	<b>\$</b>	<b>%</b>
Karonie Gold Project drilling activities	650,000	35.6%
Overflow Project drilling activities	300,000	16.4%
Yellow Mountain Project drilling activities and geophysical surveys	350,000	19.2%
Costs of the Offers	99,048	5.4%
General working capital <sup>1</sup>	426,739	23.4%
<b>Total</b>	<b>1,825,787</b>	<b>100.0%</b>

#### Notes:

1. Working capital includes but is not limited to corporate office, administration, staff and operating costs, directors' fees, executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
2. The above table assumes the maximum amount offered under the Entitlement Offer is raised. In the event that a lesser amount is raised, the Company intends to reduce the funds attributed to working capital accordingly and would be required to draw on existing cash balances to fund the Company's working capital requirements.
3. Refer to Section 5.11 for details regarding the expenses of the Offers.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

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

No funds will be raised pursuant to the issue of Options under the Placement Offer and the Lead Manager Offer.

## 1.4 Opening and Closing Dates

The Company will accept Applications from the date it dispatches the Prospectus until 5.00pm (AWST) on Friday, 4 September 2020 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

The Shortfall Offer will remain open for a period of up to three months from the Closing Date (or such shorter period as determined by the Directors), however Eligible Shareholders who wish to participate in the Shortfall Offer must submit their Applications to the Company by no later than the Closing Date.

## 1.5 Minimum subscription

There is no minimum subscription for the Offers.

## 1.6 Underwriting

The Offers are not underwritten.

## 1.7 Effect on control of the Company

### (a) Summary

The maximum number of Shares proposed to be issued under the Entitlement Offer is 55,052,435 which will constitute 8.2% of the Shares on issue following completion of the Offers and the Placement (assuming no other Shares are issued or Securities exercised or converted to Shares).

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Application.

### (b) Majority Shareholder

The Company's largest Shareholder is Northern Star Resources Limited (ASX: **NST**), which currently has a voting power in the Company of 14.19%. In the unlikely event that NST is the only participant in the Entitlement Offer (and does not participate in the Placement) and it subscribes for its full Entitlement of 7,812,500 Shares, that is, \$117,187.50, its voting power would decrease to 12.78%. The Company will not issue Shares to NST under the Shortfall if it may result in NST acquiring a voting power in excess of the 20% threshold in section 606 of the Corporations Act.

### (c) Other Shareholders

No other Shareholder's voting power in the Company may increase to 20% or above as a result of the Offers.



## 1.8 Potential dilution

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

Holder	Holding as at Record Date	% at Record Date	Entitlement to Shares	Shareholding if Entitlement not subscribed	% post Offer
Shareholder 1	45,000,000	8.17	4,500,000	45,000,000	7.43
Shareholder 2	22,500,000	4.09	2,250,000	22,500,000	3.72
Shareholder 3	11,250,000	2.04	1,125,000	11,250,000	1.86
Shareholder 4	5,500,000	1.00	550,000	5,500,000	0.91
Shareholder 5	2,000,000	0.36	200,000	2,000,000	0.33

The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer and does not take into account the Shares to be issued pursuant to the Placement. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The above table also assumes that no Shares are issued other than those offered pursuant to this Prospectus, including by exercise of the existing Options on issue, or the Options issued pursuant to this Prospectus, or the Shares to be issued pursuant to the Placement.

## 1.9 Substantial Shareholders

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

Substantial Shareholder	Number of Shares	Voting power
Northern Star Resources Limited	78,125,000	14.19%
Lindsay Dudfield <sup>1</sup>	64,909,200	11.79%
Neil Watson <sup>2</sup>	56,016,501	10.18%
Dr. Stephen Garth Nordstrom	43,500,000	7.90%

### Notes:

1. See Section 5.9(b) for further details of Mr Dudfield's security holdings.
2. Held personally and through Rossdale Superannuation Pty Ltd and TBB NSW Pty Ltd.

### 1.10 **No rights trading**

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

### 1.11 **Issue Date and dispatch**

All Securities under the Entitlement Offer and Securities subscribed for by Eligible Shareholders under the Shortfall Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Any remaining issues of Shortfall Securities will occur within three months after the Closing Date.

