

SIHAYO GOLD LIMITED
ACN 009 241 374

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of A\$0.025 per Share to raise up to A\$19,082,202 (before costs and subject to the application of the Debt Conversion Facility) based on the number of Shares on issue as at the date of this Prospectus (**Offer**).

Bell Potter Securities Limited (ACN 006 390 772) (**Bell Potter**), Argonaut Securities Pty Limited (ACN 108 330 650) (**Argonaut Securities**) and CLSA Australia Pty Ltd (ACN 139 992 331) (**CLSA**) have been appointed to act as the Joint Lead Managers of the Offer. Refer to Section 10.4 for details regarding the terms of the Offer Management and Underwriting Agreement.

The Offer is partially underwritten by Bell Potter, Argonaut Capital Limited (ACN 099 761 547) (**Argonaut Capital**) and CLSA. Refer to Section 10.4 for details regarding the terms of the Offer Management and Underwriting Agreement.

IMPORTANT NOTICE

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

The Shares offered by this Prospectus should be considered as highly speculative.

Distribution of this Prospectus may be restricted outside Australia. In particular, this Prospectus may not be released to US wire services nor distributed in the United States or Canada except by the Company to Institutional Investors (as defined in the Glossary).

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1. CORPORATE DIRECTORY

Directors

Colin Moorhead (Executive Chairman)
Daniel Nolan (Executive Director &
Chief Financial Officer)
Misha Collins (Non-Executive Director)
Gavin Caudle (Non-Executive Director)

Company Secretary

Daniel Nolan

Share Registry*

Automic Pty Ltd
Level 2
267 St Georges Terrace
PERTH WA 6000

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Joint Lead Managers

Argonaut Securities Pty Limited
Level 30, Allendale Square
77 St Georges Terrace
PERTH WA 6000

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
SYDNEY NSW 2000

CLSA Australia Pty Ltd
Level 35
225 George Street
THE ROCKS NSW 2000

Auditor

Stantons International Audit and
Consulting Pty Ltd
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Registered Office

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11/66 Eagle Street
BRISBANE QLD 4000

Telephone: + 61 427 401 198
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Solicitors

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Level 4
50 Market Street
MELBOURNE VIC 3000

Joint Underwriters

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
SYDNEY NSW 2000

CLSA Australia Pty Ltd
Level 35
225 George Street
THE ROCKS NSW 2000

Argonaut Capital Limited
Level 30, Allendale Square
77 St Georges Terrace
PERTH WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Event	Date
Lodgement of announcement regarding Offer and Placement with ASX	Thursday, 20 August 2020
Lodgement of Appendix 3B with ASX	Thursday, 20 August 2020
Lodgement of Prospectus with ASIC and ASX	Thursday, 20 August 2020
Notice sent to Ineligible Shareholders	Thursday, 20 August 2020
Ex date	Tuesday, 25 August 2020
Record Date for determining Entitlements	Wednesday, 26 August 2020
Issue of the Tranche 1 Placement Shares*	Friday, 28 August 2020
Prospectus and Entitlement and Acceptance Forms sent out to Shareholders and Company announces this has been completed	Monday, 31 August 2020
Last day to extend Closing Date	Wednesday, 9 September 2020
Closing Date**	Monday, 14 September 2020
Announcement of results of the Offer	Thursday, 17 September 2020
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Monday, 21 September 2020
Dispatch of holding statements for Shares	Tuesday, 22 September 2020
Receipt of a letter of no objection from FIRB in relation to the issue of the Tranche 2 Placement Shares*	Wednesday, 30 September 2020
General meeting of Shareholders in relation to issue of Tranche 2 Placement Shares*	Friday 16 October 2020
Settlement Date of Tranche 2 Placement Shares***	Monday, 19 October 2020

* This date is indicative only and may change without notice.

**The Directors may, in consultation with the Joint Lead Managers, extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

*** This date is subject to the receipt of a letter confirming that FIRB has no objection to the issue of the Tranche 2 Placement Shares to Merdeka and Gavin Caudle.

3. IMPORTANT NOTES

This Prospectus is dated 20 August 2020 and was lodged with the ASIC on that date. Neither ASX, ASIC nor their officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity, for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The distribution of this Prospectus outside Australia may be restricted by law and such restrictions should be observed. In particular, this Prospectus may not be distributed outside the Permitted Jurisdictions or to any person in Canada or the United States, except by the Company to Institutional Investors. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Refer to Section 6.14 for further details.

The new Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The new Shares may not be offered or sold in the United States or to persons acting for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 9 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider these risk factors in light of personal circumstances and should consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Neither the Joint Lead Managers nor their respective related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.

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

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 9 of this Prospectus.

3.3 Joint Lead Managers Disclaimer

Neither the Joint Lead Managers nor any of their related bodies corporates and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Joint Lead Managers, its related bodies corporate and affiliates and each of their directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Joint Lead Managers nor any of their related bodies corporates and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Offer, nor do they make any representations or warranties to you concerning this Offer or any information, and you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Managers, any of their related bodies corporates and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the Shares the subject of the Prospectus or the Offer generally.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of Company and the Joint Lead Managers. To the maximum extent permitted by law, the Joint Lead Managers, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Joint Lead Managers, their related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim all liability in respect of, make no representation regarding and take no responsibility for any part of this Prospectus.

The Joint Lead Managers may also hold interests in the securities of the Company or earn brokerage, fees or other benefits from the Company. The engagement of the Joint Lead Managers by the Company is not intended to create any agency, fiduciary or other relationship between the Joint Lead Managers and any other investor.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

4. CHAIRMAN'S LETTER

Dear Shareholders,

On behalf of the directors of Sihayo Gold Limited (**Company**), I am delighted to invite all Eligible Shareholders with the opportunity to participate in the Entitlement Offer.

The Company is seeking to raise up to approximately A\$19,082,202 (before costs and subject to the application of the Debt Conversion Facility) by way of a non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Eligible Shareholders registered on the Record Date at an issue price of A\$0.025 per Share. For further details relating to the Debt Conversion Facility, including the firm commitments that the Company has received from Shareholders in relation to the facility, refer to Section 6.9 of the Prospectus.

As announced on 20 August 2020, the Company is also undertaking a placement to institutional and sophisticated investors of a total of 789,588,016 Shares at an issue price of A\$0.025 per Share to raise A\$19,689,700 (before costs) (**Placement**). The Placement is to be undertaken in two tranches, comprising:

- (a) the issue of 572,466,065 Shares pursuant to the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A under the first tranche of the Placement to raise A\$14,311,651 (before costs); and
- (b) subject to Shareholder approval and FIRB approval (as applicable) being obtained, the issue of 217,121,951 Shares under the second tranche of the Placement to raise A\$5,248,049 (before costs).

As directors of the Company, Gavin Caudle and I, Colin Moorhead, have committed to subscribe for a total of 22 million Shares under the Tranche 2 Placement (subject to Shareholder and FIRB approval, as applicable).

Funds raised under the Entitlement Offer and the Placement will be applied to fund pre-construction capital works on the Sihayo Gold Project, retire debt and commence exploration on the Hutabargot Julu prospect located in North Sumatra, Indonesia. Pre-construction capital works include designing, obtaining permits for and building access road and bridges, enhanced design of the tailings storage facility and general preparatory work to reduce timeframes and costs for items on the critical path to project construction.

Bell Potter, Argonaut Securities and CLSA have been appointed to act as the joint lead managers of the Entitlement Offer. In addition, Argonaut Capital, Bell Potter and CLSA have agreed to partially underwrite the Entitlement Offer. Further details in respect of the appointment of the Joint Lead Managers and the Joint Underwriters are set out in Sections 6.7 and 10.4 of the Prospectus.

Before making your decision to invest, I ask that you carefully read this Prospectus (including the risk factors set out in Section 9) and seek professional advice if required.

The Board advises that all of the Directors intend to take up their respective Entitlements and recommends that all Shareholders take up their Entitlements.

Yours sincerely,



Colin Moorhead
Executive Chairman

5. BACKGROUND TO THE OFFER, THE PLACEMENT AND THE MERDEKA DEBT CONVERSION

5.1 Placement

As announced on 20 August 2020, the Company has received firm commitments from sophisticated and professional investors to raise approximately A\$19,739,700 (before costs) through the issue of a total of 789,588,016 Shares at an issue price of A\$0.025 per Share.

The Placement is to be carried out in two tranches, comprising:

- (a) the issue of 572,466,065 Shares (**Tranche 1 Placement Shares**) under the first tranche of the Placement to raise A\$14,311,651 (before costs) (**Tranche 1 Placement**); and
- (b) subject to Shareholder approval and FIRB approval being obtained, the issue of 217,121,951 Shares (**Tranche 2 Placement Shares**) under the second tranche of the Placement (**Tranche 2 Placement**) to raise A\$5,378,049 (before costs).

It is anticipated that the Tranche 1 Placement Shares will be issued on 28 August 2020 pursuant to the Company's available placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

The Company has received binding commitments from the following parties to participate in the Tranche 2 Placement:

- (a) Merdeka has committed to subscribe for A\$4,878,049, being 195,121,951 Tranche 2 Placement Shares;
- (b) Mr Gavin Caudle, a director of the Company, has committed to subscribe for A\$500,000, being 20,000,000 Tranche 2 Placement Shares; and
- (c) Mr Colin Moorhead, a director of the Company, has committed to subscribe for A\$50,000, being 2,000,000 Tranche 2 Placement Shares.

