



**WESTGOLD**  
RESOURCES LIMITED

ACN 009 260 306

# Bonus Option Issue Prospectus

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For a pro-rata non-renounceable entitlement issue of one (1) Option (**Bonus Option**) for every five (5) Shares held by Eligible Shareholders at the Record Date (**Offer**), exercisable at \$2.00 per Bonus Option on or before 30 June 2019.

The Bonus Options are being issued free to Eligible Shareholders. Eligible Shareholders are not obliged to take any action in relation to the issue of Bonus Options under this Prospectus.

## **IMPORTANT NOTICE**

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

The Bonus Options offered by this Prospectus should be considered as speculative.

This is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

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## 1. Managing Director's Letter

Dear Shareholder,

On behalf of the Board of Westgold Resources Limited (**Westgold** or the **Company**), I am pleased to provide you with this Prospectus for the issue to Eligible Shareholders of free Options (exercisable at \$2.00 each on or before 30 June 2019) (**Bonus Options**) on the basis of one (1) Option for every five (5) Shares held on the Record Date.

Westgold has had a successful seven months since its demerger from Metals X Limited in December 2016. The growth in our revenue, cash flow and profits represents a maturing company while the capital re-investment in the group's new and expanding asset base heralds our future growth path.

For the year ended 30 June 2017 the Board declared no dividend payable. However, the Board recognises, and greatly appreciates, the importance of our loyal and supportive Shareholders, and wishes to express its intent to reward its Shareholders in a tax-effective way and to enhance their exposure to the Company's future growth. Hence, in lieu of a dividend and as thanks for shareholder support during our initial seven month period as a separate listed Company, the Board has elected to give eligible shareholders a Bonus Option.

**Eligible Shareholders do not need to take any action in order to receive these free Bonus Options.**

The Company will apply for the Bonus Options to trade on the ASX. The Bonus Options may trade above or below their intrinsic value. Shareholders will be able to exercise their Bonus Options in accordance with their terms and otherwise buy or sell Bonus Options on-market.

The Board recommends that you read this Prospectus in its entirety and consider the information it contains before making a decision to exercise or deal in the Bonus Options.

The Board takes the opportunity to thank all Shareholders for their ongoing support of the Company.

Yours faithfully,



**PG Cook**  
**Managing Director**  
**Westgold Resources Limited**

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## 2. Corporate Directory

### Directors

Peter Newton (Non-Executive Chairman)

Peter Cook (Managing Director)

Johannes Norregaard (Executive Director)

Fiona Van Maanen (Non-Executive Director)

Peter Schwann (Non-Executive Director)

### Company Secretary

David Okeby

### Registered office

Level 6, 197 St Georges Tce  
Perth WA 6000

Telephone: +61 8 9462 3400  
Fax: +61 8 9462 3499  
Email: [reception@westgold.com.au](mailto:reception@westgold.com.au)

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

### Share Registry\*

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Telephone: + 61 8 9315 2333

Fax: + 61 8 9315 2233

E-mail:  
[registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

### Auditor\*

Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000

### Solicitors

EMK Lawyers  
Suite 4  
236 Naturaliste Terrace  
Dunsborough WA 6281

\* 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.

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### 3. Timetable

Lodgement of Prospectus with the ASIC	8 September 2017
Lodgement of Prospectus and Appendix 3B with ASX	8 September 2017
Shares trade ex-Bonus Option entitlements	13 September 2017
Record Date for determining Entitlements	14 September 2017
Prospectus sent out to Shareholders*	20 September 2017
Intended Issue date*	28 September 2017
Official Quotation of Bonus Options issued under the Offer*	29 September 2017
Bonus Options expire	5.00pm (WST) 30 June 2019

\* These dates are indicative only and may change without prior notice. As such, the date the Bonus Options are expected to commence trading on ASX may vary.

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### 4. Important Notices

This Prospectus is dated 8 September 2017 and was lodged with ASIC on that date. Neither ASIC nor ASX or their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus. No Bonus Options may be granted and allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus. Neither the Company nor any other person warrants the future performance of the Company or any return made on any investment made under this Prospectus, except as required by law and then, only to the extent required.