The issue of the Options under the Placement Offer and Lead Manager Offer is expected to occur as soon as practicable.

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

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

### 1.12 **Application Monies held on trust**

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

### 1.13 **ASX quotation**

Application has been or will be made for the official quotation of the Securities offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Securities offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### 1.14 **CHESS**

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

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

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

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

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

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

### 1.15 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Entitlement Offer.

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 such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

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

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

### 1.16 New Zealand offer restrictions

The Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

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

### 1.17 Notice to nominees and custodians

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

### 1.18 Risk factors

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

### 1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing 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 Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

### 1.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2019, can be found in the Company's Annual Report announced on ASX on 24 September 2019 and, for the half-year ended 31 December 2019, the Half Year Accounts announced on ASX on 13 March 2020. The Company's continuous disclosure notices (i.e. ASX announcements) since 31 December 2019 are listed in Section 5.6. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### 1.21 Enquiries concerning Prospectus

For enquiries concerning the Application Form and the Prospectus, please contact Alchemy Resources Limited on +61 8 9481 4400.

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

## 2. Action required by Eligible Shareholders

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### 2.1 Action in relation to the Entitlement Offer

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

Should you wish to acquire new Shares as part of the Entitlement Offer, you may either:

- (a) take up all of your Entitlement;
- (b) take up part of your Entitlement; or
- (c) take up all of your Entitlement and also apply for Shortfall Securities under the Shortfall Offer.

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

Applicants are encouraged to apply via BPAY® or Electronic Funds Transfer (EFT) using the details provided on the Application Form.

If you elect to pay via BPAY® or EFT, you must follow the instructions for BPAY® or EFT (as applicable) set out in the Application Form. You will not need to return the Application Form.

To pay via BPAY® or EFT, you should pay the full Application Monies, being \$0.015 multiplied by the number of New Shares comprising your Entitlement or, if you are subscribing for only part of your Entitlement, the number of New Shares you wish to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number).

If you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

The Company will treat you as applying for as many New Shares as your BPAY® or EFT payment will fully pay for. Any amount received by the Company in excess of your final allocation of new Shares will be refunded and no interest will be paid on any Application Monies received or refunded.

If paying via BPAY® or EFT, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® or EFT by the Closing Date.

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

### 2.2 Entitlements not taken up

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

## 2.3 Application Form

By making a payment via BPAY® or EFT, you will be deemed to have:

- (a) represented and warranted that you are an Eligible Shareholder, if your Application is in respect of the Entitlement Offer;
- (b) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (c) agreed to be bound by the terms of the relevant Offer;
- (d) declared that all details and statements in the Application Form provided to you are complete and accurate;
- (e) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (f) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the Securities to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;
- (g) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Securities are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledged that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

## 2.4 Enquiries concerning your Entitlement

For enquiries concerning the Prospectus, please contact the Company Secretary on +61 8 9481 4400.

For general Shareholder enquiries, please contact Automic Group on 1300 288 664 (within Australia) and +61 2 9698 5414 (International).

### 3. Effect of the Offers

#### 3.1 Capital structure on completion of the Offers

	Shares	Options
Balance at the date of this Prospectus	550,524,351	27,000,000 <sup>1</sup>
To be issued pursuant to the Placement	66,666,667	16,666,667 <sup>2</sup>
To be issued under the Lead Manager Offer	-	3,000,000 <sup>3</sup>
Maximum to be issued under the Entitlement Offer	55,052,435	13,763,109 <sup>4</sup>
<b>Total</b>	<b>672,243,453</b>	<b>60,429,776</b>

**Notes:**

- 27,000,000 Options comprising of:
  - 4,000,000 Options exercisable at \$0.04 each on or before 8 January 2021;
  - 4,000,000 Options exercisable at \$0.08 on or before 8 January 2021;
  - 4,000,000 Options exercisable at \$0.12 on or before 8 January 2021;
  - 10,000,000 Options exercisable at \$0.05 each on or before 15 April 2021;
  - 5,000,000 Options exercisable at \$0.025 each on or before 31 December 2023;
- 16,666,667 Options exercisable at \$0.03 each on or before 30 September 2022;
- 3,000,000 Lead Manager Options exercisable at \$0.03 each on or before 30 September 2022;
- 13,763,109 Options exercisable at \$0.03 each on or before 30 September 2022.
- The above table assumes that all Securities offered under the Offers are issued. The actual number of Securities issued will vary based on the Securities subscribed for and issued pursuant to the Offers. This number is also subject to rounding.