The Company will seek Shareholder approval at a general meeting to be held on or around 16 October 2020, to issue the Tranche 2 Placement Shares. (**General Meeting**). The issue of the Tranche 2 Placement Shares to Merdeka and Gavin Caudle is also subject to FIRB approval.

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

Proceeds of the Placement	A\$	%
Expenses of the Placement	A\$1,118,721 ¹	5.7%
Early Construction works	A\$5,000,000	25.3%
Exploration	A\$5,000,000	25.3%
Creditor repayments	A\$4,000,000	20.3%
Working capital	A\$4,620,979	23.4%
Total	A\$19,739,700²	100.0%

Notes:

1. Includes ASX fees, legal fees, registry fees and management fees. For further details relating to the management fees, refer to the summary of the Offer Management and Underwriting Agreement in Section 10.4.
2. Assumes that FIRB approval and Shareholder approval is obtained in relation to the Tranche 2 Placement.

Further details in respect of the Placement are set out in the ASX announcement released by the Company on Thursday, 20 August 2020.

5.2 Entitlement Offer

The Company is also conducting a non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Eligible Shareholders registered on the Record Date at an issue price of A\$0.025 per Share to raise up to A\$19,082,202 (before costs and subject to the application of the Debt Conversion Facility).

Eligible Shareholders who are also creditors of the Company may elect to take up their Entitlement by means of converting of some or all of the existing debt owed to them by the Company (at an issue price of A\$0.025 per Share) under the Debt Conversion Facility. Details of the firm commitments that the Company has received under the Debt Conversion Facility are set out in Section 6.9.

Further details in respect of the Offer and the Debt Conversion Facility are set out in Sections 6.1 and 6.9 respectively.

5.3 Merdeka Debt Conversion

As announced on 30 July 2020, Eastern Fields Development Limited (**EFDL**), a wholly owned subsidiary of Merdeka, entered into a US\$1.5 million convertible instrument with the Company (**Convertible Instrument**).

The Convertible Instrument is, subject to Shareholder approval, convertible into Shares (**Merdeka Debt Conversion**). As at the date of this Prospectus, the Company owes EFDL approximately A\$2,090,592 (based on an exchange rate of A\$1:US\$0.7175) based on the face value of the Convertible Instrument (which won't accrue interest if it is converted into Shares).

Under the terms of the Convertible Instrument and subject to obtaining Shareholder and FIRB approval, the amount owed by the Company shall be converted into Shares at a deemed issue price equal to the price of a rights issue or placement that is undertaken by the Company prior to the dispatch of the associated notice meeting.

The Company will seek Shareholder and FIRB approval for the conversion of the Merdeka Debt Conversion at a deemed issue price of A\$0.025 (being the issue price of the Offer and the Placement) at the General Meeting. If the Merdeka Debt Conversion completed at the date of this Prospectus, 83,623,693 Shares would be issued to EFDL.

The Company notes that subject to foreign exchange rates, the amount owed by the Company pursuant to the Convertible Instrument and subsequently the number of Shares to be issued to EFDL may vary.

If Shareholder and FIRB approval is not obtained, the Company will be required to repay the Convertible Instrument in cash.

5.4 Interest of Merdeka in the Company

Assuming that:

- (a) 789,588,016 Shares are issued under the Placement (including the issue of 195,121,951 Shares to Merdeka under the Tranche 2 Placement);
- (b) 83,623,693 Shares are issued pursuant to the Merdeka Debt Conversion; and
- (c) the Offer is fully subscribed,

Merdeka will hold a relevant interest in 7.10% of the Shares.

The Company notes the following:

- (a) Mr Gavin Caudle is a common director of Merdeka, the Company and Provident Minerals Pte Ltd (**Provident**). As set out in Section 6.6 below, Provident is a substantial shareholder of the Company.
- (b) Mr. Michael Soeryadjaya is director of Merdeka, PT Saratoga Investama Sedaya (**Saratoga**) and PT Sorikmas Mining (**Sorikmas**, a subsidiary of the Company). As set out in Section 6.6 below, Saratoga is a substantial shareholder of the Company.
- (c) The following substantial Shareholders (whose relevant interests in the Company are set out in Section 6.6 below) are also shareholders of Merdeka:
 - (i) Provident holds an approximate 23% relevant interest in the shares of Merdeka (20.64% of which it holds directly);
 - (ii) Saratoga holds an approximate 23% relevant interest in the shares of Merdeka (19.74% of which it holds directly); and
 - (iii) Goldstar Asia Mining Resources (L) Berhad (**Goldstar**) holds an 8.95% direct interest in the shares of Merdeka.
- (d) Merdeka and the Company share common services and functions:
 - (i) Merdeka and Sorikmas share common office space in Jakarta, Indonesia;
 - (ii) Merdeka provides accounting, tax and back office services to the Company and Sorikmas through one of its subsidiaries in the same office as Merdeka and Sorikmas; and
 - (iii) a senior manager within Merdeka (Boyke P. Abidin, Chief of External Affairs) is a director of Sorikmas.

On this basis, the Company is of the view that Merdeka and Provident are associates for the purposes of the Corporations Act and Merdeka's voting power in the Company will include the Shares in which Provident holds a relevant interest.

Given that Provident and Saratoga each hold more than 20% of Merdeka's issued shares, they each are deemed to hold a relevant interest in Shares held by Merdeka for the purposes of section 608(3) of the Corporations Act.

As a result, Provident and Saratoga's voting power in the Company will increase as a result of the issue of Tranche 2 Placement Shares to Merdeka and the Merdeka Debt Conversion. Refer to Section 5.5 or further details.

5.5 Effect of control on the Company

As set out in Section 5.1 above, subject to obtaining approval from Shareholders and FIRB, Merdeka and its associated entities will be issued 195,121,951 Tranche 2 Placement Shares and 83,623,693 Shares pursuant to the Merdeka Debt Conversion (based on the assumptions as set out in Section 5.3) (**Merdeka Shares**).

For the reasons set out in Section 5.4, the Company is of the view that:

- (a) Provident and Saratoga will have a relevant interest in the Shares held by Merdeka; and
- (b) Merdeka's voting power in the Company will include the Shares in which Provident holds a relevant interest.

Provident, Saratoga and Merdeka and their respective relevant interests and voting power are specifically set out in the table below. This table assumes that 789,588,016 Shares are issued under the Placement (including the issue of 195,121,951 Tranche 2 Placement Shares to Merdeka), 83,623,693 Shares are issued pursuant to the Merdeka Debt Conversion and the Offer is fully subscribed.

Shareholder	Shares	Entitlement	Merdeka Shares	Total Relevant Interest in Shares ⁴	Voting Power post Offer ¹ , Placement and Merdeka Debt Conversion
Provident	710,760,183	236,920,061 ²	-	1,226,425,888	31.24%
Saratoga	340,960,894	113,653,631 ³	-	733,360,169	10.84%
Merdeka	Nil	Nil	278,745,644 ⁵	278,745,644	31.24% ⁶

Notes:

1. Assumes that Provident and Saratoga each takes up its full Entitlement (which neither entity has pre-committed to subscribe for).
2. Provident has committed to subscribe for A\$5,616,107 of its Entitlement, being 224,644,278 Shares, through the Debt Conversion Facility. Refer to Section 6.9 below for further details.
3. Saratoga has committed to subscribe for A\$930,777 of its Entitlement, being 37,231,075 Shares, through the Debt Conversion Facility. Refer to Section 6.9 below for further details.
4. Provident and Saratoga will be deemed to have a relevant interest in the Merdeka Shares for the purposes of section 608(3) of the Corporations Act.
5. The issue of the Merdeka Shares is subject to Shareholder and FIRB approval. Merdeka and its associates will hold a 31.24% interest in the Company's Shares on completion of the Offer, Placement and Merdeka Debt Conversion. In general, proposals to acquire an interest of 20% or more in any business valued at over \$275 million require the prior approval of FIRB. However, as the monetary threshold for determining whether the substantial interest threshold test is met has temporarily been reduced to \$0 due to the COVID-19 pandemic, Merdeka is required to obtain FIRB approval to be issued the Merdeka Shares.
6. On the basis that Provident and Merdeka are associates for the purposes of the Corporations Act.

6. DETAILS OF THE OFFER

6.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Eligible Shareholders registered on the Record Date at an issue price of A\$0.025 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Shareholders will only be eligible to participate in the Offer if they have a registered address as at the Record Date in Australia, Canada (British Columbia, Ontario and Quebec provinces only), France, Germany, Hong Kong, Indonesia, Lichtenstein, Malaysia, Netherlands, New Zealand, Singapore, Switzerland, United States or the United Kingdom (together, the **Permitted Jurisdictions**), except any Shareholder with a registered address in Canada or the United States must be an Institutional Investor (**Eligible Shareholders**).

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 763,288,088 Shares will be issued pursuant to this Offer to raise up to A\$19,082,202 (subject to the application of the Debt Conversion Facility).

All the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 8 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 7.1 of this Prospectus.

6.2 Minimum subscription

There is no minimum subscription.

