

# **EMPIRE RESOURCES LIMITED**

## **ACN 092 471 513**

### **PROSPECTUS**

**For the offer of a non-renounceable pro-rata rights issue to Eligible Shareholders of approximately 129,821,432 New Shares, on the basis of 1 New Share for every 7 Shares held at an issue price of 1.2 cents per New Share, to raise up to approximately \$1,557,857 before costs and approximately 64,910,716 New Options on the basis of 1 free attaching New Option for every 2 New Shares issued, with each New Option having an exercise price of 1.6 cents and an expiry date of 30 November 2023**

#### **IMPORTANT NOTICE**

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares and New Options offered by this Prospectus should be considered highly speculative.

## **IMPORTANT NOTICE**

This Prospectus is dated 29 October 2021 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

### **Restrictions on distribution**

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an Offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at [www.resourceempire.com.au](http://www.resourceempire.com.au). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

## CORPORATE DIRECTORY

### DIRECTORS

Dr Michael Ruane (Non-Executive Chairman)  
Mr Sean Richardson (Managing Director)  
Mr Jeremy Atkinson (Non-Executive Director)

### COMPANY SECRETARY

Mr Simon Storm

### BUSINESS OFFICE

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Nedlands WA 6009

Telephone: +61 8 6389 1032  
Email: [info@resourcesempire.com.au](mailto:info@resourcesempire.com.au)  
Website: [www.resourcesempire.com.au](http://www.resourcesempire.com.au)

### SOLICITORS

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Suite 2, 589 Stirling Highway  
Cottesloe, Western Australia, 6011

### LEAD MANAGER

Panthea Capital Pty Ltd  
Level 15, 9 Hunter Street  
Sydney, New South Wales, 2000

Email: [info@pantheacapital.com.au](mailto:info@pantheacapital.com.au)  
Website: [www.pantheacapital.com.au](http://www.pantheacapital.com.au)

### SHARE REGISTRY \*

Automic Group  
Level 2,  
267 St Georges Terrace  
Perth WA 6000

Telephone: 1300 288 664 (within  
Australia)  
+61 2 9698 5414 (international)  
Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

\* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

## TIMETABLE

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Prospectus lodged with ASIC and ASX	29 October 2021
"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	3 November 2021
Record Date (to determine eligibility of Shareholders to participate in the Offer)	4 November 2021
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders/Opening Date	9 November 2021
Closing Date	30 November 2021
Issue date	7 December 2021

Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

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## 1. INVESTMENT OVERVIEW

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Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a non-renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 1 New Share for every 7 Shares held on the Record Date. Each Eligible Shareholder will also be entitled to 1 free New Option for every 2 New Shares subscribed for under the Prospectus. Application will be made for quotation of the New Shares. No application will be made for quotation of the New Options.</p>	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 1.2 cents per New Share.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 1.6 cents and an expiry date of 30 November 2023. The full terms of the New Options are set out in Section 6.2.	Section 6.2
Who is an Eligible Shareholder?	<p>The Offer is made to Eligible Shareholders only.</p> <p>An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date.</p>	Section 5.1
How many New Securities will be issued?	The maximum number of securities that may be issued under the Offer is 129,821,432 New Shares and 64,910,716 New Options.	Section 2.1
What is the amount that will be raised under the Offer?	<p>At the date of this Prospectus the maximum amount that may be raised under the Offer is \$1,557,857.</p> <p>The actual amount of funds that will be raised under the Offer is not known as it depends upon Eligible Shareholders take-up of the Offer and the placing of subsequent Shortfall.</p>	Section 2.1

Question	Response	Where to find more information								
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise funds to be used:</p> <ul style="list-style-type: none"> <li>• to undertake exploration and drilling campaigns at the Company's Projects (Yuinmery, Penny's Gold, Nanadie and Barloweerie);</li> <li>• for general working capital; and</li> <li>• to pay the costs of the Offer.</li> </ul> <p>A budget of how we intend to use the funds raised both at Minimum Subscription and at Full Subscription is set out in Section 2.2. As with any budget, new circumstances may change the way we apply the funds.</p>	Section 2.2								
What is the effect of the Offer?	<p>The effect of the Offer is to:</p> <ul style="list-style-type: none"> <li>• Increase the number of Shares and Options on issue.</li> <li>• Increase our cash reserves by approximately \$1,557,857 (at Full Subscription and before the costs of the Offer).</li> </ul>	Section 2.3								
What is Minimum Subscription?	The Minimum Subscription is \$550,000.	Section 5.1								
What are the risks of a further investment in the Company?	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <table border="1" data-bbox="383 1299 1220 2038"> <thead> <tr> <th data-bbox="383 1299 622 1344">Risk Area</th> <th data-bbox="630 1299 1220 1344">Risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="383 1366 622 1512">Future capital needs and additional funding</td> <td data-bbox="630 1366 1220 1612">Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the Projects and the viability of the Company.</td> </tr> <tr> <td data-bbox="383 1680 622 1724">Exploration</td> <td data-bbox="630 1680 1220 1881"> <p>The Company intends to undertake further exploration at its Projects which is a high risk undertaking.</p> <p>There can be no assurance of success from the Company's exploration activities.</p> </td> </tr> <tr> <td data-bbox="383 1904 622 1982">Commodity price volatility</td> <td data-bbox="630 1904 1220 2038">The Company is seeking to develop the Projects which will be reliant on the prices of commodities including gold and copper. Adverse fluctuations in gold and copper</td> </tr> </tbody> </table>	Risk Area	Risks	Future capital needs and additional funding	Company will need to raise further capital (equity or debt) in the future. No assurance can be given that future funding will be available to the Company on favourable terms or at all which would prejudice the development of the Projects and the viability of the Company.	Exploration	<p>The Company intends to undertake further exploration at its Projects which is a high risk undertaking.</p> <p>There can be no assurance of success from the Company's exploration activities.</p>	Commodity price volatility	The Company is seeking to develop the Projects which will be reliant on the prices of commodities including gold and copper. Adverse fluctuations in gold and copper	Section 4
Risk Area	Risks									
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Exploration	<p>The Company intends to undertake further exploration at its Projects which is a high risk undertaking.</p> <p>There can be no assurance of success from the Company's exploration activities.</p>									
Commodity price volatility	The Company is seeking to develop the Projects which will be reliant on the prices of commodities including gold and copper. Adverse fluctuations in gold and copper									