#### 3.2 Pro forma consolidated statement of financial position

Set out below is:

- the reviewed consolidated statement of financial position of the Company as at 31 December 2019;
- the unaudited consolidated statement of financial position of the Company as at 30 June 2020 (**Balance Date**);
- the unaudited effects of the Offers (assuming the Offers are fully subscribed); and
- the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraph (c).

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated

form and does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	Reviewed 31-Dec-19 \$	Unaudited 30-June-20 \$	Pro Forma Adjustment \$	Pro Forma 30-Jun-20 \$
<b>Current Assets</b>				
Cash and cash equivalents	1,184,429	873,397	1,726,739	2,600,136
Trade and other receivables	26,875	54,703	-	54,703
Other current assets	26,041	12,088	-	12,088
<b>Total Current assets</b>	<b>1,237,345</b>	<b>940,188</b>	<b>1,726,739</b>	<b>2,666,927</b>
<b>Non-Current Assets</b>				
Exploration and evaluation	5,394,163	5,698,297	-	5,698,297
Property, plant and equipment	4,278	3,521	-	3,521
<b>Total Non-Current Assets</b>	<b>5,398,441</b>	<b>5,701,818</b>	<b>-</b>	<b>5,701,818</b>
<b>TOTAL ASSETS</b>	<b>6,635,786</b>	<b>6,642,006</b>	<b>1,726,739</b>	<b>8,368,745</b>
<b>Current Liabilities</b>				
Trade and other payables	85,954	208,282	-	208,282
Provisions	24,483	26,205	-	26,205
<b>Total Current Liabilities</b>	<b>110,437</b>	<b>234,487</b>	<b>-</b>	<b>234,487</b>
<b>TOTAL LIABILITIES</b>	<b>110,437</b>	<b>234,487</b>	<b>-</b>	<b>234,487</b>
<b>NET ASSETS</b>	<b>6,525,349</b>	<b>6,407,519</b>	<b>1,726,739</b>	<b>8,134,258</b>
<b>EQUITY</b>				
Contributed equity	33,690,859	33,690,859	1,726,739	35,417,598
Reserves	144,400	168,400	-	168,400
Accumulated losses	(27,309,910)	(27,451,740)	-	(27,451,740)
<b>TOTAL EQUITY</b>	<b>6,525,349</b>	<b>6,407,519</b>	<b>1,726,739</b>	<b>8,134,258</b>

### Basis of Preparation

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

The pro forma statement of financial position is based on the unaudited financial position as at 30 June 2020 and is adjusted to reflect the following:

- (a) the completion of the \$1,000,000 Placement Offer announced to ASX on 11 August 2020 for the issue of 666,666,667 Shares together with a free attaching option on the basis of one Option for every four Shares applied for exercisable at \$0.03 and expiring on 30 September 2022;



- (b) the Entitlement Offer is fully subscribed and \$825,787 is raised by the issue of 55,052,435 Shares at \$0.015 per Share; and
- (c) the cost of the Offers is approximately \$99,048.

Other than as specified above and in the ordinary course of business, there have been no other material changes to the Company's financial position between 30 June 2020 and the date of this Prospectus.

### 3.3 **Market price of Shares**

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

Highest: \$0.026 on 3 July 2020

Lowest: \$0.016 on 11, 12 and 15 June 2020

The latest closing market sale price of the Shares on ASX on the latest practicable date prior to the date of lodgement of this Prospectus with ASIC was \$0.019 per Share on 11 August 2020.

## 4. Risk Factors

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

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

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

### 4.1 Risks specific to the Company

#### (a) Resource estimates and targets

The Company has previously announced mineral resource estimates for the West Lynn, Summervale and Hermes South deposits. Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally made may alter significantly when new information becomes available. In addition, by their very nature, reserve and resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code 2012 to reduce the reserve and resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, reserve and resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Company.