6.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement and the excess will be treated as an application for Shortfall Shares.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement make a payment for the amount specified on your Entitlement and Acceptance Form for full acceptance of your Entitlement; or
- (b) if you wish to take your **full** Entitlement **and** apply for Shares under the Shortfall Offer, make a payment for the aggregate of the Entitlement Shares you wish to accept and the Shortfall Shares you wish to apply for at A\$0.025 per Share. The amount paid that is in excess of the amount payable for full acceptance of your Entitlement will be treated as an application for Shortfall Shares. The terms of the Shortfall Offer are set out in Section 6.10 below; or
- (c) if you only wish to accept **part** of your Entitlement, make a payment for the number of Entitlement Shares you wish to accept at A\$0.025 per Share; or

- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

If in addition to being an Eligible Shareholder under the Offer, if you are also a creditor of the Company, you may elect to take up all or part of your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company (**Debt Conversion Facility**). See Section 6.9 for further information on the Debt Conversion Facility.

By completing and returning an Entitlement and Acceptance Form, you are deemed to represent and agree:

- (a) that if you are in the United States or Canada, you are an Institutional Investor and must also complete and return a US Investor Certificate or a Canadian Investor Certificate, as applicable;
- (b) you and each person on whose account you are acting understand and acknowledge that the new Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and, accordingly, that the new Shares may not be offered or sold in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) you have not, and will not, send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Offer to any person in Canada or the United States or any person acting for the account or benefit of a person in Canada or the United States, or any other country outside Australia, Malaysia, New Zealand and Singapore;
- (d) if in the future you decide to sell or otherwise transfer the new Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act; notwithstanding the foregoing, after the quotation of the new Shares commences, you may sell such new Shares in regular way transactions on the ASX or otherwise where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or a person acting for the account or benefit of a person in the United States; and
- (e) if you are acting as a nominee or custodian:
- (i) each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia, Malaysia, New Zealand or Singapore, or is an Institutional Investor; and
 - (ii) you are not acting for the account or benefit of a person in the United States or Canada, and
- (f) you have not sent, and will not send, this Prospectus, the Entitlement and Acceptance Form or any information relating to the Offer to any person not permitted under the Offer.

6.4 Payment options

(a) Payment by BPAY®

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

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 7:00 pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application monies received for more than your final allocation of Shares (only where the amount is A\$1.00 or greater) will be refunded. No interest will be paid on any Application monies received or refunded.

The Offer is non-renounceable. Accordingly, an Eligible Shareholder may not sell or transfer all or part of their Entitlement. Any Entitlements not taken up by Eligible Shareholders will lapse and the corresponding Shares will form part of the Shortfall.

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

6.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

6.6 Details of substantial holders

As at the date of this Prospectus, those persons who (together with their associates) have a relevant interest in 5% or more of the total Shares on issue are set out below:

Shareholder	Shares	%
Provident Minerals Pte Ltd	710,760,183	31.04%
HSBC Custody Nominees Australia Ltd	410,351,852	17.92%
PT Saratoga Investama Sedaya	340,960,894	14.89%
Goldstar Asia Mining Resources (L) Berhad	219,387,892	9.58%
Asian Metals Mining Developments Limited	188,093,102	8.21%

For details relating to each substantial holder's subscription in relation to the Debt Conversion Facility, refer to Section 6.9 below.

6.7 Underwriting

The Offer is partially underwritten by CLSA, Argonaut Capital and Bell Potter. Refer to Section 10.4 of this Prospectus for details of the terms of the Offer Management and Underwriting Agreement.

The Joint Underwriters have each entered into sub-underwriting agreements with sub-underwriters, who have agreed to sub-underwrite an aggregate of 53,100,000 Shares.

The Joint Underwriters are presently not Shareholders and are not related parties of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Joint Underwriters may increase their interest in the Company and dilute the Shareholding of other Shareholders to the extent that Shareholders elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Offer Management and Underwriting Agreement, the Joint Underwriters will allocate the Shortfall to their sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Joint Underwriters, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Joint Underwriters, will ensure that the Offer (including the equitable dispersion of any Shortfall Shares) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

6.8 Potential Dilution

Shareholders should note that if they do not participate in the Offer or the Placement, their shareholdings will be diluted by approximately 58.32% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Shareholding as at Record Date	% at Record Date	Entitlement	Shareholding if Offer not taken up	% post Offer and Tranche 1 Placement ¹	% post Offer, Placement and Merdeka Debt Conversion ²
500,000,000	21.84%	166,666,667	500,000,000	13.79%	12.74%
250,000,000	10.92%	83,333,333	250,000,000	6.90%	6.37%
100,000,000	4.37%	33,333,333	100,000,000	2.76%	2.55%
50,000,000	2.18%	16,666,667	50,000,000	1.38%	1.27%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that 572,466,065 Shares are issued under the Tranche 1 Placement and those Entitlements not accepted are placed under the Shortfall Offer or to the Joint Underwriters.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that 789,588,016 Shares are issued under the Placement, 83,623,693

Shares are issued under the Merdeka Debt Conversion and those Entitlements not accepted are placed under the Shortfall Offer or to the Joint Underwriters.

6.9 Debt Conversion Facility

If, in addition to being an Eligible Shareholder under the Entitlement Offer, you are also a creditor of the Company, you may elect to take up your Entitlement by means of the conversion of some or all of the existing debt owed to you by the Company. The conversion will be undertaken on a dollar for dollar basis (subject to foreign exchange conversion) at the issue price of the Offer (being A\$0.025 per Share), and, in the case of any fractional entitlements, the number of Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

For clarity, the Debt Conversion Facility does not enable any creditor Shareholders to take up more Shares under the Offer than if the facility was not available. That is, creditor Shareholders may only convert the amount owed to them (including interest accrued on debt) by the Company.

To elect to satisfy the Application monies in respect of your Entitlement by converting some of all of the existing debt owed to you by the Company, you will need to complete the appropriate section in the Entitlement and Acceptance Form.

To the extent that Entitlements are taken up through the use of the Debt Conversion Facility, the amount payable to creditor Shareholders will reduce by the equivalent amount from the effective proceeds of the Offer.

The following of Shareholders (who are also creditors of the Company) have given the following firm commitments regarding their subscription for Shares utilising the Debt Conversion Facility:

Creditor	Amount owing by Company ¹	Amount of Shares to be issued on conversion of amounts owed ^{2,3}	Amount owed by Company on completion of the Offer
Provident Minerals Pte Ltd	\$5,616,107	224,644,278	\$0
PT Saratoga Investama Sedaya, TBK	\$930,777	37,231,075	\$0
Goldstar Mining Asia	\$596,199	23,847,976	\$0
Asian Metals Mining Developments Limited	\$1,060,256	42,410,248	\$0

Notes:

- Includes A\$ and US\$ denominated debt. A\$ equivalent of US\$ denominated debt at an assumed FX rate of 1 A\$ = US\$0.7175.
- Amounts that the Company will owe these creditor Shareholders (including accrued interest on debts) on 14 September 2020, being the Closing Date. The Company notes that as the above debts are subject to fluctuation in A\$:US\$ exchange rates and the Closing Date may be extended. Consequently the number of Shares to be issued to the creditors may vary from the amount stated.
- The creditor Shareholders will not be subscribing for any Shares in addition to that part of their respective Entitlements that are taken up under the Debt Conversion Facility.

6.10 Shortfall Offer

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

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be A\$0.025 being the price at which Shares have been offered under the Offer.

Eligible Shareholders may apply for Shortfall Shares on the Entitlement and Acceptance Form accompanying this Prospectus.

The Company will allow Eligible Shareholders to apply for new Shares in the Shortfall Offer in priority to the satisfaction of obligations of the Joint Underwriters subject to such applications being received by the Closing Date. In the event of oversubscription from these applications they will be scaled back on a pro-rata basis in consultation with the Joint Underwriters.

In addition to Eligible Shareholders applying for Shortfall Shares, the Joint Lead Managers will offer Shortfall Shares to Institutional Investors, who must complete a Confirmation Letter to subscribe for Shortfall Shares.

The Company notes that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeovers prohibition in section 606 of the Corporations Act. Similarly, if none of the exceptions set out in Listing Rule 10.12 apply, no Shares will be issued via the Shortfall Offer to any related parties of the Company or other persons who fall within the ambit of Listing Rule 10.11.

6.11 ASX listing

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

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

6.12 Issue of Shares

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

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

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company,

however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

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

6.13 Ineligible Shareholders

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

Having regard to the number of Ineligible Shareholders, the number and value of Shares these Ineligible Shareholders would be offered and the cost of complying with regulatory and legal requirements in each relevant jurisdiction, the Company has decided it is unreasonable to make offers under the Offer to Shareholders with a registered address outside the Permitted Jurisdictions. Accordingly, the Offer is not being extended and Shares will not be issued to Ineligible Shareholders.

6.14 International Offer Restrictions

The distribution of this Prospectus in jurisdictions outside the Permitted Jurisdictions may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. As a result, the new Shares may not be offered or sold outside Australia except to the extent provided below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of new Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**), only to persons to whom new Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the new Shares or the offering of the new Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of new Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the new Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made

through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the new Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the new Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the new Shares as there are Canadian tax implications for investors in the Provinces.

Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the new Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Union (France, Germany, Netherlands)

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the new Shares be offered for sale, in any member state of the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4) of the Prospectus Regulation, an offer of new Shares in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or

- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Hong Kong

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Indonesia

A registration statement with respect to the new Shares has not been, and will not be, filed with Otoritas Jasa Keuangan in the Republic of Indonesia. Therefore, the new Shares may not be offered or sold to the public in Indonesia. Neither this document nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the new Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law of the Republic of Indonesia.