Question	Response	Where to find more information
	<p>prices may detrimentally affect the Projects and the Company.</p> <p>Reliance on key personnel</p> <p>The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry.</p>	
How do I accept my Entitlement under the Offer?	<p>All Eligible Shareholders are entitled to subscribe for New Shares and New Options under the Offer. If you wish to make an Application in respect to your Entitlement, you must follow the instructions on the Entitlement and Acceptance Form that accompanies this Prospectus.</p> <p>You may accept all or part of your Entitlement.</p> <p>If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.</p>	Section 5.2
What happens if Eligible Shareholders don't accept their Entitlement?	<p>Any Entitlement not subscribed for by Eligible Shareholders will form the Shortfall.</p> <p>Eligible Shareholders who are not related parties and have subscribed for their full Entitlement may also apply for Shortfall.</p>	Sections 3.3 and 5.4
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 5.1
What are the Lead Manager arrangements?	<p>Panthea Capital Pty Ltd is the Lead Manager. It has been appointed to seek to place any Shortfall on a best endeavours basis. The Lead Manager will be paid a fixed fee of \$20,000 plus GST plus a fee of 4% plus GST on the value of any Shortfall that it places.</p>	Section 3.2
How will Shortfall be allocated?	<p>The Shortfall will be placed at the discretion of the Directors in consultation with the Lead Manager. Application for Shortfall by Eligible Shareholders who are not related parties and have subscribed for their full Entitlement does not guarantee any allocation.</p>	Sections 3.3 and 5.4
What happens to Excluded Shareholders?	<p>The Offer is not extended to Excluded Shareholders (any Shareholder whose registered address on the Record Date is not in Australia or New Zealand).</p> <p>There will be no nominee for Excluded Shareholders to sell any Entitlement.</p>	Section 5.2

Question	Response	Where to find more information
<p>What is the effect on control of the Offer?</p>	<p>The maximum dilution to shareholding that will be experienced by Eligible Shareholders that do not subscribe for their Entitlement is 12.5%.</p> <p>The largest Shareholders in the Company are companies controlled by Dr Michael Ruane and his associates which have a current voting power of 31.18%. Dr Ruane and his associates may use the 3% creep exception in item 9 of section 611 of the Corporations Act to take up Entitlement provided that their voting power does not increase to more than the maximum of 33.44%.</p> <p>Other than this shareholding group, there are no other Eligible Shareholders at risk of exceeding the 20% voting power threshold by taking up Entitlement. Further, the Company will not issue Shortfall so a party can increase their voting power beyond the 20% threshold.</p> <p>For the reasons set out in Section 3.4, the Company is of the view that the Rights Issue will not materially affect the control of the Company.</p>	<p>Sections 3.1, 3.4 and 3.5</p>

## **2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY**

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### **2.1 Background**

The Company is a gold and copper focused exploration and development company with Projects in the Murchison and Eastern Goldfields regions of Western Australia.

The Company's Projects in the Murchison region of Western Australia include the Yuinmery Copper-Gold Project that is prospective for copper and gold with a JORC Code Inferred and Indicated Resource for copper and gold having been delineated on this Project (see ASX announcement of 17 May 2016) as well as the Nanadie Copper-Gold Project and the Barloweerie precious and base metal Project. The Company's Project in the Eastern Goldfields is the Penny's Gold Project which is prospective for gold.

The Company is making this Offer in order to apply the funds as set out in Section 2.2.

The Offer consists of a pro-rata non-renounceable rights issue of approximately 129,821,432 New Shares and 64,910,716 New Options to Eligible Shareholders. The Offer is made on the basis of 1 New Share for every 7 Shares held by Eligible Shareholders on the Record Date at an issue price of 1.2 cents per New Share and 1 free New Option for every 2 New Shares subscribed for under the Prospectus. The Rights Issue will raise up to approximately \$1,557,857 before costs at Full Subscription.