#### (b) Future capital needs and additional funding

The funds raised by the Entitlement Offer will primarily be used to fund exploration on the Company's projects. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. 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 exploration operations.

(c) **Joint venture**

The Company is currently, and may in the future, become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. There is also the potential for a dispute to arise regarding matters of contractual interpretation of the parties' respective rights and obligations. This may have an adverse effect on the interests and prospects of the Company.

(d) **Title risk**

The Company's granted tenements permit the Company to undertake exploration. Each tenement carries with its annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, a tenement if the conditions are not met or if there are insufficient funds available to meet expenditure commitments.

The Company also has tenement applications. There is no guarantee that these tenements will be granted and as such they should not be considered as current assets or projects of the Company. Various conditions may also be imposed as a condition of grant of any of these tenements.

(e) **Exploitation, exploration and mining licences**

The tenements that have been granted only permit the Company to undertake exploration on the tenements. In the event that the Company successfully delineates economic deposits on any of the tenements, it will need to apply for a mining lease to undertake development and mining on the tenement. There is no guarantee that the Company will be granted a mining lease if one is applied for.

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Company's exploration tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(f) **Native Title and Aboriginal heritage**

Non-freehold land within the Cobar Basin / Lachlan Gold Project is subject to a native title determination claim registered by the Ngemba, Ngiyampaa, Wangaaypuwan and Wayilwan People Native Title Claim Group NSD 415/2012, and the southern part of the Karonie Gold Project is located within the Ngadju People non-exclusive native title claim area (WCD2014/004). *The Native Title Act 1993* (Cth) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain exploration areas or to obtain mining production titles. Settling any such claims will incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of particular tenements and their locations. At this stage, the Company is not able to quantify the impact, if any, of such matters on its operations.

(g) **Minimum expenditure requirements**

In order to maintain an interest in the exploration licences in which the Company is involved, the Company is committed to meet the conditions under which the licences were granted and the obligations of the Company are subject to minimum expenditure

commitments required by Australian mining legislation. The extent of work performed on each exploration licence may vary depending upon the results of the exploration programme which will determine the prospectivity of the relevant area of interest. As at the date of this Prospectus, the Company is not in breach of its minimum expenditure commitments. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry, the Company may be required to relinquish part or all of its interests in these licences. Accordingly, whilst there is no guarantee that the Australian authorities will grant the Company an extension of the licences, the Company is not aware of any reason why the licences would not be renewed upon expiry.

(h) **Reliance on key personnel**

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

The Company is reliant on technical consultants and other resource industry specialists engaged on a consultancy basis to provide analyses and recommendations on, and carry out, exploration activities in respect of its projects. The availability of suitable technical consultants and resource industry specialists may be limited and there may be delays in securing equipment and personnel required to carry out the Company's planned activities. This may result in cost and time overruns which may have a material adverse effect on the Company.

(i) **Contract risks**

The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(j) **Equipment risks**

The operations of the Company could be adversely affected if essential equipment fails.

(k) **Dilution**

As noted in Section 1.8, the percentage shareholding in the Company of Eligible Investors who do not take up all of their Entitlement pursuant to the Offers will be diluted.

(l) **Payment obligations**

Under the licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. In particular, mineral licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be cancelled.

(m) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially

differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(n) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares.

The Options are, at the date of this Prospectus, 'out of the money'. There is a risk that the Options may expire at a time when they have little or no value.

On completion of the Offers, assuming maximum subscription, there will be up to a further 33,429,776 Options on issue. If exercised, these Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 4.74% (on the basis that the Offers are fully subscribed, no other Shares are issued and no existing Options on issue at the date of this Prospectus are exercised). However, each of the Options offered under the Offers have an exercise price of \$0.03 which means that the Company will receive additional funds of up to approximately \$1 million (before costs) upon exercise of those Options (if all Options the subject of the Offers are issued and subsequently exercised).

## 4.2 Risks relating to the industry generally

(a) **Exploration**

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

There can be no assurance that exploration of these tenements, or any other tenements 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 case reserves of the Company and possible relinquishment of the Tenements.