Liechtenstein

This document has not been, and will not be, registered with or approved by the Financial Market Authority of Liechtenstein. Accordingly, this document may not be made available, nor may the new Shares be offered for sale, in Liechtenstein except in circumstances that do not require a prospectus under the Securities Prospectus Implementation Act of Liechtenstein.

In accordance with such Act, an offer of new Shares in Liechtenstein is limited to less than 150 persons.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of new Shares. The new Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any new Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act.

New Zealand

The new Shares 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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. 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.

Singapore

This document and any other materials relating to the new Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the new Shares may not be issued, circulated or distributed, nor may the new Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

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

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

Switzerland

The new Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the new Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the new Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the new Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of new Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (**FINMA**).

This document may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the new Shares.

The new Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be

distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the new Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The new Shares will only be offered and sold in the United States to:

- (a) institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act); and
- (b) dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

6.15 Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of, or send any documents related to the Offer to, any Shareholder in the United States or Canada, or elsewhere outside Australia, Malaysia, New Zealand and Singapore, except (i) to beneficial shareholders who are Institutional Investors (excluding Canada and the United States) or (ii) as the Company may agree upon request taking into account applicable securities laws.

6.16 Enquiries

Any questions concerning the Offer should be directed to Daniel Nolan, Company Secretary, on +61 427 401 198.

7. PURPOSE AND EFFECT OF THE OFFER

7.1 Purpose of the Offer

The purpose of the Offer is to raise up to A\$19,082,202 (subject to the application of the Debt Conversion Facility).

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

Proceeds of the Offer	Full Subscription	%	Committed Subscriptions ²	%
Expenses of the Offer ¹	A\$687,963	3.6%	A\$687,963	5.57%
Early Construction works	A\$4,600,000	24.1%	A\$1,000,000 ³	8.09%
Exploration	A\$5,000,000	26.2%	\$2,188,000	17.70%
Creditor repayments	A\$200,000	1.0%	A\$200,000	1.62%
Shareholder loan repayments ⁴	A\$8,203,339	43.0%	A\$8,203,339	66.38%
Working capital	A\$390,900	2.0%	A\$79,739	0.65%
Total	A\$19,082,202	100.0%	A\$12,359,041	100.0%

Notes:

1. Refer to Section 10.9 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Includes amounts partially underwritten by the Joint Underwriters, commitments from Shareholders under the Debt Conversion Facility and commitments in relation to the Shortfall. Refer to Sections 6.9 and 10.4 for further information.
3. Note that an amount of \$5 million is planned for construction works from funds raised under the Tranche 1 Placement. Refer to Section 5.1 for further information.
4. The Company has received firm commitments in relation to the subscription for Shares utilising the Debt Conversion Facility, as detailed in Section 6.9.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including, but not limited to, exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

7.2 Effect of the Offer, Placement and Merdeka Debt Conversion

The principal effect of the Offer, the Placement and the Merdeka Debt Conversion, assuming all Entitlements are accepted, 789,588,016 Shares are issued under the Placement and 83,623,693 Shares are issued pursuant to the Merdeka Debt Conversion, will be to:

- (a) increase the cash reserves by A\$26,705,615 (after deducting the estimated expenses of the Placement, Offer and subject to the application of the Debt Conversion Facility) immediately after completion of the Offer, the Placement and the Merdeka Debt Conversion;
- (b) reduce debt to the extent the Debt Conversion Facility is utilised and the Merdeka Debt Conversion; and

- (c) increase the number of Shares on issue from 2,289,864,262 Shares as at the date of this Prospectus to 3,926,364,059 Shares.

7.3 Pro-forma balance sheet

The audited balance sheet as at 31 July 2020, the audited reviewed balance sheet as at 31 December 2019 and the unaudited pro-forma balance sheets as at 31 July 2020 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming 789,588,016 Shares are issued under the Placement, all Entitlements are accepted, the Debt Conversion Facility is fully utilised and including expenses of the Offer.

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

	AUDITED	AUDIT REVIEWED	UNAUDITED	PRO FORMA	PRO FORMA	PRO FORMA
	30/06/2019	31/12/2019	31/07/2020	31/07/2020	31/07/2020	31/07/2020
	\$	\$	\$	Placement	Offer	Placement and Offer
CURRENT ASSETS						
Cash	6,256,548	1,298,727	2,279,968	5,605,307	401,655	8,286,930
Trade and other receivables	361,314	203,176	202,620			202,620
TOTAL CURRENT ASSETS	6,617,862	1,501,903	2,482,588			8,489,550
NON-CURRENT ASSETS						
Trade and other receivables	2,653,626	2,919,013	3,276,889			3,276,889
Other assets	15,828,431	20,946,848	24,510,922	10,000,000	9,600,000	44,110,922
Property, plant and equipment	95,759	100,038	96,591			96,591
Claims tax for refund	554,523	-	-			-
Other assets	171	160	163			163
TOTAL NON-CURRENT ASSETS	19,132,510	23,966,059	27,884,565			47,484,565
						-
TOTAL ASSETS	25,750,372	25,467,962	30,367,153			55,974,115
						-
CURRENT LIABILITIES						-
Trade and other payables	5,437,180	4,179,213	5,991,626	3,000,000	1,200,000	1,791,626
Borrowings	5,243,829	5,242,902	7,192,584		7,192,584	-

	AUDITED	AUDIT REVIEWED	UNAUDITED	PRO FORMA	PRO FORMA	PRO FORMA
	30/06/2019	31/12/2019	31/07/2020	31/07/2020	31/07/2020	31/07/2020
	\$	\$	\$	Placement	Offer	Placement and Offer
Convertible loan	-	-	2,106,265	2,106,265		-
Other liabilities	57,249	57,225	57,225			57,225
TOTAL CURRENT LIABILITIES	10,738,258	9,479,340	15,347,700			1,848,851
						-
NON-CURRENT LIABILITIES						-
Provisions	615,325	615,177	616,000			616,000
TOTAL NON-CURRENT LIABILITIES	615,325	615,177	616,000			616,000
						-
TOTAL LIABILITIES	11,353,583	10,094,517	15,963,700			2,464,851
						-
NET ASSETS (LIABILITIES)	14,396,789	15,373,445	14,403,453			53,509,264
						-
EQUITY						-
Share capital	112,847,825	115,604,238	115,604,238	21,830,293	19,082,202	156,516,733
Reserves	16,675,416	16,671,087	17,097,910			17,097,910
Retained loss	(93,085,923)	(94,593,606)	(95,507,965)	(1,118,721)	(687,963)	(97,314,649)
Non-controlling interests	(22,040,529)	(22,308,274)	(22,790,730)			(22,790,730)
TOTAL EQUITY	14,396,789	15,373,445	14,403,453			53,509,264

7.4 Effect of the Offer on the capital structure

The effect of the Offer on the capital structure of the Company, assuming that 789,588,016 Shares are issued under the Placement, 83,623,693 Shares are issued under the Merdeka Debt Conversion and all Entitlements are accepted, is set out below:

	Number
Shares currently on issue	2,289,864,262
Shares offered pursuant to the Offer	763,288,088
Placement Shares ¹	789,588,016
Merdeka Debt Conversion Shares ^{1,2}	83,623,693
Total Shares on issue after completion of the Offer, the Placement and the Merdeka Debt Conversion	3,926,364,059

Note:

1. The issue of the Tranche 2 Placement Shares and the Merdeka Debt Conversion Shares are subject to Shareholder and FIRB approval.
2. At the date of this Prospectus, the Company owes EFDL approximately A\$2,090,592 (assuming an exchange rate of A\$1:US\$0.7175), which will be convertible at a deemed issue price of A\$0.025 (being the issue price of the Offer and the Placement). The Company

notes that subject to fluctuation in A\$:US\$ exchange rates and the timing of the conversion, the number of Shares to be issued pursuant to the Merdeka Debt Conversion may vary.

No Shares on issue are subject to any ASX imposed or voluntary escrow restrictions.

7.5 Effect of the Debt Conversion Facility on the capital structure

Under the Debt Conversion Facility, an Eligible Shareholder who is also a creditor of the Company may elect to take up their Entitlement by means of the conversion of some or all of the existing debt owed to them by the Company. The conversion will be undertaken on a dollar for dollar basis (subject to foreign exchange conversion) at the issue price of the Offer (being A\$0.025 per Share), and in the case of any fractional entitlements, the number of Shares arising from the conversion of the debt shall be rounded up to the nearest whole number.

As the Debt Conversion Facility does not enable any creditor Eligible Shareholder to take up more Shares under the Offer than if the facility was not available, the Debt Conversion Facility will have no effect on the capital structure of the Company.

8. RIGHTS AND LIABILITIES ATTACHING TO SHARES

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

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

8.1 General meetings

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

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

8.2 Voting rights

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

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid Shares shall have a fraction of a vote for each partly paid Share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, excluding amounts credited, provided that amounts paid in advance of a call are ignored when calculating a true proportion.

8.3 Dividend rights

Subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares in accordance with section 254W of the Corporations Act.

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

Subject to the ASX Listing Rules and the Corporations Act, the Directors may in their absolute discretion, establish on such terms and conditions as they think fit:

- (a) plans (to be called a "dividend reinvestment plan" or an "interest reinvestment plan" as the case may be) for cash dividends paid by the Company in respect of Shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for Shares in the Company; and
- (b) a plan (to be called a "dividend election plan") permitting holders of Shares to the extent that his Shares are fully paid up, to have the option to elect to forego his right to share in any dividends (whether interim or otherwise) payable in respect of such Shares and to receive instead an issue of Shares credited as fully paid up to the extent as determined by the Directors.