Application will be made for quotation of the New Shares on ASX. No application will be made for quotation of the New Options.

### **2.2 Use of funds**

The Company has approximately \$2,195,000 cash on hand at 25 October 2021.

A total of up to approximately \$1,557,857 at Full Subscription will be raised from this Rights Issue. Presented below is how the Company intends to use its current funds and the proceeds of the Offer at Minimum Subscription and Full Subscription.

<b>Funds Raised</b>	<b>Minimum Subscription (\$550,000)</b>	<b>Full Subscription (\$1,557,857)</b>
Cash on hand at 25 October 2021	\$2,195,000	\$2,195,000
Funds raised under the Offer	\$550,000	\$1,557,857
<b>Total funds available</b>	<b>\$2,745,000</b>	<b>\$3,752,857</b>

<b>Use of Funds</b>	<b>Amount</b>	<b>Amount</b>
Exploration drilling at Yuinmery Copper-Gold Project	\$1,200,000	\$1,700,000
Exploration at the Penny's Gold Project	\$300,000	\$450,000
Exploration at the Nanadie Copper-Gold Project	\$250,000	\$350,000
Exploration at the Barloweerie Project	\$250,000	\$350,000
General Working Capital <sup>1</sup>	\$681,805	\$837,857
Costs of the Offer <sup>2</sup>	\$63,195	\$65,000
<b>Total</b>	<b>\$2,745,000</b>	<b>\$3,752,857</b>

Notes:

1. General working capital includes operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance costs and travel costs.
2. The cash costs of the Offer are set out in Section 6.7.
3. In the event that moneys are raised beyond Minimum Subscription but less than Full Subscription (up to a net amount after increased costs of \$1,006,052), the Company intends to apply the funds to the 4 Project items and the general working capital item in the table above, pro-rata to the amounts to be spent on these items at Full Subscription.
4. This table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, unexpected events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.

### 2.3 Effect on Shareholders' equity and cash reserves

Assuming that all New Shares and New Options offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase the total number of Shares and Options on issue (see Section 2.4); and
- (b) increase our cash reserves, before taking into account the costs of the Offer (see Section 2.5).

A pro forma statement of financial position that contains further information about the effect of the Rights Issue on the Company is provided in Section 2.5.

## 2.4 Effect on capital structure

The capital structure of the Company following the Offer assuming Full Subscription is shown in the following table.

<b>Shares</b>	<b>Minimum Subscription (\$550,000)</b>	<b>Full Subscription (\$1,557,857)</b>
Existing Shares	908,750,022	908,750,022
New Shares issued under Rights Issue	45,833,334	129,821,432
<b>Total Shares on issue after completion of the Rights Issue<sup>1</sup></b>	<b>954,583,356</b>	<b>1,038,571,454</b>

  

<b>Options</b>		
Existing Options	-	-
New Options issued under Rights Issue (exercise price 1.6 cents expiry date 30 November 2023)	22,916,667	64,910,716
<b>Total Options on issue after completion of the Rights Issue</b>	<b>22,916,667</b>	<b>64,910,716</b>

## 2.5 Pro forma Statement of Financial Position

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the unaudited statement of financial position as at 30 September 2021. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 30 September 2021 at both Minimum Subscription and Full Subscription based on the following assumptions:

- At Minimum Subscription, the issue of 45,833,334 New Shares at an issue price of 1.2 cents each and the issue of 22,916,667 free attaching New Options to raise \$550,000 less estimated costs of \$63,195.
- At Maximum Subscription, the issue of 129,821,432 New Shares at an issue price of 1.2 cents each and the issue of 64,910,716 free attaching New Options to raise \$1,557,857 less estimated costs of \$65,000.
- At both Minimum Subscription and Maximum Subscription, the sale of Dacian Gold Limited shares (with a market value of \$780,000 at 30 September 2021) with net proceeds of \$838,898 being deposited in the bank subsequent to 30 September 2021 (see ASX announcement of 20 October 2021).

	30 September 2021 Consolidated unaudited \$	30 September 2021 Proforma (Minimum Subscription) \$	30 September 2021 Proforma (Full Subscription) \$
<b>Current assets</b>			
Cash and cash equivalents	1,067,263	2,392,966	3,399,018
Trade and other receivables	358,482	358,482	358,482
Other financial assets	10,000	10,000	10,000
Financial assets at fair value through profit or loss	780,000	-	-
<b>Total current assets</b>	<b>2,215,745</b>	<b>2,761,448</b>	<b>3,767,500</b>
<b>Non-current assets</b>			
Plant and equipment	25,377	25,377	25,377
<b>Total non-current assets</b>	<b>25,377</b>	<b>25,377</b>	<b>25,377</b>
<b>Total assets</b>	<b>2,241,122</b>	<b>2,786,825</b>	<b>3,792,877</b>
<b>Current liabilities</b>			
Trade and other payables	168,113	168,113	168,113
<b>Total current liabilities</b>	<b>168,113</b>	<b>168,113</b>	<b>168,113</b>
<b>Total liabilities</b>	<b>168,113</b>	<b>168,113</b>	<b>168,113</b>
<b>Net assets</b>	<b>2,073,009</b>	<b>2,618,712</b>	<b>3,624,764</b>
<b>Equity</b>			
Issued capital	25,414,463	25,901,268	26,907,320
Reserves	1,802,246	1,802,246	1,802,246
Accumulated losses	(25,143,700)	(25,084,802)	(25,084,802)
<b>Total equity</b>	<b>2,073,009</b>	<b>2,618,712</b>	<b>3,624,764</b>