(b) **Development risk**

If the Company does locate commercially viable reserves of minerals, then the future development of a mining operation at any of the Company's projects will be subject to a number of risks, including:

- (i) geological and weather conditions causing delays and interference to operations;

- (ii) obtaining all necessary and requisite approvals from relevant authorities and third parties;
- (iii) technical and operational difficulties associated with mining of minerals and production activities;
- (iv) access to necessary funding;
- (v) mechanical failure of plant and equipment;
- (vi) shortage or increases in price of consumables, and plant and equipment;
- (vii) environmental hazards, fires, explosions and other accidents;
- (viii) transportation facilities;
- (ix) costs overruns; and
- (x) the costs of extraction being higher than expected.

There is no guarantee that the Company will achieve commercial viability through the development of its projects. If the Company locates commercial reserves of minerals, it may seek to apply for a mining lease over the area. The lease is subject to approval being obtained from the Minister and may be subject to any terms and conditions imposed by the Minister (or other interested parties).

(c) **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.

(d) **Environmental risk**

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) **Competition risk**

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

(f) **Commodity and currency price risk**

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(g) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.

(h) **Government policy changes**

Adverse changes in government policies or legislation may affect the Company's ability to develop its technology, availability of research and development credits, taxation,

royalties, ownership of mineral interests, land access, labour relations, and mining and exploration activities of the Company. Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

### 4.3 General risks

#### (a) Tax

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

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

#### (b) Securities investments

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

#### (c) Share 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.



(d) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(f) **General economic and political risks**

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any activities that may be conducted by the Company.

(g) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(h) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(i) **Coronavirus disease**

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

The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. In particular, the restrictions on accessing remote Aboriginal communities may materially impact the timeline for negotiations in relation to native title access agreements and heritage clearances required by the Company.

(j) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. 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.

4.4 **Investment speculative**

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

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

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

## 5. Additional information

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### 5.1 Rights and liabilities attaching to Shares

#### (a) Rights and liabilities attaching to Shares

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

#### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per share on a poll. Voting may be in person or by proxy, attorney or representative.

#### (c) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All shares currently on issue and the Shares to be issued under this Prospectus are fully paid ordinary shares.

#### (d) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

#### (e) Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or the Board.

#### (f) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

(g) **Liquidation rights**

The Company has one class of shares on issue, ordinary shares, which rank equally in liquidation.

(h) **Variation of rights**

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act.

(i) **Election of directors**

There must be a minimum of 3 but not more than 10 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(j) **Indemnities**

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(k) **Winding up**

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(l) **Shareholder liability**

The Shares offered under this Prospectus are fully paid ordinary Shares. The Shares will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(m) **Alteration to the 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. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

(n) **Listing Rules**

The Company has been admitted to trading on the official list of the ASX. Accordingly, despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is

inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 5.2 Rights and liabilities attaching to the Attaching Options and Lead Manager Options

The rights attaching to the Options are regulated by the Constitution, the Corporations Act, the Listing Rules and the general law. The following is a summary of the key terms of the Attaching Options and the Lead Manager Options:

- (a) **(Entitlement)**: Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)**: The amount payable upon exercise of each Option will be \$0.03 **(Exercise Price)**.
- (c) **(Expiry Date)**: Each Option will expire at 5.00pm (WST) on 30 September 2022 **(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 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.
- (g) **(Quotation)**: The Options are unquoted. The Company may elect to seek quotation of its Options at its sole election.
- (h) **(Quotation of Shares issued on exercise)**: Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (i) **(Timing of issue of Shares on exercise)**: Within 5 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, subject to any restriction or escrow arrangements imposed by ASX, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (i)(i) 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.

- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (k) **(Reconstruction of capital):** In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the Options, all rights of the Option holder will be varied in accordance with the Listing Rules.
- (l) **(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. However, the Company will give the holders of Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.
- (m) **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (n) **(Adjustment for bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Option exercise price.
- (o) **(Transferability):** The Options are transferable with the prior consent of the Company.

### 5.3 Lead Manager Mandate

The Company has entered into a joint capital raising and corporate advisory mandate with Veritas Securities Limited to manage the Offers, for a period of three months from the execution of the mandate, being 5 August 2020 or upon the Company successfully completing both the Placement Offer and Entitlement Offer (whichever occurs first).