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

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.

A number of terms used in this Prospectus are defined in Section 11 of the Prospectus.

## **Eligible Shareholders**

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

This Prospectus relates to an offer of Bonus Options to all Shareholders on the Record Date with a registered address in Australia, New Zealand and Hong Kong (**Eligible Shareholders**).

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

### **New Zealand**

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

### **Hong Kong**

**WARNING:** 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 of the contents of this document, you should obtain independent professional advice.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

## **Risk factors**

Potential investors should be aware that subscribing for and holding Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed companies not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered speculative. Investors should consider consulting their professional advisers in relation to the issue and exercise of Bonus Options pursuant to this Prospectus.

## **Electronic Prospectus**

This Prospectus is available in a paper version and in electronic form. The electronic version will be available on the Company's website, [www.westgold.com.au](http://www.westgold.com.au), from the date of the Prospectus. The Offer constituted by this Prospectus in electronic form is made only to Eligible Shareholders receiving this Prospectus in electronic form in Australia. Persons who access the electronic form of this Prospectus must ensure that they download and read the entire Prospectus.

Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary, David Okeby, between 8.30am and 5.00pm (WST) Monday to Friday on (08) 9462 3499 or by email to [david.okeby@westgold.com.au](mailto:david.okeby@westgold.com.au).

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## 5. Details of the Offer

### 5.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of **one (1) Bonus Option for every five (5) Shares held** by Eligible Shareholders registered at 5.00pm (WST) on the Record Date, at no initial cost.

Fractional entitlements will be rounded up to the nearest whole number. All references to numbers of Bonus Options to be issued pursuant to this Prospectus are expressed subject to rounding.

The Bonus Options granted under this Prospectus will be exercisable at \$2.00 on or before 5.00pm (WST) on 30 June 2019 and otherwise on the terms set out in section 7.1 of this Prospectus.

Based on the capital structure of the Company as at the date of this Prospectus and the number of Eligible Shareholders to whom the Offer is made, approximately 64,099,446 Bonus Options will be issued pursuant to the Offer.

The number of Bonus Options issued will depend on the total number of Shares held by Eligible Shareholders on issue at the Record Date, and the effect of rounding.

### 5.2 Entitlement to Bonus Options

The Bonus Options will be issued to Eligible Shareholders based on the number of Shares registered in their name at 5.00pm (WST) on the Record Date.

### 5.3 Eligible Shareholders

Eligible Shareholders are Shareholders with a registered address in Australia, New Zealand and Hong Kong at 5.00pm (WST) on the Record Date.

Shareholders with registered addresses on the Record Date in Australia, New Zealand or Hong Kong who are holding Shares on behalf of persons who are resident in other countries are responsible for ensuring that the taking up any Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

### 5.4 No Application Required

As the Bonus Options are being issued free of charge, no application needs to be made for Bonus Options under this Prospectus and no action is required to be taken in order for Eligible Shareholders to receive Bonus Options under this Prospectus.



## **5.5 ASX quotation of Bonus Options**

Application for official quotation by ASX of the Bonus Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. The Company will apply to list the Bonus Options under ASX code WG XO.

If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus (or such period as modified by the ASIC), the Company will not issue any Bonus Options and, if any have been issued, the issue will be void, unless ASIC grants an exemption permitting the issue.

The fact that ASX may grant official quotation to the Bonus Options is not to be taken in any way as an indication of the merits of the Company or the Bonus Options now offered.

It is the responsibility of Eligible Shareholders to determine their Entitlement for Bonus Options prior to dealing in Bonus Options. Shareholders who sell any Bonus Options before they receive their holding statements will do so at their own risk.

## **5.6 Issue**

Bonus Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in this Prospectus. The Company will issue the Bonus Options on the basis of a Shareholder's Entitlement.

## **5.7 CHES S and Issuer Sponsorship**

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

Investors who are granted Bonus Options under this Prospectus will be provided with a holding statement (similar to a bank account statement) that sets out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES S 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.