### **3. MAJOR SHAREHOLDER, LEAD MANAGER ARRANGEMENTS AND EFFECT ON CONTROL**

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#### **3.1 Major Shareholder**

As at the date of this Prospectus, the largest Shareholders in the Company are companies controlled by Dr Michael Ruane and his associates ("Dr Ruane interests"). The current voting power of the Dr Ruane interests is 31.18% as they hold 283,309,047 Shares. Dr Ruane is the Non-Executive Chairman of the Company.

The Dr Ruane interests are the only Eligible Shareholders that the Company is aware of that may be at risk of breaching section 606 of the Corporations Act as a result of taking up and being issued with New Shares by Entitlement or being issued with Shortfall Shares.

The Dr Ruane interests can rely on the 3% creep exception in item 9 of section 611 of the Corporations Act to take up Entitlement without breaching section 606 of the Corporations Act provided that their maximum voting power does not increase beyond 33.44%. The ability of the Dr Ruane interests to use creep is based on a voting power of 30.44% 6 months prior to the proposed issue date of New Shares of 7 December 2021 and assuming their shareholding does not fall below 19% before the issue date. Dr Ruane has advised the Company he is aware of the creep limitations and he and his interests will not apply for Entitlement beyond the creep limitations.

Dr Ruane and his interests will further not apply for Shortfall.

The rights issue exception to section 606 of the Corporations Act is not available to Eligible Shareholders (including Dr Ruane interests) as no nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act.

#### **3.2 Lead Manager and Lead Manager Agreement**

The Lead Manager (Panthea Capital Pty Ltd) has been engaged to place any Shortfall on a best endeavours basis.

The Lead Manager will be paid a fixed fee of \$20,000 plus GST plus a fee of 4% plus GST on the value of any Shortfall it places.

#### **3.3 Shortfall/Allocation Policy**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. Information on how to apply for Shortfall is set out in Section 5.4.

The Company will allocate any Shortfall at the discretion of the Directors in consultation with the Lead Manager. Eligible Shareholders who are not related parties and have subscribed for their full Entitlement may apply for Shortfall. Such an application does not guarantee any allocation.

#### **3.4 Potential effect on control**

The effect of the Rights Issue on the control of the Company, and the consequences of that effect, will depend upon a number of factors including the level of take up of Entitlement from Eligible Shareholders and the issuing of any Shortfall. The primary consequences will be as follows:

- (a) If all Eligible Shareholders as at the Record Date take up their full Entitlement, the Rights Issue will have no effect on the control of the Company and all Shareholders

will hold the same percentage interest in the Company subject only to changes resulting from Excluded Shareholders being unable to participate in the Rights Issue.

- (b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (ie there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Issue and Excluded Shareholders unable to participate in the Rights Issue will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement. The maximum dilution if you do not take up your Entitlement will approach 12.5% if nearly all Eligible Shareholders other than you take up their full Entitlement.
- (c) As set out in Section 3.1, the largest Shareholders in the Company are the Dr Ruane interests with a current voting power of 31.18%. The Dr Ruane interests may use the 3% creep exception in item 9 of section 611 of the Corporations Act to take up Entitlement provided that their voting power does not increase by more than 2.26% to a maximum voting power of 33.44%. A table of various scenarios of Dr Ruane interests taking up entitlement is set out in Section 3.5.
- (d) Other than the Dr Ruane interests, at the date of this Prospectus there are no other Eligible Shareholders at risk of exceeding the 20% voting power threshold by taking up Entitlement. Further, the Company will not issue Shortfall so a party can increase their voting power beyond the 20% threshold.

By reason of the above, the Company is of the view that the Rights Issue will not materially affect the control of the Company.

### 3.5 Voting power of Dr Ruane interests and the future intention of Dr Ruane interests

Below is a table detailing various scenarios based on the Dr Ruane interests taking up their Entitlement subject to their maximum voting power not exceeding 33.44% (due to the limitations using the creep exception). The table refers to Shares (being voting power) and not New Options.

In each scenario, the assumption is no Shortfall is placed, which would dilute the voting power of the Dr Ruane interests.