The Lead Manager will be entitled to receive fees comprised of the following:

- (a) a management fee of 2% plus GST on the total funds raised under the Placement as consideration for managing the Placement;
- (b) a selling fee of 4% plus GST of the total funds raised under the Placement; and

In addition to the fees listed above, the Company agreed to issue 3,000,000 Lead Manager Options for a nil issue price, exercisable at \$0.03 each and expiring on 30 September 2022 as

consideration for assisting the Company to achieve the outcomes set out in the Lead Manager Mandate.

#### 5.4 Company is a disclosing entity

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

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.6 below). Copies of all documents announced to the ASX can be found on the Company's website.

#### 5.5 Dividend policy

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

#### 5.6 Copies of documents

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

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

Date lodged	Subject of Announcement
11 August 2020	Proposed issue of securities - ALY
11 August 2020	Placement and Non-Renounceable Rights Issue
7 August 2020	Trading Halt
31 July 2020	Quarterly Activities Report
31 July 2020	Quarterly Cashflow Report
21 July 2020	Change in Substantial Holding

<b>Date lodged</b>	<b>Subject of Announcement</b>
20 July 2020	ALY Pegs Highly Prospective Ground at Rebecca Gold Project
15 July 2020	Drilling Results, Karonie Gold Project WA
25 June 2020	Drilling Program Completed at Karonie Gold Project WA
11 June 2020	Drilling Commences at the Karonie Gold Project WA
9 June 2020	Significant Cu-Au Targets Identified at Yellow Mountain
30 April 2020	Quarterly Activities Report
30 April 2020	Quarterly Cashflow Report
2 April 2020	Alchemy Response to COVID-19
13 March 2020	Half Year Accounts
5 March 2020	Change in Substantial Holding
18 February 2020	Investor Presentation
10 February 2020	Appendix 3Y - Leigh Ryan
10 February 2020	Appendix 3G
7 February 2020	Replacement of Constitution
7 February 2020	Results of General Meeting
31 January 2020	Quarterly Activities Report
31 January 2020	Quarterly Cashflow Report
31 January 2020	Significant Intercepts Returned from Bryah Basin JV
31 January 2020	Change of Share Registry
31 January 2020	Notice of General Meeting/Proxy Form

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.



## 5.7 Information excluded from continuous disclosure notices

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

## 5.8 Determination by ASIC

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

## 5.9 Interests of Directors

### (a) Information disclosed in this Prospectus

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

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

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

### (b) Security holdings

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

Name	Existing Securities		Entitlement
	Shares	Options	
Leigh Ryan <sup>1</sup>	1,250,000	16,000,000	125,000
Liza Carpene	1,000,000	Nil	100,000
Lindsay Dudfield <sup>2</sup>	64,909,200 <sup>2</sup>	Nil	6,490,920
Anthony Ho	Nil	Nil	Nil

#### Notes:

1. Mr Leigh Ryan's Shares and Options are held indirectly by Mr Leigh Ronald Ryan and Mrs Sandra Kay Ryan as trustees for the Ryan Super Fund. Mr Ryan has been granted the following Options as part of his remuneration and as approved by Shareholders:
  - (a) 4,000,000 Options exercisable at \$0.04 and expiring 8 January 2021;

- (b) 4,000,000 Options exercisable at \$0.08 and expiring 8 January 2021;
  - (c) 4,000,000 Options exercisable at \$0.12 and expiring 8 January 2021; and
  - (d) 4,000,000 Options exercisable at \$0.025 and expiring 31 December 2023.
2. Mr Lindsay Dudfield's interests are held as follows:
- (a) 50,000 Shares are directly held by Mr Dudfield;
  - (b) 17,469,759 Shares are held indirectly through Jindalee Resources Limited (of which Mr Dudfield is an executive director);
  - (c) 881,837 Shares are held indirectly through Mrs Yvonne Dudfield (being Mr Dudfield's spouse);
  - (d) 1,671,514 Shares are held indirectly through Jopan Management Pty Ltd (of which Mr Dudfield's spouse is the sole director and beneficiary); and
  - (e) 44,836,090 Shares are held indirectly through the LG Dudfield Pension Fund.