Holding statements for Bonus Options issued will be mailed in accordance with the timetable set out in this Prospectus and, in any event, as soon as practicable after their issue.

## **5.8 Rights attaching to Bonus Options**

The rights and liabilities attaching to the Options and underlying Shares are set out in section 7 of this Prospectus. The Constitution of the Company details additional provisions that apply to Shares.

## **5.9 Use of Funds**

No funds will be raised as a result of the Offer. If all of the Bonus Options are subsequently exercised, the Company will raise a further approximately \$128,198,892.

## **5.10 Existing Optionholders**

As at the date of this Prospectus the Company has 11,000,000 Options on issue. These Options have been issued to employees as part of the Company's incentive arrangements and are subject to vesting conditions that mean the Options cannot be exercised during 2017 (and so cannot be exercised before the Record Date in order to participate in the Offer as a Shareholder). Please refer to section 6.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

## **5.11 Fees and Commissions**

The Directors do not anticipate that any fees or commissions will be paid in association with this Offer.

## **5.12 Costs and Expenses of the Offer**

The Company estimates the costs of the Offer to be approximately \$105,060 (plus GST), inclusive of ASIC and ASX fees, printing and legal costs. Refer Section 9.11 of this Prospectus for details. These costs will be met from the Company's existing cash reserves.

## **5.13 Taxation Implications**

The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of the Offer.

Before deciding to exercise your Bonus Option, you should consider whether Shares to be issued on exercise are a suitable investment for you.

## **5.14 Enquiries**

Any questions concerning the Offer should be directed to David Okeby, Company Secretary, on +61 (8) 9462 3400 or by email to [david.okeby@westgold.com.au](mailto:david.okeby@westgold.com.au).

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## 6. Purpose and effect of the Offer

### 6.1 Purpose of the Offer

The purpose of the Offer is to reward Shareholders for supporting the Company and to provide the Company with a potential source of additional capital if the Bonus Options are exercised.

### 6.2 Effect of the Offer

The principal and immediate effect of the Offer, assuming all Bonus Options offered under the Prospectus are issued and quoted by ASX, will be to introduce a new class of listed security, being a maximum of 64,099,446 Bonus Options.

### 6.3 Effect on Balance Sheet

The Bonus Options to be issued pursuant to this Prospectus will be issued for nil consideration. Accordingly, there will be no immediate effect on the Company's balance sheet.

However, capital will be raised if the Bonus Options are exercised. This will affect the Company's balance sheet. If the maximum number of Bonus Options were issued and all such Bonus Options were exercised, the Company would receive approximately \$128,198,892. However, the Company is unable to specify with any certainty the extent of any change to the balance sheet given the uncertainty around the number of Bonus Options to be ultimately issued and whether and when any of the Bonus Options will be exercised.

### 6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Bonus Options offered under the Prospectus are issued, is set out below.

Shares	Number
Shares currently on issue <sup>1</sup>	320,811,020
Shares offered pursuant to the Offer	0
<b>Total Shares on issue after completion of the Offer</b>	<b>320,811,020</b>

No Shares are subject to escrow restrictions, either voluntary or ASX imposed.

Options	Number
<b>Options currently on issue<sup>1</sup>:</b>	
Employee Options, exercisable at \$2.02 each on or before, 11 January 2020	11,000,000
<b>Bonus Options offered pursuant to this Prospectus<sup>2</sup></b>	<b>64,099,446</b>
<b>Total Options on issue after completion of the Offer</b>	<b>75,099,446</b>

Note 1: As at the last practical date prior to lodgement of this Prospectus (being 7 September 2017).

Note 2: The number of Bonus Options to be issued depends on the total number of Shares on issue, and the number of Eligible Shareholders, at the Record Date, and the effect of rounding.

## 6.5 Effect on control

The issue of the Bonus Options themselves will have no effect on the control (as defined in Section 50AA of the Corporations Act) of the Company. The Company's top 20 Shareholders are listed below. If these Shareholders are eligible to receive Bonus Options and subsequently choose to exercise the Bonus Options issued to them, it may affect their overall percentage shareholding. The Company contemplates that the effect of the Offer on control of the Company will be minimal.