<b>Voting power of Dr Ruane interests</b>					
<b>At date of this Prospectus</b>	<b>At completion of the Offer</b>				
	<b>100% take up (Full Subscription)</b>	<b>75% take up by Eligible Shareholders other than the Dr Ruane interests</b>	<b>50% take up by Eligible Shareholders other than the Dr Ruane interests</b>	<b>25% take up by Eligible Shareholders other than the Dr Ruane interests</b>	<b>Less than 21.35% take up by Eligible Shareholders other than the Dr Ruane interests</b>
31.18%	31.18%	31.86%	32.58%	33.33%	33.44%

In this table:

- "100% take up" assumes that the Dr Ruane interests take up 100% of their Entitlement (40,472,721 New Shares) and the Eligible Shareholders other than the Dr Ruane interests take up 100% of their Entitlement (89,348,711 New Shares). This is the Full Subscription scenario.
- "75% take up" assumes that the Dr Ruane interests take up 100% of their Entitlement (40,472,721 New Shares) and the Eligible Shareholders other than the Dr Ruane interests take up 75% of their Entitlement (67,011,533 New Shares).
- "50% take up" assumes that the Dr Ruane interests take up 100% of their Entitlement (40,472,721 New Shares) and the Eligible Shareholders other than the Dr Ruane interests take up 50% of their Entitlement (44,674,356 New Shares).
- "25% take up" assumes that the Dr Ruane interests take up 100% of their Entitlement (40,472,721 New Shares) and the Eligible Shareholders other than the Dr Ruane interests take up 25% of their Entitlement (22,337,178 New Shares).
- "Less than 21.35% take up" is a scenario where Eligible Shareholders other than the Dr Ruane interests take up less than 21.35% of their Entitlement (19,067,015 New Shares). In this case the Dr Ruane Interests are limited to taking up their Entitlement so their voting power does not increase beyond the maximum of 33.44% (the limitation of the use of the creep exception).

As demonstrated in the table above, Dr Ruane and his associates may by the Offer increase their voting power in the Company by reason of the Offer. Dr Ruane and his associates has informed the Company that they are supportive of the current direction of the Company and they do not currently intend to make any major changes to the direction and objectives of the Company, and:

- do not currently intend to make any significant changes to the existing business;
- do not currently intend to inject further capital into the Company other than taking up their Entitlement subject to the limitations as set out above. However, if the Company requires additional funding in the future, they will assess such a requirement and decide whether to provide such funding based on the prevailing circumstances at the time;
- intend to support the Company's decisions regarding the future employment of present employees and contemplate that they will continue in the ordinary course of business;
- do not currently intend for any property to be transferred between the Company and Dr Ruane or any person or entity associated with it;
- do not currently intend to redeploy any fixed assets; and
- do not currently intend to change the Company's existing financial or dividend policies.

Dr Ruane and his associates have indicated that their intentions detailed above are based on the facts and information presently known to them regarding the Company and the general business environment as at the date of this Prospectus. Any future decision will be reached by them based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, their intentions may change accordingly.

## **4. RISK FACTORS**

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### **4.1 Introduction**

An investment in the New Securities the subject of this Prospectus is highly speculative as the Company is a gold and copper focused exploration and development company with Projects in the Murchison and Eastern Goldfields regions of Western Australia.

The Company's Projects in the Murchison region of Western Australia include the Yuinmery Copper-Gold Project that is prospective for copper and gold with a JORC Code Inferred and Indicated Resource for copper and gold having been delineated on this Project (see ASX announcement of 17 May 2016) as well as the Nanadie Copper-Gold Project and the Barloweerie precious and base metal Project. The Company's Project in the Eastern Goldfields is the Penny's Gold Project which is prospective for gold.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for New Securities offered for subscription under this Prospectus. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside the Company's control and cannot be mitigated. You should also consider consulting with your professional advisers before deciding whether or not to apply for New Securities.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations. The list is set out under "Company and Industry Risks" and "General Investment Risks". The list is not an exhaustive list of risks.

### **4.2 Company and Industry Risks**

#### **Future capital needs and additional funding**

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 prospectively of Projects (existing and future), the results of exploration, development activities, the price of commodities and stock market and industry conditions.

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.

#### **Exploration**

The Company intends to undertake further exploration at its Projects which is a high risk undertaking. In particular, the Company will focus on high priority resource targets during exploration and drilling programs at its Projects.

There can be no assurance of success from the Company's exploration activities.

## **Development and mining**

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

In the event that the Company progresses to and commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents.

## **Commodity price volatility**

The Company is seeking to develop Projects which will be reliant on the prices of various commodities including gold and copper.

Commodity 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, forward selling by producers and production cost levels, 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.

## **Reliance on key personnel**

The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry.

## **Resource and Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, Resource and Reserve estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, Resource and Reserve estimates may change over time as new information becomes available. If the Company encounters mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, Resource estimates may need to be altered in a way that could adversely affect the Company's operations.

## **Title**

All of the tenements or licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of State specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The

inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

If a tenement or licence expires, is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

### **COVID-19 pandemic risk**

The COVID-19 pandemic has had a significant adverse impact on world economic conditions. Companies in Australia have not been isolated from this impact and these unstable economic conditions may continue for the foreseeable future.

Various national and state governments have imposed restrictions on the movement of people and goods in an attempt to slow down and contain the spread of the COVID-19 virus. Social distancing measures have been implemented in many places. Various other restrictions (such as lockdowns) have been and could continue to be implemented.