It is the intention of Mr Ryan and Ms Carpene to take up all of their respective Entitlements under the Entitlement Offer.

It is the intention of Mr Dudfield to take up all of his Entitlement, excluding his interests held indirectly through Jindalee Resources Limited. Mr Dudfield has an interest in 17,469,759 Shares held by Jindalee Resources Limited (of which Mr Dudfield is an executive director). Investment decisions made in relation to those 17,469,759 Shares are made by the board of Jindalee Resources Limited without Mr Dudfield. Mr Dudfield makes no representation as to whether the Entitlement attaching those 17,469,759 Shares (that is 1,746,976 Shares) will be taken up.

(c) **Remuneration**

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal Shares. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase shall have been given to Shareholders in the notice convening the meeting. No Non-Executive Director shall be paid as part or whole of his or her remuneration a commission on or a percentage of profits or a commission on or a percentage of operating revenue, and no Executive Director shall be paid as whole or part of his or her remuneration a commission on or percentage of operating revenue. The aggregate amount of compensation for non-executive directors is \$250,000 approved by Shareholders at the Company's annual general meeting held on 22 July 2008. There has been no change to these levels since 2008.

The remuneration of executive directors is to be fixed by the Board. The Company currently has one Executive Director, Mr Leigh Ryan. Mr Ryan's base salary is comprised of a base salary of \$180,000 per year (exclusive of superannuation).

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the year to 30 June 2020:

Director	Directors' fees, and salary (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
Mr Leigh Ryan	156,000	14,820	26,948	197,768
Ms Liza Carpena	10,000	-	-	10,000
Mr Lindsay Dudfield	15,000	-	-	15,000
Mr Anthony Ho	14,999	-	-	19,999

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

Director	Directors' fees, and salary (\$)	Super-annuation (\$)	Share based payments (\$)	Total (\$)
Mr Leigh Ryan	150,000	15,200	11,295	176,495
Ms Liza Carpena	-	-	-	-
Mr Lindsay Dudfield	20,000	-	-	20,000
Mr Anthony Ho	19,998	-	-	19,998

#### 5.10 Interests of other persons

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

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

#### 5.11 Expenses of Offer

The estimated expenses of the Offers are as follows:

Estimated expense	\$
ASIC lodgement fees	3,206
ASX quotation fees for the Offers	10,842
Legal and preparation expenses	15,000
Printing, mailing and other expenses	10,000

<b>Estimated expense</b>	<b>\$</b>
Lead Manager fees	60,000
<b>TOTAL</b>	<b>99,048</b>

## 5.12 Consents

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

Each of the parties referred to in this Section:

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

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

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

Veritas Securities Limited has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Veritas Securities Limited has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

## 5.13 Mineral Resource estimates

### (a) Summervale deposit Mineral Resource estimate

Category	Cut-off (Al <sub>2</sub> O <sub>3</sub> )	Tonnes (M)	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	K <sub>2</sub> O%	Na <sub>2</sub> O%	TiO <sub>2</sub> %	SiO <sub>2</sub> %
Inferred	18%	6.55	20.8	2.8	1.79	0.43	1.15	64.2

The Company first reported the above Mineral Resource estimate for the Summervale deposit in its ASX announcement of 19 June 2019 titled '*Maiden Alumina Resource Estimate Summervale Prospect, NSW*'. The Company confirms that it is not aware of any new information or data that materially affects the information included in its announcement of 19 June 2019 and that all material assumptions and technical

parameters underpinning the estimates in its announcement of 19 June 2019 continue to apply and have not materially changed.

(b) **West Lynn Project Mineral Resource estimate**

Category	Cut Off (Ni %)	Tonnes (Mt)	Ni%	Co%	Al%	Fe%
Inferred	0.6	21.3	0.84	0.05	2.4	20.0

The Company first reported the above Mineral Resource estimate for the West Lynn Project in its ASX announcement of 19 February 2019 titled '*Maiden Mineral Resource Estimate West Lynn Project, NSW*'. The Company confirms that it is not aware of any new information or data that materially affects the information included in its announcement of 19 February 2019 and that all material assumptions and technical parameters underpinning the estimates in its announcement of 19 February 2019 continue to apply and have not materially changed.