## 6.6 Top 20 Shareholders

The top 20 Shareholders of the Company as at the last practical date prior to lodgement (being 7 September 2017) are as follows:

No	Shareholder	Shares	%
1	HSBC CUSTODY NOM AUST LTD	109,634,106	34.17
2	J P MORGAN NOM AUST LTD	49,920,411	15.56
3	SUN HUNG KAI INV SVCS LTD <CLIENT A/C>	27,953,786	8.71
4	NATIONAL NOM LTD	17,360,964	5.41
5	CITICORP NOM PL	16,586,529	5.17
6	REDLAND PLAINS PL <MAJESTIC INV FUND>	13,900,000	4.33
7	ALL-STATES FINANCE PL	6,941,656	2.16
8	CS THIRD NOM PL <HSBC CUST NOM AU L>	5,731,921	1.79
9	AJAVA HLDGS PL	5,518,881	1.72
10	COOK PETER GERARD	2,693,750	0.84
11	CITICORP NOM PL <COLONIAL FIRST STA>	2,166,103	0.68
12	WESTERN BRIDGE PL <HK HAWKINS S/F A/C>	1,937,991	0.60
13	BNP PARIBAS NOM PL <DRP>	1,891,505	0.59
14	BNP PARIBAS NOM PL <AGENCY LENDING DRP>	1,691,024	0.53
15	SILVER LAKE RES LTD	1,250,000	0.39
16	DEBORTOLI WINES PL	1,158,631	0.36
17	OAKSOUTH PL	1,033,125	0.32
18	COOK JOAN CHRISTINE <COJO S/F A/C>	941,617	0.29
19	MINING & CIVIL MGNT SVCS	889,533	0.28
20	HSBC CUSTODY NOM AUST LTD	747,830	0.23

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## 7. Rights and Liabilities attaching to Securities

### 7.1 Terms and Conditions of Bonus Options

The Bonus Options entitle the holder to subscribe for Shares on the terms and conditions set out below.

- (a) One Bonus Option to be issued for every five Shares held at 5.00pm (WST) on the Record Date.
- (b) Each Bonus Option gives the Bonus Option Holder the right to subscribe for one Share. To obtain the right given by each Bonus Option, the Bonus Option Holder must exercise the Bonus Options in accordance with the terms and conditions of the Bonus Options.
- (c) The Bonus Options will expire at 5.00 pm (WST) on 30 June 2019 (**Expiry Date**). Any Bonus Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The amount payable upon exercise of each Bonus Option will be \$2.00 (**Exercise Price**).
- (e) The Bonus Options held by each Bonus Option Holder may be exercised in whole or in part.
- (f) An Bonus Option Holder may exercise their Bonus Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Bonus Options specifying the number of Bonus Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Bonus Options being exercised;

(**Exercise Notice**).
- (g) Any person may obtain a hard copy of a blank Exercise Notice by contacting the Company Secretary.
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Bonus Options specified in the Exercise Notice.
- (j) All Shares allotted upon the exercise of Bonus Options will upon allotment rank pari passu in all respects with the then issued Shares of the Company.
- (k) If at any time the issued capital of the Company is reorganised, all rights of a Bonus Option Holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (l) There are no participating rights or entitlements inherent in the Bonus Options and Bonus Option Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options without exercising the Option. However, the Company will, where required by the ASX Listing Rules, provide Bonus Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Bonus Options, in accordance with the requirements of the ASX Listing Rules.
- (m) An Bonus Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Bonus Option can be exercised.
- (n) The Bonus Options are transferable in whole or in part, subject to applicable requirements of the Constitution, the Corporations Act and the ASX Listing Rules.

## **7.2 Shares (being the underlying security to the Bonus Options)**

There is only one class of Shares on issue in the Company, being fully paid, ordinary Shares.

The rights attaching to Shares are set out in the Constitution of the Company (a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours). In certain circumstances, the rights are also regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and general law.

The following is a summary of the more significant rights and liabilities attaching to Shares. 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.