There has been no known COVID-19 cases across the Company's workforce and minimal disruption to operations to date. However, the Company's activities may be delayed or curtailed as a result of the COVID-19 pandemic or measures taken to contain it.

### **Native title**

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is a significant uncertainty associated with native title in Australia and this may impact upon the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not necessarily extinguished by the grant of mining licences, although a valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining the consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of infrastructure, development or mining operations.

### **Results of Studies**

Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the Company (eg the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (eg operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

### **Acquisitions**

The Company may make acquisitions of, or investments in, companies or assets that are complementary to its business. Any such future transactions are accompanied by the risks commonly encountered in making acquisition of companies or assets, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving mineral exploration success and retaining key staff.

### **Environmental risk**

The Company's Projects are subject to State and Federal laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

### **Insurance**

The Company may maintain insurance within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. However, it is not always possible to cost-effectively insure against all risks associated with such activities. The Company may decide not to take out insurance against certain risks as a result of high premiums or for other reasons. Should liabilities arise on uninsured risks, the Company's business, financial condition and results of operations and the market price of the Shares may be materially adversely affected.

### **Legal Proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

### **Royalties**

The Company's Projects are subject to State royalties upon any production of gold. In the event that State royalties are increased in the future, the profitability and commercial viability

of the Company's Projects may be negatively impacted.

Some of the Company's tenements are subject to a contractual royalty or royalties.

### **Climate Change Regulation**

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the Company's cost of operations and adversely impact the financial performance of the Company.

## **4.3 General Investment Risks**

### **Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, securities markets (such as the ASX) may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of a company such as a resource exploration and development company. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

### **Liquidity risk**

There is no guarantee that the Shares will trade at a particular price or a particular volume after the Company's listing on the ASX. There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

### **Legislative**

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

### **Economic risk**

Changes in both Australian and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

## 5. DETAILS OF THE OFFER

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### 5.1 The Offer

#### (a) Overview

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with an address in Australia or New Zealand on the Record Date. The Record Date is 5:00pm WST, 4 November 2021.

As an Eligible Shareholder you are entitled to subscribe for 1 New Share for every 7 Shares held on the Record Date at the Issue Price of 1.2 cents per New Share. You are also entitled to 1 free attaching New Option for every 2 New Shares subscribed for. When calculating your Entitlement, we will round fractions up to the nearest whole number.

We must receive your payment by the Closing Date (being 5:00pm WST on 30 November 2021).

The Offer is non-renounceable. This means that you may not sell or transfer all or part of your Entitlement. The Offer will lapse if you do not accept your Entitlement by the Closing Date.

#### (b) Minimum Subscription

The Minimum Subscription is \$550,000.

No New Shares or New Options will be issued until the Minimum Subscription is reached. If the Minimum Subscription is not reached within 4 months after the date of this Prospectus, the Company will refund all application moneys without interest in accordance with the Corporations Act.

#### (c) Offer is not underwritten

The Offer is not underwritten.

#### (d) Lead Manager arrangements

The Lead Manager has been engaged to seek to place any Shortfall on a best endeavours basis. The Lead Manager arrangements are set out in Section 3.1.

#### (e) Rights attaching to New Shares and terms of New Options

A summary of the rights attaching to the New Shares and the terms of the New Options are set out in Sections 6.1 and 6.2.

### 5.2 How to accept the Rights Issue

#### (a) Action required by Eligible Shareholders

Your Entitlement is shown on the Entitlement and Acceptance Form accompanying the Prospectus sent to you.

You may take up your Entitlement in whole or in part or allow all of your Entitlement to lapse.

You may pay by BPAY or electronic funds transfer (EFT) in accordance with the instructions on the Entitlement and Acceptance Form. Given COVID-19, payments in cash or cheque will not be accepted.

If you pay by BPAY or EFT, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY or EFT. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY or EFT payments.

We must receive your payment by the Closing Date. If we receive your payment after the Closing Date, we may, at our discretion, accept or reject your Application. If we reject your Application, you will receive a refund in full of any payment of Application Money without interest.

If you make a payment, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares and New Options represented by the payment.

We will hold your Application Money on trust until we issue the New Shares and New Options in accordance with the Corporations Act. We will retain any interest earned on the Application Money, whether or not the New Shares and New Options are issued to you.

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your professional adviser for assistance.

(b) **Shareholders outside Australia and New Zealand (Excluded Shareholders)**

The Offer is not made to Shareholders with a registered address which is outside Australia or New Zealand (Excluded Shareholders). The Company has formed the view that it is unreasonable to make an offer to Excluded Shareholders having regard to the number of Excluded Shareholders, the number and value of Shares the Excluded Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended, and New Securities will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia or New Zealand (including nominees, custodians and trustees) are responsible for ensuring that any dealing with their Entitlement and any New Shares and New Options issued do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement or the distribution of this Prospectus or the Entitlement and Acceptance Form.

The making of an Application (whether by the making of a BPAY payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees, custodians or trustees are therefore advised to seek independent advice as to how they should proceed.

(c) **No Nominee for Excluded Shareholders**

There will be no appointment of a nominee for Excluded Shareholders to sell any Entitlement.