8.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

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

8.5 Shareholder liability

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

8.6 Transfer of shares

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

8.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may at any time and from time to time issue Shares as they shall, in their absolute discretion, determine.

8.8 Variation of rights

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

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

8.9 Alteration of constitution

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

9. RISK FACTORS

9.1 Introduction

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

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Coronavirus (COVID-19)

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

As announced in the Company's Quarterly Activities Report dated 31 July 2020, the Company suspended field activities from 18 March 2020 in response to the increasing incidence of COVID-19 in Indonesia. Field personnel have followed a work-from-home roster. This was aligned with directives of the Government of Indonesia and in the interests of the welfare of employees. The Company has prepared a set of operating procedures for the resumption of site activities and will regularly review plans to ensure that it is complying with government directives and managing this risk appropriately.

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

9.3 Company specific

(a) Potential for significant dilution

Upon completion of the Offer, the Placement and the Merdeka Debt Conversion, assuming that all Entitlements are accepted, 789,588,016 Shares are issued under the Placement and 83,623,693 Shares are issued pursuant to the Merdeka Debt Conversion, the number of Shares in the Company will increase from 2,289,864,262 Shares currently on issue to 3,926,364,059 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer and the Placement being implemented and the Directors do not make any representation as to such matters.

The last closing trading price of Shares on ASX prior to the Prospectus being lodged of A\$0.032 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer and the Placement.

(b) **Going concern risk**

The Company's financial report for the year ended 30 June 2019 (released to ASX on 1 October 2019) and its financial report for the half year ended 31 December 2019 (released to ASX on 13 March 2020) include notes on the financial condition of the Group and the possible existence of a material uncertainty about the Group's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the Company's financial reports, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 9.3(c) below for further details.

(c) **Additional requirements for capital**

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus and the Company's announcements to ASX. Whilst the Company believes that the funds raised by the Offer will provide the Company with sufficient funds to meet its expenses, carry out its objectives and continue as a going concern, there is no guarantee that the Company will not be required to raise additional capital in the future.

The Company also notes that the amount of funds available on completion of the Offer and the Placement will be reduced by the utilisation of the Debt Conversion Facility. However, there will also be an equivalent reduction in the amount owed to creditors. For further details, refer to Section 6.9 and the use of funds table in Section 7.1 above.

The Company may require further financing in addition to amounts raised under the Offer and the Placement in order to progress the construction phase of the Sihayo Pungkut project. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be unable to progress the construction of a mining operation at Sihayo Pungkut and it may impact on the Company's ability to continue as a going concern.

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 accordingly to a number of factors, including prospectively of projects (existing and future), feasibility studies, stock

market and industry conditions and the price of relevant commodities and exchange rates.

There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

The Company also notes that if FIRB and shareholder approval is not obtained, the Company will be required to repay the Convertible Instrument in cash. For further information relating to the Merdeka Debt Conversion, refer to Section 5.3.

(d) **Feasibility Study**

The Company completed and published a Feasibility Study of the Sihayo Pungkut Gold Project in June 2020. There is no assurance that the cost estimates and underlying assumptions in the Feasibility Study will be realised in practice, which may materially and adversely affect the company's viability.

In the event the cost estimates and the underlying assumptions are unachievable in practice, the Company may be required to do more work, including, amongst other things, attempting to increase the amount of gold in the known resource by expanding the boundaries of the ore body as currently defined, investigate additional opportunities to improve metallurgical recoveries and investigate ways to reduce upfront capital costs and project critical path lead times. This would require the Company to expend significantly more funds than would be available to the Company, even accounting for the funds provided by the Offer and the Placement. There is no guarantee this extra work would produce a financially viable project, which would materially affect the viability of the Company.

(e) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could have either a positive or negative effect on the Company's operations.

(f) **Sovereign Risk**

The Company's Sihayo Pungkut Gold Project is located in Indonesia. As such its operations are subject to regulation by the Indonesian Central Government and local government bodies in relation to mining operations, environment, community relations and manpower.

Possible sovereign risks associated with operating in Indonesia include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in

the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in Indonesia or any other country in which the Company may, in the future, have an interest.

(g) **Gold**

Changes in the market price of gold, which in the past have fluctuated widely, will affect the profitability of the Company's projected operations and its financial condition. The viability of the Company's Sihayo Pungkut Gold Project also depends on the future market price of gold. The price of gold is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, demand for jewellery and industrial products containing gold, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks, other holders and speculators, and global and regional political and economic factors.

A decline in the market price of gold below the Company's projected production costs for a sustained period may have a material adverse impact on the viability of the Company's Sihayo Pungkut Gold Project. Such a decline also could have a material adverse impact on the ability of the Company to finance the development of the Sihayo Pungkut Gold Project. A decline in the market price of gold may also require the Company to write-down the carrying value of assets which may have a material adverse effect on the value of the Company's Shares.

The Company notes that there the market price of gold has been volatile during the course of the COVID-19 pandemic.

(h) **Gold - Operating and Development Risks**

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of gold mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

In addition, the Company's profitability could be adversely affected if for any reason its production and processing of gold or mine development is unexpectedly interrupted or slowed. Examples of events which could have such an impact include unscheduled plant shutdowns or other processing problems, mechanical failures, the unavailability of materials

and equipment, pit slope failures, unusual or unexpected rock formations, poor or unexpected geological or metallurgical conditions, poor or inadequate ventilation, failure of mine communication systems, poor water condition, interruptions to gas and electricity supplies, human error and adverse weather conditions.

The risks outlined above also mean that there can be no assurances as to the future development of a mining operation in relation to the Company's Sihayo Pungkut Gold Project or any projects which the Company may acquire in the future.

(i) **Seismic Risk**

The Sihayo Contract of Work is proximal to the Trans Sumatra Fault Zone (TSFZ) a known active area of seismicity. Seismic events including large scale earthquakes can occur. This risk is well understood and in part mitigated by locating the TSFZ at the bottom of the Nias Valley in a location that minimised the length of the TSFZ wall, with near surface soils within the embankment abutments excavated and replaced with engineered fill in order to improve stability of the TSFZ wall in a large seismic event. An independent consultant also completed a seismic slip analysis of the entire project including all infrastructure locations. The processing plant was relocated to a lower risk location as part of that analysis and additional hold down design of tall and critical foundations added to the design. Notwithstanding these mitigations a major event does have the potential to disrupt operations/construction and to cause damage.

(j) **US Tax Law Risk**

The Company may be a passive "foreign investment company" under US tax law, which would subject US investors to adverse tax rules.

Holders of Shares who are US taxpayers could face US income tax risks if the Company is a "passive foreign investment company" ("PFIC", as defined in the US Internal Revenue Code), which could result in a reduction in the after-tax return to a US holder of Shares. For US federal income tax purposes, the Company will be classified as a PFIC for any taxable year in which (i) 75% or more of its gross income is passive income or (ii) at least 50% of the average value of all of the Company's assets for the taxable year produce or are held for the production of passive income. For this purpose, cash is considered to be an asset that produces passive income. The Company may be classified as a PFIC for fiscal 2020. US investors should consult their own tax advisors about the application of the PFIC rules and certain elections that may help to minimize adverse US federal income tax consequences in their particular circumstances.

9.4 Mining Industry specific

(a) **Exploration Risk**

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.

Development of a commercial mining operation is also dependent on the Company having sufficient development capital, maintaining necessary titles and governmental and other regulatory approvals. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in value of the mining interests.

(b) **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.

(c) **Exploration Success**

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable resources and ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance.

There can be no assurance that exploration of the Sihayo Pungkut Gold Project, or any other mining interests 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.

(d) **Operational and technical risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery 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.

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

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

In addition, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Indonesian and

Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Indonesian Rupiah and the Australian Dollar as determined in international markets.

The Company notes that some of the amounts it owes the creditor Shareholders that are set out in Section 6.9 are owed in US\$. As such, the number of Shares that will be issued through the Debt Conversion Facility and the dilutive effect will fluctuate with movements in the A\$:US\$ exchange rate. For clarity, no creditor Shareholders will be issued an amount of Shares through the Debt Conversion Facility that is greater than its respective Entitlement.

The Company also notes that the amount owed to EDFL (a wholly owned subsidiary of Merdeka) under the Convertible Instrument will fluctuate with movements in the A\$:US\$ exchange rate. At the date of this Prospectus, the Company owes EDFL approximately A\$2,090,592 based on an exchange rate of A\$1:US\$0.7175. As noted in Section 5.3, the Company intends to seek Shareholder and FIRB approval to convert the Convertible Instrument (including any accrued interest) into Shares at a deemed issue price of A\$0.025 per Share. The number of Shares issuable to EDFL and the dilutive effect will also fluctuate with movements in the A\$:US\$ exchange rate. For further information in relation to the Convertible Instrument, refer to Section 5.3.

(f) **Permits**

The Company's proposed operations are subject to receiving and maintaining licences and permits (including forestry permits) from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from any existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.

(g) **Contractual Risk**

The Company holds a 75% interest in the Sihayo Pungkut Project pursuant to a joint venture agreement. The ability of the Company to achieve its stated objectives will depend on the performance by it and its joint venture partner of their respective obligations under that agreement. If the parties' default in the performance of their obligations under this agreement, the agreement may be terminated and it may be necessary for the Company to approach the Court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

9.5 **General risks**

(a) **Economic**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(b) **Market conditions**

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Competition risk**

The industry in which the Company is 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.