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

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

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

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one (1) vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a

proxy, attorney or representative, have one (1) vote for each Share held.

(c) Dividend rights

Subject to the Constitution and the Corporations Act, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable in proportion to the amounts paid up on such Shares respectively at the date of declaration of the dividend.

The Directors may from time to time pay to the Shareholders any interim dividends as appear to the Directors to be justified by the equity of the Company. The Directors may set aside any amounts from profit or other surplus assets that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the Company's profits may be properly applied.

(d) Winding-up Surplus

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 Company's property, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

(e) 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.

(f) Future increase in capital

The issue of any new Shares is under the Directors' control. 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 issue Shares as they shall, in their absolute discretion, determine.

(g) Sale of Unmarketable Parcels

The Company may take steps in respect of unmarketable parcels of Shares in the Company to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings.

The Company may only take steps to eliminate unmarketable parcels in accordance with the Constitution, the Corporations Act and the ASX Listing Rules.

(h) 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 special resolution passed at a separate meeting of the holders of the shares of that class.

(i) 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 a general meeting.



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## **8. Risk factors**

### **8.1 Introduction**

The Bonus Options offered under this Prospectus are considered 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 Bonus Options 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 Bonus Options or the underlying securities being the Shares.

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

### **8.2 Company specific risks**

(a) Taxation

The acquisition and disposal of Bonus Options (and underlying 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 subscribing for Shares from a taxation viewpoint and generally.

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

(b) Liquidity of Bonus Options (and underlying Shares)

There may be relatively few potential buyers or sellers of the Bonus Options (or underlying Shares) on the ASX at any time. This may increase the volatility of the price of the Bonus Options (or underlying Shares). It may also affect the prevailing market price at which Optionholders are able to sell their Bonus Options (or Shareholders sell their underlying Shares). This may result in a market price being received which is less than the price that Optionholders paid to acquire their Bonus Options.

(c) Environment

Westgold's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that Westgold may incur liability under these laws and regulations. Westgold proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

(d) Additional Requirements for Capital

Westgold's activities require substantial expenditure. There can be no guarantees that the funds held by Westgold will be sufficient to successfully achieve all of the objectives of Westgold's business strategy. Any equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If Westgold is unable to obtain additional financing as needed, it may be required to reduce the scope of its production operations and scale back its additional exploration programs. In addition, Westgold's ability to continue as a going concern may be diminished. There is no guarantee that Westgold will be able to secure any additional funding or be able to secure funding on terms favourable to Westgold. Such circumstances would adversely affect Westgold and their activities.

(e) Reliance on Key Personnel

Westgold is dependent on its directors', managers' and consultants' abilities to implement its business strategy. A number of factors, including the departure of senior management of Westgold or a failure to attract or retain suitably qualified key employees, could adversely affect Westgold's business strategy.

(f) Insurance

Westgold adequately insures its operations in accordance with industry practice and applicable laws in the jurisdiction(s) where it operates. However, in certain circumstances, Westgold may not be able to obtain insurance or the insurance that it can obtain may not be of a nature or level to provide adequate insurance cover. As such, the occurrence of an event that is not covered by insurance could have a material adverse effect on Westgold.

(g) Contractual arrangements

Westgold is party to a number of material contracts. Failure by any other party to a contract with Westgold to comply with their obligations could have a material adverse effect on Westgold.

(h) Joint venture partners

Financial failure or default by any participant in a joint venture to which Westgold is a party may have a material adverse effect on Westgold insofar as it may have to bear that share of the joint venture costs which would otherwise have been borne by the relevant participant in the joint venture.

### **8.3 Industry specific risks**

(a) Operating and development risks

The Company's ability to achieve any production, development, operating cost and capital expenditure estimates in a timely basis cannot be assured. The business of minerals development and mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and beyond the Company's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, change 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 a 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 in an area for which it was not responsible.

(b) 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 operation and financial performance of the Company's projects and business.

(c) Economic

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which Westgold operates.

(d) Industrial

Industrial disruptions, work stoppages and accidents in the course of Westgold's operations could result in losses and delays, which may adversely affect profitability.