(d) **New Zealand offer restrictions**

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

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

(e) **Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and New Options. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares and New Options.

### **5.3 Issue and quotation**

(a) **Issue of New Shares and New Options**

The New Shares and New Options under the Rights Issue will be issued as soon as practicable after the Closing Date. We will issue the New Shares and New Options on the basis of your Entitlement.

Pending the issue of New Shares and New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

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

(b) **Quotation of New Shares by ASX**

We intend to apply to ASX for quotation of the New Shares within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Shares will commence after the issue of the New Shares.

If any New Shares are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and associated New Options and the Application Money in respect of those New Shares will be refunded to you without interest within the time prescribed by the Corporations Act.

No application will be made for quotation of the New Options.

(c) **Holding Statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares and New Options issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

**5.4 Shortfall**

Any New Shares and New Options under the Rights Issue that are not subscribed for will form the Shortfall. The Offer to issue Shortfall is a separate offer under the Prospectus.

Eligible Shareholders who are not related parties and who have subscribed for their full Entitlement may apply for any Shortfall by following the instructions in the Shortfall section in the Entitlement and Acceptance Form and making payment by BPAY or EFT on the same terms as in Section 5.2.

The Shortfall will be allocated at the discretion of the Directors in consultation with the Lead Manager.

Application for Shortfall by Eligible Shareholders with moneys does not guarantee any issue of Shortfall. All application moneys in relation to which Shortfall are not issued will be returned without interest.

The Company will not issue Shortfall so that any party's voting power in the Company will exceed 20% or to otherwise infringe section 606 of the Corporations Act.

Any Shortfall will be issued within 3 months of the Closing Date. Any issue of Shortfall will be at the same price as the offer under the Rights Issue.

Directors cannot be issued Shortfall without prior Shareholder approval.

## **6. ADDITIONAL INFORMATION**

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### **6.1 Rights attaching to New Shares**

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

#### **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. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid on the relevant share bears to the total issue price of the share. Voting may be in person or by proxy, attorney or representative.

#### **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 Shares.

#### **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.

#### **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.

#### **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.

## **Election of Directors**

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

## **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.

## **Winding Up**

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the shareholders:

- divide the assets of the Company among the members in kind;
- for that purpose fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate.

## **Shareholder Liability**

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

## **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.

## **Listing Rules**

If the Company is admitted to trading on the Official List, then 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.

## **6.2 Terms of New Options**

The terms of the issue of the New Options are:

- (a) Each Option entitles the holder to one Share.
- (b) The exercise price of the Options is 1.6 cents each.
- (c) The Options may be exercised at any time prior to 5:00pm Western Standard Time on 30 November 2023 ("Expiry Date").
- (d) The Options are freely tradeable. No application will be made for the Options to be quoted.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the secretary of the Company to be received prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company, then upon exercise of his or her Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that bonus issue if the Options had been exercised before the record date for the bonus issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, all rights of the Option holder are to be changed in a manner consistent with the Listing Rules.

### **6.3 Transaction specific prospectus and continuous disclosure obligations**

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is only required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects.

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

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

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

The Company officially listed on ASX in February 2007. We lodged our latest annual report (being the annual report for the year ended 30 June 2021) with ASX on 29 September 2021. Since then, we have made the following announcements to ASX, shown in the table below.

<b>Date</b>	<b>Description of Announcement</b>
29/09/2021	Appendix 4G – Corporate Governance Statement
29/09/2021	AGM Notice
07/10/2021	Fieldwork commences at the Nanadie Copper-Gold Project
13/10/2021	Change of Director's Interest Notice (MR)
14/10/2021	Notice of Annual General Meeting/Proxy Form
18/10/2021	Quarterly Activities/Appendix 5B Cash Flow Report
18/10/2021	Change in substantial holding
20/10/2021	Sale of Dacian shareholding

#### **6.4 Market price of Shares**

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

The highest and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale on the day prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	1.3 cents	2, 3, 8, 17 September and 22, 25, 26 October 2021
Lowest	1.0 cents	20, 26 and 27 August 2021
Latest	1.1 cents	28 October 2021

## 6.5 Directors' Interests

### (a) Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

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

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

### (b) Interests in Securities as at the date of this Prospectus

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares of the Company as set out in the table below. There are no Options on issue in the Company. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New Shares and New Options that the Directors may subscribe for under the Offer.

Director	Current Number of Shares	Entitlement to New Shares
Michael Ruane	283,309,047 <sup>1</sup>	40,472,721 <sup>1</sup>
Sean Richardson	15,500,000	2,214,286
Jeremy Atkinson	11,038,334	1,576,905

Notes:

1. Dr Ruane has given commitments to the Company that he and entities associated with him will subscribe for all of their Entitlement (which includes New Options) under the Offer subject to being limited to take-up by the Corporations Act "creep" provisions. See Sections 3.1 and 3.5.

2. Each of Sean Richardson and Jeremy Atkinson have committed to taking up their full Entitlement (which includes New Options).