## 6. Directors' Statement and Consent

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The issue of this Prospectus has been authorised by each of the Directors of the Company.

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



Leigh Ryan  
**Managing Director**

Dated: 12 August 2020

## 7. Glossary

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

<b>\$</b>	means Australian dollars.
<b>Applicant</b>	means a person who makes an application for Securities under the Offers.
<b>Application</b>	means a valid application for Securities under the Offers.
<b>Application Form</b>	means the relevant application form for an Offer provided by the Company with a copy of this Prospectus.
<b>Application Monies</b>	means application monies for Shares received by the Company.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>Attaching Options</b>	means the free attaching options offered under the Placement Offer, Entitlement Offer or Shortfall Offer, on the basis of 1 free attaching Option for every 4 Shares subscribed for and issued under the Placement Offer, Entitlement Offer or Shortfall Offer (as applicable), pursuant to the terms and conditions in Section 5.2.
<b>AWST</b>	means Australian Western Standard Time.
<b>Board</b>	means the Directors meeting as a board.
<b>Business Day</b>	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
<b>CHESS</b>	means ASX Clearing House Electronic Subregistry System.
<b>Closing Date</b>	has the meaning given to it in Section 1.4.
<b>Company</b>	means Alchemy Resources Limited (ACN 124 444 122).
<b>Constitution</b>	means the constitution of the Company as at the date of this Prospectus.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	mean the directors of the Company.

<b>Eligible Shareholder</b>	means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.
<b>Eligible Shortfall Offer Participant</b>	means an Eligible Shareholder that in making an Application for Shortfall Securities has also subscribed for its full Entitlement.
<b>Entitlement</b>	means the number of new Shares and Attaching Options for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 new Share for every 10 existing Shares held on the Record Date and 1 Attaching Option for every 4 new Shares subscribed for.
<b>Entitlement Offer</b>	means the offer under this Prospectus of up to approximately 55,052,435 new Shares and 13,763,109 new Attaching Options to Eligible Shareholders in the proportion of 1 new Share for every 10 Shares held on the Record Date and 1 Attaching Option for every 4 new Shares subscribed for.
<b>Ineligible Foreign Shareholder</b>	means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.
<b>Issuer Sponsored</b>	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
<b>Lead Manager</b>	means Veritas Securities Limited (AFSL 297 043).
<b>Lead Manager Mandate</b>	means the mandate entered into between the Lead Manager and the Company for the provision of lead manager services, including coordination and management of the Placement and any Shortfall, as well as marketing services, as summarised in Section 5.3.
<b>Lead Manager Offer</b>	means the offer under this Prospectus of 3,000,000 Options to the Lead Manager (or its nominees) as consideration for assisting the Company to achieve the outcomes set out in the Lead Manager Mandate.
<b>Lead Manager Options</b>	means a total of 3,000,000 Options offered to the Lead Manager on the terms and conditions in Section 5.2.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Offers</b>	means the offers under this Prospectus to subscribe for Securities, namely, the Entitlement Offer and the Secondary Offers, and <b>Offer</b> means any one of those offers, as applicable.
<b>Option</b>	means the right to acquire one Share in the capital of the Company.



<b>Placement</b>	has the meaning given in Section 1.2(c).
<b>Placement Offer</b>	has the meaning given in Section 1.2(c).
<b>Placement Subscribers</b>	has the meaning given in Section 1.2(c).
<b>Prospectus</b>	means this prospectus dated 12 August 2020.
<b>Record Date</b>	means 5.00pm on the date identified in the Timetable as the record date.
<b>Secondary Offers</b>	means the Shortfall Offer, Placement Offer and Lead Manager Offer (or any one or more of such Offers, as applicable).
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	mean any securities including Shares, Options or Performance Rights issued or granted by the Company.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of Shares.
<b>Shortfall Offer</b>	means the offer of the Shortfall under this Prospectus, which includes the offer in relation to the Shortfall Securities.
<b>Shortfall or Shortfall Securities</b>	means Entitlements not subscribed for under the Entitlement Offer, or that would otherwise be offered to Ineligible Foreign Shareholders under the Entitlement Offer, if they had a registered address in Australia or New Zealand.
<b>Timetable</b>	means the timetable on page iii.