(d) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transaction would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(e) **Dividends**

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

(f) **Taxation**

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

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

(g) **Reliance on key personnel**

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

(h) **Climate change**

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.

9.6 Speculative investment

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

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

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

10. ADDITIONAL INFORMATION

10.1 Litigation

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

10.2 Continuous disclosure obligations

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

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

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

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

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

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

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

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

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

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

Date	Description of Announcement
20 August 2020	Investor Presentation
20 August 2020	Appendix 3B
20 August 2020	Significant Capital Raising
18 August 2020	Trading Halt
17 August 2020	Management Changes
12 August 2020	Appendix 3B – Loan from Merdeka
4 August 2020	Investor Presentation
31 July 2020	Quarterly Cashflow Report
31 July 2020	Quarterly Activities Report
30 July 2020	Funding Update
6 July 2020	Initial Director's Interest Notice
3 July 2020	Final Director's interest notice
1 July 2020	Executive Chairman Appointment and Director resignation
23 June 2020	Results of Feasibility Study
30 April 2020	Quarterly cashflow
30 April 2020	Quarterly activities report
13 March 2020	Half Yearly Report and Accounts
27 February 2020	Update on financing
21 February 2020	Update on Funding
14 February 2020	Response to ASX Appendix 5B Query Letter
31 January 2020	Quarterly Cashflow Report
31 January 2020	Quarterly Activities Report
20 January 2020	Change of Share Registry
29 November 2019	Results of Meeting
29 November 2019	CEO presentation to AGM

Date	Description of Announcement
29 November 2019	Chairman's Address to Shareholders
20 November 2019	Form 484 re Share buy back
31 October 2019	Quarterly Activities Report
31 October 2019	Quarterly Cashflow Report
31 October 2019	Notice of Annual General Meeting/Proxy Form
30 October 2019	Sihayo Infill Drilling Update
30 October 2019	Change of Director's Interest Notice
29 October 2019	Completion of buybacks and Placement
29 October 2019	Appendix 3B
14 October 2019	Results of Meeting

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

The announcements are also available through the Company's website www.sihayogold.com.

10.3 Market price of shares

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

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

Highest	A\$0.037	7 August 2020
Lowest	A\$0.015	20 May – 1 June 2020
Last	A\$0.032	17 August 2020

10.4 Offer Management and Underwriting Agreement

The Company has entered into an offer management and underwriting agreement pursuant to which the Company has appointed

- (a) Bell Potter, Argonaut Securities and CLSA to act as the exclusive joint lead managers and bookrunners of the Offer (together, the Joint Lead Managers); and
- (b) Bell Potter, Argonaut Capital and CLSA to partially underwrite the Offer (together, the **Joint Underwriters**).

The material terms and conditions of the Offer Management and Underwriting Agreement are summarised below:

Underwriting of Tranche 1 Placement	<p>The Company has appointed the Joint Underwriters on an exclusive basis as underwriters of the Tranche 1 Placement.</p> <p>The obligations of the Joint Underwriters to underwrite the Tranche 1 Placement do not become binding unless each of the following conditions is fulfilled (or waived):</p> <ul style="list-style-type: none">(a) Due Diligence Materials: delivery to the directors of the Company of all Due Diligence Materials in a form satisfactory to the Joint Underwriters before 7:30 pm on 20 August 2020.(b) Launch Materials: the Company releasing the Launch Materials with ASX, and lodging the Prospectus with ASIC, each in a form approved by the Joint Underwriters and in accordance with the timetable.(c) Official quotation: ASX not having indicated to the Company or the Joint Underwriters that it will not grant permission for the official quotation of the Tranche 1 Placement Shares on or before 9.30 am on the date of issue of the Tranche 1 Placement Shares (Tranche 1 Placement Settlement Date).(d) Trading halt: ASX granting the Company a trading halt pursuant to Listing Rule 17.1 commencing before 9.30am on the Tranche 1 Placement Offer Date and operating for a period of not less than two Business Days;(e) US legal opinion: Rimon Law, as US counsel for the Company, delivery to the Joint Underwriters by 10.00am on the Tranche 1 Settlement Date, an opinion to the effect that:<ul style="list-style-type: none">(i) The initial offer, sale and delivery of the Tranche 1 Placement Shares by the Company and the Joint Underwriters, in each case in the manner contemplated by this document, do not require registration under the US Securities Act; and(ii) The Company is not, and immediately after giving effect to the offer and sale of the Offer Securities and the application of the net proceeds therefrom in the manner contemplated in the Investor Presentation Materials will not be, required to register as an "investment company" under the US Investment Company Act of 1940.(f) Certificate: delivery by the Company to the Underwriters of a duly executed Certificate by 10.00 am on the Tranche 1 Placement Settlement Date in accordance with clause 5.3. <p>Further, the obligation of the Joint Lead Managers to manage the Tranche 1 Placement is conditional on satisfaction or waiver of each of these conditions precedent.</p>
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Underwriting of Entitlement Offer

The Company has appointed the Joint Underwriters on an exclusive basis as partially underwrite the Offer. The Joint Underwriters have each entered into sub-underwriting agreements with sub-underwriters, who have agreed to sub-underwrite an aggregate of 53,100,000 Shares.

The obligations of the Joint Underwriters to underwrite the Offer are conditional on:

- (a) **conditions to the Tranche 1 Placement:** satisfaction or waiver of each of the conditions to the Tranche 1 Placement (as summarised above) by the relevant time for satisfaction referred to in that condition.
- (b) **Timetable:** ASX confirming the Company can proceed with the Offer in accordance with the Timetable.
- (c) **Tranche 1 Placement issuance:** the Company allotting all the Tranche 1 Placement Shares (including any shortfall Shares under the Tranche 1 Placement which have been subscribed for by the Joint Underwriters (**Tranche 1 Placement Shortfall Securities**)).
- (d) **Cleansing Notice:** the Company lodging with ASX a cleansing notice in respect of the Tranche 1 Placement Shares.
- (e) **Prospectus:** the Prospectus and Entitlement and Acceptance Form, each in a form approved by the Joint Underwriters, being despatched to Shareholders on the Dispatch Date.
- (f) **Official quotation:** ASX not having indicated to the Company or the Joint Underwriters that it will not grant permission for the official quotation of the Shares offered under the Offer on or before 9.30 am on 21 September 2020 (unless extended) (**Entitlement Settlement Date**).
- (g) **Certificate:** delivery by the Company to the Underwriters of a duly executed Certificate by 8.00 am on the Entitlement Placement Settlement Date in accordance with clause 5.3.
- (h) **US legal opinion:** Rimon Law, as US counsel for the Company, delivering to the Joint Underwriters by 10.00am on the Entitlement Settlement Date, an opinion to the effect that:
 - (i) The initial offer, sale and delivery of the Entitlement Securities by the Company and the Joint Underwriters, in each case in the manner contemplated by this document, do not require registration under the US Securities Act, it being understood that no opinion is expressed as to any subsequent reoffer or resale of such shares; and
 - (ii) The Company is not, and immediately after giving effect to the offer and sale of the of the Offer Securities and the

	<p>application of the net proceeds therefrom in the manner contemplated in the Launch Materials will not be, required to register as an “investment company.</p>
<p>Fees</p>	<p>The Company has agreed to pay each Joint Lead Manager and Argonaut Capital their Respective Proportion (defined below) of:</p> <ul style="list-style-type: none"> (a) a fee equal to 5.5% (exclusive of GST) of the proceeds of the Tranche 1 Placement; (b) a fee equal to 5.5% (exclusive of GST) of the proceeds of the Offer (which, for the avoidance of doubt, excludes any Shares which have been issued to creditor Shareholders pursuant to the Debt Conversion Facility) (the Entitlement Offer Fee); and (c) a fee equal to 1% of the proceeds of the Tranche 2 Placement (which for the avoidance of doubt does not include the Merdeka Debt Conversion). <p>The Joint Lead Managers, Argonaut Capital and the Company agree that the Company is under no obligation to pay the Joint Lead Managers or Argonaut Capital any fees other than the Tranche 1 Placement fee, the Tranche 2 Placement fee and the Entitlement Offer Fee, including where the Joint Underwriters elect to pay fees to any sub-underwriters or other third parties in connection with the Entitlement Offer, the Tranche 1 Placement or the Tranche 2 Placement (including sub-underwriting fees and retail handling fees).</p> <p>The Respective Proportions of the Joint Lead Manager and Argonaut Capital are 33% in respect of each of Bell Potter and CLSA, 25% in respect of Argonaut Securities and 8.33% in respect of Argonaut Capital.</p> <p>The Company has also agreed to pay or reimburse the Joint Lead Managers and Argonaut Capital for costs associated with the Placement and the Offer</p>
<p>Termination Events</p>	<p>The Joint Underwriters may terminate their obligations under the Offer Management and Underwriting Agreement if:</p> <ul style="list-style-type: none"> (a) Offer Materials: A statement contained in the documents issued or published by or, with the Company's prior approval, on behalf of the Company, in respect of the Offer (Offer Materials) is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain. (b) Cleansing Notice: a cleansing notice issued by the Company in respect of the Placement is defective within the meaning of section 708A(10) of the Corporations Act. (c) Corrective Notice: a notice given to the ASX in accordance with section 708A(9) to correct a cleansing notice: <ul style="list-style-type: none"> (i) is issued; or (ii) is required to be issued under the Corporations Act and the Company fails to

take that action to the reasonable satisfaction of the Joint Underwriters.