(c) **Remuneration of Directors**

Dr Michael Ruane is paid a Director's fee of \$36,000 per annum as non-executive Chairman. In the 2 years prior to the date of this Prospectus, Dr Ruane has received cash remuneration totalling \$72,000.

Mr Sean Richardson as managing director is paid cash remuneration of \$220,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mr Richardson has received cash remuneration totalling approximately \$400,000 plus statutory superannuation.

Mr Jeremy Atkinson is paid a Director's fee of \$36,000 per annum. In the 2 years prior to the date of this Prospectus, Mr Atkinson has received cash remuneration totalling \$72,000.

A Director may also be paid fees or other amounts as the Directors determine if 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.

## **6.6 Interests of Experts and Advisers**

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

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

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Offer. We estimate that we will pay approximately \$25,000 (plus GST) for these services. In the past two years, Fairweather Corporate Lawyers has been paid fees (excluding GST) of approximately \$23,200 by the Company.

Panthea Capital Pty Ltd is the Lead Manager to the Offer. We will pay a fixed fee of \$20,000 plus GST plus a 4% fee (plus GST) on the amount of any Shortfall that is placed by the Lead Manager. In the past two years, Panthea Capital Pty Ltd has been paid fees of approximately \$82,920 by the Company.

## 6.7 Costs of the Offer

The costs connected to the Rights Issue payable by the Company are estimated at approximately \$63,195 exclusive of GST at Minimum Subscription and \$65,000 exclusive of GST at Full Subscription. These expenses are expected to be applied to the items set out in the table below.

<b>Item of Expenditure</b>	<b>Minimum Subscription (\$550,000)</b>	<b>Full Subscription (\$1,557,857)</b>
Legal fees	\$25,000	\$25,000
Fixed fee to Lead Manager <sup>1</sup>	\$20,000	\$20,000
Printing, share registry, miscellaneous	\$9,871	\$9,871
ASIC lodgement fee	\$3,206	\$3,206
ASX fee for New Shares	\$5,118	\$6,923
<b>Total</b>	<b>\$63,195</b>	<b>\$65,000</b>

Note:

1. The fee to the Lead Manager above, does not include a fee of 4% plus GST to the Lead Manager in respect of the placement of any Shortfall by the Lead Manager (see Section 3.2).

## 6.8 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Panthea Capital Pty Ltd has consented to being named as the Lead Manager to the Offer.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

## 7. DIRECTORS' AUTHORISATION AND CONSENT

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This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 29 October 2021



.....  
Signed for and on behalf of Empire Resources Limited  
By Mr Sean Richardson  
Managing Director

## 8. GLOSSARY

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Where the following terms are used in this Prospectus they have the following meanings:

<b>Applicant</b>	A person who submits and Entitlement and Acceptance Form.
<b>Application</b>	An application for New Shares and New Options under the Rights Issue.
<b>Application Money</b>	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
<b>Board</b>	The Board of Directors.
<b>Closing Date</b>	The time and date at which the Offer expires, being 5.00pm WST, 30 November 2021, subject to the Company varying this date in accordance with the Listing Rules.
<b>Company or Empire</b>	Empire Resources Limited (ACN 092 471 513).
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The Corporations Act 2001 (Cth).
<b>Director</b>	A director of the Company for the time being.
<b>Eligible Shareholders</b>	Shareholders with a registered address in Australia or New Zealand at the Record Date.
<b>Entitlement</b>	The entitlement to subscribe for New Shares and New Options under the Rights Issue.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
<b>Excluded Shareholders</b>	Shareholders with a registered address outside Australia or New Zealand at the Record Date.
<b>Full Subscription</b>	The maximum amount to be raised under the Offer being \$1,557,857.
<b>JORC Code</b>	2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

<b>Issue Price</b>	1.2 cents per New Share, being the price payable to subscribe for each New Share.
<b>Lead Manager</b>	Panthea Capital Pty Ltd (ACN 620 836 722).
<b>Listing Rules</b>	The listing rules of ASX.
<b>Minimum Subscription</b>	The minimum amount to be raised under the Offer being \$550,000.
<b>New Options</b>	The Options offered under the Rights Issue.
<b>New Securities</b>	The New Shares and New Options.
<b>New Shares</b>	The Shares offered under the Rights Issue.
<b>Offer</b>	The offer to Eligible Shareholders of New Shares and New Options under the Rights Issue.
<b>Option</b>	An option to acquire a Share.
<b>Project</b>	A project of the Company.
<b>Prospectus</b>	This Prospectus dated 29 October 2021.
<b>Record Date</b>	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5:00pm WST, 4 November 2021.
<b>Rights Issue</b>	The pro-rata non-renounceable offer to Eligible Shareholders of 1 New Share for every 7 Shares held by Eligible Shareholders on the Record Date with 1 free New Option for every 2 New Shares subscribed for.
<b>Share</b>	A fully paid ordinary share in the issued capital of the Company.
<b>Shareholder</b>	Registered holder of Shares.
<b>Shortfall</b>	New Shares and New Options not subscribed for under the Offer before the Closing Date.
<b>WST</b>	Western Standard Time.
<b>\$</b>	Australian dollars unless otherwise stated.