- (d) Notifications: ASIC:
- (i) gives notice of an intention to hold a hearing or issues an order or interim order in relation to the Offer or the Offer Materials; or
 - (ii) commences an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer Materials, or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer or the Offer Materials;
 - (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or the Company; or
 - (iv) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its directors, officers, employees or agents in relation to the Offer,
- and any order, hearing, application, investigation or notice referred to in paragraphs (d)(i), (d)(ii) and (d)(iii):
- (v) is not withdrawn or dismissed within 2 Business Days after it is commenced or where it commenced less than 2 Business Days before the Entitlement Settlement Date; or
 - (vi) becomes public before it is withdrawn or dismissed.
- (e) **Timetable:** Any event specified in the Timetable is delayed by a period of more than 2 Business Days unless such delay is agreed between the Joint Underwriters and the Company.
- (f) **Winding up and insolvency:** An insolvency or winding-up event occurs in respect of the Company.
- (g) **Indexes:** On any particular trading day during the period commencing on the date of this agreement and ending on the close of trading on the Entitlement Settlement Date, if any of:
- (i) the S&P/ASX 300 Index (XKO.ASX); or
 - (ii) the S&P/ASX All Ordinaries (XAO.ASX); or
 - (iii) the S&P 500 (SP500.IZ),
- (each respectively an **Index**),

is for a period of at least 1 trading day, greater than 10% below that Index as at the close of normal trading on the trading day immediately preceding the date of formation of this agreement.

(h) **Gold price:** At any time the closing selling price per ounce of gold quoted on the spot market for gold conducted by the New York Mercantile Exchange falls to a level that is 85% or less of the closing selling price on the trading day (being a day on which the New York Mercantile Exchange is open for business) immediately prior to the date of this agreement and is at or below that 85% level at the close of trading for either 2 consecutive trading days or on the Business Day immediately prior to the Tranche 1 Placement Settlement Date or Entitlement Settlement Date (as applicable).

(i) **Quotation:** Unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Joint Underwriters, have a material adverse effect on the success or settlement of the Offer) by the ASX for official quotation of the Offer Securities is refused, or is not granted, to the official quotation of all of:

(i) the Tranche 1 Placement Shares and the Tranche 1 Placement Shortfall Securities on ASX on or before 10.00 am on the trading day after the Tranche 1 Placement Shares are issued or if granted, the approval is subsequently withdrawn, qualified or withheld; or

(ii) the Shares offered under the Offer (including Shares offered under the Shortfall Offer) on ASX on or before 10.00 am on the trading day after the issue of Shares under the Entitlement Offer occurs or if granted, the approval is subsequently withdrawn, qualified or withheld,

or ASX makes an official statement to any person or indicates to the Company or the Joint Underwriters that official quotation of the Shares offered pursuant to the Placement and the Entitlement Offer (**Offer Securities**) will not be granted.

(j) **Certificate:** A Certificate is not furnished when required to be furnished by the Company under the agreement or a statement in that Certificate is untrue, incorrect or misleading or deceptive (including by omission);

(k) **Supplementary Prospectus:** the Company is required to lodge a supplementary or replacement prospectus with ASIC and does not do so within four Business Days of becoming aware of a matter giving rise to the requirement to lodge a supplementary or replacement prospectus.

- (l) **Listing:** The Company ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on ASX (which, for the avoidance of doubt, does not include the trading halt requested by the Company for the purposes of conducting the Offer or any other period of trading halt agreed between the Company and the Joint Underwriters).
- (m) **new circumstances:** A new circumstance arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Joint Underwriters that it is materially adverse from the point of view of an investor.
- (n) **Director:** A director of the Company:
 - (i) is charged with an indictable offence or any regulatory body commences any public action against the director in his or her capacity as a director of the Company or announces that it intends to take any such action; or
 - (ii) is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F or 206G.
- (o) **misleading or deceptive conduct:** Civil or criminal proceedings are brought against the Company or any officer of the Company by a Governmental agency in relation to any fraudulent, misleading or deceptive conduct relating to the Company whether or not in connection with the Offer.
- (p) **withdrawal:** The Company withdraws the Offer (or any part of it).
- (q) **Fraud:** The Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer.
- (r) **application:** Either of the following occurs:
 - (i) there is an application to a Governmental agency for an order (including any interim order), declaration or other remedy in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it); or
 - (ii) a Governmental agency commences proceedings or makes an order (including an interim order) or a declaration in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it).
- (s) **debt facilities:**
 - (i) The Company breaches, or defaults under, any provision, undertaking, covenant or ratio or a material debt or financing

arrangement or any related documentation to which that entity is a party which has a material adverse effect on the Company; or

- (ii) An event of default or review event has resulted in a lender or financier exercising its right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation which has a material adverse effect on the Company.

Additionally, the Joint Underwriters may terminate their obligations under the Offer Management and Underwriting Agreement if one of the following events occurs, which:

- (a) has, or is likely to have, a material adverse effect on:
 - (i) its ability to market, promote or settle the Offer;
 - (ii) success or settlement of the Offer; or
 - (iii) the likely price at which the Offer Securities will trade on ASX; or
- (b) the event is likely to lead to a reasonable probability of:
 - (i) a contravention by that Joint Underwriter or that Joint Underwriter being involved in a contravention of, the Corporations Act or any other applicable law; or
 - (ii) a liability for that Joint Underwriter under the Corporations Act or any other applicable law.

These events include:

- (a) **Disclosures:** the due diligence materials or the results of the due diligence investigations or any other information supplied by or on behalf of the Company to the Joint Underwriters in relation to the Company, any member of the Company's Group or the Offer is or becomes misleading or deceptive or likely to mislead or deceive including by omission or otherwise.
- (b) **Illegality:** There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Governmental agency which makes it illegal for the Joint Underwriters to satisfy the obligations under the agreement, or to market, promote or settle the Offer in accordance with the terms of the agreement.
- (c) **Change in management:** There is a change in senior management (including the chief executive officer) or the membership of the board of directors of the Company other than as disclosed in the due

diligence questionnaires completed by management and the directors of the Company.

- (d) **Default:** A default by the Company in the performance of any of its obligations under the agreement occurs.
- (e) **Warranties:** A warranty or representation contained in this agreement on the part of the Company proves to be, or has been, or becomes, untrue or incorrect.
- (f) **material adverse change:** there is a material adverse change in the assets, liabilities, financial position, results, operations, performance, prospects or standing of the Group (only in so far as the position in relation to an entity in the Group affects the overall position of the Company).
- (g) **Change of law:** There is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or government policy in Australia (including a policy of the Reserve Bank of Australia), Indonesia or in New Zealand (including a policy of the Reserve Bank of New Zealand), other than a law or policy which has been publicly announced before the date of the agreement.
- (h) **Moratorium:** Either of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, Indonesia or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on ASX, the New Zealand Stock Exchange, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading (trading day) or substantially all of one trading day;
- (i) **hostilities:** hostilities not existing at the date of the agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving one or more of Australia, New Zealand, the United Kingdom, the United States of America, Japan, South Korea, Indonesia or the People's Republic of China, or a significant terrorist act is perpetrated in any of those countries, or a national civil emergency is declared in Indonesia (unless, on or prior to the date of this agreement, such an emergency is declared in Indonesia as a consequence of the COVID-19 pandemic), provided that such event under this clause has a

material adverse effect on the Offer or the Company.

The Offer Management and Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

10.5 Corporate Advisory Mandate

The Company has appointed Argonaut Securities (Asia) Limited (SFC CE No. AXO052) (**Argonaut Asia**) as its corporate advisor pursuant to a corporate advisory mandate dated 14 August 2020 (**Argonaut Mandate**).

The material terms of the Argonaut Mandate are as follows:

(a) Services

Argonaut Asia will act as the Company's financial advisor and provide services including, but not limited to:

- (i) providing general corporate, capital markets and strategic advice to the Board;
- (ii) assisting the Company in the development of key capital markets; and
- (iii) identifying and analysing issues to be considered and addressed in the context of capital equity market transactions,

(together, the **Services**).

(b) Term

Argonaut Asia will be engaged for a six month term (**Initial Term**) or such longer period agreed by the parties.

(c) Fee

The Company will pay Argonaut Asia A\$20,000 per calendar month (**Fee**) for a minimum four month period, capped at a total aggregate of A\$80,000 for the Initial Term.

For any months where Argonaut Asia does not provide the Services, the Fee is not payable for that calendar month.

(d) Exclusivity

The Company will exclusively obtain the Services from Argonaut Asia during the term of the Argonaut Mandate.

10.6 Interests of Directors

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

- (a) the formation or promotion of the Company;

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

Security holdings

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

Director	Shares	Entitlement	A\$
Misha Collins	6,823,547 ¹	2,274,516	56,863
Gavin Caudle ²	717,374,167 ³	239,124,723 ⁴	5,978,118
Daniel Nolan	5,363,649	1,787,883	44,697
Colin Moorhead ⁵	Nil	Nil	Nil

Notes:

1. These Shares are held indirectly by Insight Capital Management, a company in which Mr Collins has an ability to influence how the Shares are voted/disposed.
2. The Company notes that Mr Caudle has made a firm commitment to subscribe for A\$500,000 under Tranche 2 of the Placement, being 20,000,000 Tranche 2 Placement Shares. The issue of the Tranche 2 Placement Shares to Mr Caudle is subject to Shareholder and FIRB approval.
3. Of these Shares:
 - (a) 6,613,984 Shares are held directly by Mr Caudle; and
 - (b) 710,760,183 Shares are held indirectly through Provident Minerals Pte Ltd (**Provident**) of which Mr Caudle is a director and shareholder.
4. Provident has made firm commitments to take up its Entitlement through the Debt Conversion Facility to the extent of the amount it is owed by the Company. Refer to Section 6.9 for further details on the Debt Conversion Facility.
5. The Company notes that Mr Moorhead:
 - (a) Will, subject to Shareholder approval and various vesting conditions, receive up to 84,500,000 Options under an incentive package. Further details relating to Mr Moorhead's incentive package will be set out in an upcoming notice of meeting; and
 - (b) has made a firm commitment to subscribe for A\$50,000 under Tranche 2 of the Placement, being 2,000,000 Tranche 2 Placement Shares. The issue of the Tranche 2 Placement Shares is subject to Shareholder approval.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed A\$245,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2020 (Actual)¹	2021 (Proposed)¹
Misha Collins	A\$65,000	A\$45,000
Gavin Caudle	A\$45,000 ²	A\$45,000
Daniel Nolan	A\$60,000	US\$60,000
Colin Moorhead ³	Nil	A\$250,000

Notes:

1. These amounts are exclusive of superannuation.
2. Mr Caudle's director fees for FY2020 have accrued and are yet to be paid.
3. Mr Moorhead's appointment as Executive Chairman was effective 1 July 2020.

10.7 Interests of experts and advisers

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

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

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

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

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

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

Bell Potter Securities Limited will be paid a Management Fee of up to approximately A\$181,667 in respect of the Offer. Further details of the fee payable to Bell Potter Securities Limited are set out in Section 10.4 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bell Potter Securities Limited has not been paid any fees by the Company.

CLSA Australia Pty Ltd will be paid a Management Fee of up to approximately A\$181,667 in respect of the Offer. Further details of the fee payable to CLSA Australia Pty Ltd are set out in Section 10.4 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, CLSA Australia Pty Ltd has not been paid any fees by the Company.

Argonaut Securities Pty Limited will be paid a Management Fee of up to approximately A\$136,250 in respect of the Offer. Further details of the fees payable to Argonaut Securities Pty Limited are set out in Section 10.4 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Argonaut Securities Pty Limited has not been paid any fee by the Company.

Argonaut Capital Limited will be paid a Management Fee of up to approximately A\$45,417 in respect of the Offer. Further details of the fees payable to Argonaut Capital Limited are set out in Section 10.4 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Argonaut Capital Limited has not been paid any fees by the Company.

Argonaut Securities (Asia) Limited will be paid a fee of up to A\$80,000 in respect of ongoing corporate advisory services to be provided to the Company. Further details of the fees payable to Argonaut Securities (Asia) Limited are set out in Section 10.5 of this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Argonaut Securities (Asia) Limited has not been paid fees by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin A\$30,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling A\$48,765 (excluding GST and disbursements) for legal services provided to the Company.

10.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, 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 10.8:

- (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.

Bell Potter Securities Limited has given its written consent to being named as a Joint Lead Manager and Joint Underwriter to the Offer in this Prospectus, in the form and context in which it is named. Bell Potter Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CLSA Australia Pty Ltd has given its written consent to being named as a Joint Lead Manager and Joint Underwriter to the Offer in this Prospectus, in the form and context in which it is named. CLSA Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Argonaut Capital Limited has given its written consent to being named as a Joint Underwriter to the Offer in this Prospectus, in the form and context in which it is named. Argonaut Capital Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Argonaut Securities Pty Limited has given its written consent to being named as a Joint Lead Manager to the Offer in this Prospectus, in the form and context in which it is named. Argonaut Securities Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

Stantons International Audit and Consulting Pty Ltd has given its written consent to being named as the auditors in this Prospectus, in the form and context in which it is named. Stantons International Audit and Consulting Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

10.9 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately A\$687,963 (excluding GST) and are expected to be applied towards the items set out in the table below:

	A\$
ASIC fees	A\$3,206
ASX fees	A\$29,754
Management Fees	A\$605,000 ¹
Legal fees	A\$30,000
Printing and distribution	A\$5,000
Share Registry	A\$10,000
Miscellaneous	A\$5,000
Total	A\$687,963

Notes:

1. No management fees are payable in relation to Shares which have been issued to creditor Shareholders pursuant to the Debt Conversion Facility. Refer to Section 10.4 for further information.

10.10 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 427 401 198 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.sihayogold.com.

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

10.11 Financial forecasts

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

10.12 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

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

10.13 Privacy Act

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

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

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

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

11. DIRECTORS' AUTHORISATION

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

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Daniel Nolan
Executive Director & Chief Financial Officer
For and on behalf of
Sihayo Gold Limited

12. GLOSSARY

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

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Shareholder who applies for Shares pursuant to the Offer or an Eligible Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Argonaut Asia means Argonaut Securities (Asia) Limited (SFC CE No. AXO052).

Argonaut Capital means Argonaut Capital Limited (ACN 099 761 547).

Argonaut Securities means Argonaut Securities Pty Limited (ACN 108 330 650).

ASIC means Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

Bell Potter means Bell Potter Securities Limited (ACN 006 390 772).

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

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

Certificate means a certificate provided by the officers of Company, which certifies to the Joint Underwriters as at the date that it is given, that to the best of those officer's knowledge, information and belief after due enquiry, the Company has complied with all obligations on its part to be performed under the Offer Management and Underwriting Agreement, in respect of the Offer or otherwise, the warranties given by the Company are true and correct and not misleading and that no termination events have occurred.

CLSA means CLSA Australia Pty Ltd (ACN 139 992 331).

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

Company means Sihayo Gold Limited (ACN 009 241 374).

Confirmation Letter means a form of confirmation letter substantially in the form provided in the Master ECM Terms dated 23 March 2020, as posted on the website of the Australian Financial Markets Association, to be sent to, and to be signed by each Institutional Investor confirming its participation in the Shortfall Offer.

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

Convertible Instrument has the meaning given in Section 5.3.

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

Debt Conversion Facility means the facility described in Section 6.9 under which Eligible Shareholders who are also creditors of the Company may elect to take up their Entitlement by means of conversion of some or all of the existing debt owed to them by the Company.

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

Eligible Shareholder means a Shareholder who is eligible to participate in the Offer as set out in Section 6.1 of this Prospectus.

Entitlement means the entitlement of an Eligible Shareholder.

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

FIRB the Australian Foreign Investment Review Board.

Group means the Company and its subsidiaries and any body corporate, trust or other entity which is controlled by the Company whether in a fiduciary capacity or otherwise, directly or indirectly.

Ineligible Shareholder means a Shareholder determined by the Company, in consultation with the Joint Lead Managers, not to be an Eligible Shareholder.

Institutional Investor means an institutional or professional investor with a registered address in a Permitted Jurisdiction, being:

- (a) if in Canada (British Columbia, Ontario and Quebec provinces only), an "accredited investor" as defined in National Instrument 45-106 – Prospectus Exemptions;
- (b) if in France, Germany, Liechtenstein or the Netherlands, a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
- (c) if in Hong Kong, a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- (d) if in Indonesia, an institutional or professional investor who did not receive the Shortfall Offer through any mass media or other public communications;
- (e) if in Malaysia, a person prescribed under Schedules 5 and 6 of the Malaysian Capital Markets and Services Act;
- (f) if in New Zealand, a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a

government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);

- (g) if in Singapore, an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act of Singapore);
- (h) if in Switzerland, a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA;
- (i) if in the United Kingdom, a (i) "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the UK Financial Services and Markets Act 2000; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; or
- (j) if in the United States,
 - (i) an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3) and (7) under the US Securities Act; or
 - (ii) a dealer or other professional fiduciary organised or incorporated in the United States that is acting for an account (other than an estate or trust) held for the benefit or account of persons that are not "US persons" (as defined in Rule 902(k) of the US Securities Act) for which it has, and is exercising, investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S ("Eligible US Fund Manager").

Joint Lead Managers means Argonaut Securities, Bell Potter and CLSA, each of which being a **Joint Lead Manager**.

Joint Underwriters means Argonaut Capital, Bell Potter, CLSA, each of which being a **Joint Underwriter**.

Merdeka means PT Merdeka Copper Gold Tbk.

Merdeka Debt Conversion has the meaning given in Section 5.3.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Permitted Jurisdictions means Australia, Canada (British Columbia, Ontario and Quebec provinces only), France, Germany, Hong Kong, Indonesia, Liechtenstein, Malaysia, Netherlands, New Zealand, Singapore, Switzerland, United Kingdom and the United States.

Placement has the meaning given in Section 5.1.

Placement Shares means the Tranche 1 Placement Shares and the Tranche 2 Placement Shares.

Prospectus means this prospectus.

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

Regulation S means Regulation S under the US Securities Act.

Securities means equity securities.

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

Shareholder means a holder of a Share.

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

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 6.10 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Tranche 1 Placement has the meaning given in Section 5.1.

Tranche 1 Placement Shares has the meaning given in Section 5.1.

Tranche 2 Placement has the meaning given in Section 5.1.

Tranche 2 Placement Shares has the meaning given in Section 5.1.

US\$ means the lawful currency of the United States of America.

US Securities Act means the US Securities Act of 1933.