(e) Management Actions

The Directors of Westgold will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of Westgold, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of Westgold and its securities.

(f) Government Policy and Legislative Change

Capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of Westgold and which may materially adversely affect Westgold and the value of its securities. Westgold's activities in the mining industry are subject to various legislation, regulation and approvals. The introduction of any new legislation, be it amendments, the application of developments in existing common law or policies or the interpretation of those laws or policies could have a material adverse effect on Westgold. Changes in government regulations may adversely affect the financial performance or the current and proposed operations generally of Westgold and the value of its securities.

In addition, Westgold's projects may require from time to time various licences, regulatory renewals or approvals by government for its operations and accordingly must comply with those approvals, applicable laws, regulations, guidelines and policies.

Specifically, Westgold may require licenses, renewals and approvals in relation to environmental matters, exploration, development and production of gold. There is a risk that Westgold may not obtain, or may be delayed in obtaining the necessary licenses, renewals and approvals in relation to its operations. This may affect the timing and scope of Westgold's operations. The loss of granted tenements or the delay in obtaining lease renewals may have a material adverse effect on Westgold.

(g) Taxation

In all places where Westgold has operations, in addition to the normal level of income tax imposed on all industries, Westgold may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(h) Foreign Exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on Westgold's operating costs and cash flows expressed in Australian dollars.

(i) Commodity Price

Westgold's prospects and Share prices will be influenced by the price obtained from time to time for gold and any other commodities produced and targeted in its exploration programs. Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on Westgold's production and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.

(j) Tenure and native title risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, Westgold could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which Westgold has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of Westgold to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on Westgold's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject

to the provisions of the Aboriginal Heritage Act 1972 (WA), or areas subject to the Native Title Act 1993 (Cth) in Australia. As a result, land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(k) Land access risk

Land access is critical for Westgold's exploration and production programs to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the Native Title Act 1993 (Cth) (NTA).

In addition, rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

(l) Exploration and development

There can be no assurance that any exploration or development activity in regard to Westgold's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of Westgold.

(m) Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. Westgold's exploration activities will be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

(n) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and no assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect Westgold's operations and ultimately Westgold's financial performance and value.

## 8.4 General risks

### (a) Stock market fluctuations and economic conditions

The Company will apply for the Bonus Options to be issued under this Prospectus to be quoted on the ASX. The price of quoted Bonus Options (and underlying Shares) may rise or fall and there is no certainty in respect of profitability, dividends, return of capital, or the price at which the Bonus Options or Shares may trade on the ASX.

The selling value of the Bonus Options (and underlying Shares) will be determined by the stock market and will be subject to a range of factors beyond the control of the Company, and the Directors and officers of the Company. Such factors include, but are not limited to:

- (i) the demand for and availability of Shares;
- (ii) movements in domestic interest rates;
- (iii) exchange rates
- (iv) general and domestic economic activity; and
- (v) fluctuations in the Australian and international stock markets.

Returns from an investment from the Shares may also depend on general stock market conditions as well as the performance of the Company. There can be no guarantee that there will be an active market in the Shares.

Changes in economic and business conditions or government policies in Australia or internationally may affect the fundamentals which underpin the projected growth of the Company's target markets or its cost structure and profitability. Adverse changes in such things as the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), consumer spending and employment rates, amongst others, are out of the control of the Company and may result in material adverse impacts on the business or its operating results.

### (b) Investment risks

As with any stock market investment, there are various risks associated with investing in the Company, specifically because of the nature of the Company's business. Potential investors should consider whether the Bonus Options offered under this Prospectus are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in this section. Many of these risk factors are outside the Directors' control. Whilst some common risk factors are set out in this section, it is not possible to produce an exhaustive list.

## 8.5 Speculative investment

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

Potential investors should consider that investment in the Company is speculative and should consult their professional advisers before deciding whether to sell or exercise Bonus Options issued under this Prospectus.

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## **9. Additional information**

### **9.1 Litigation**

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

### **9.2 Disclosing Entity**

As the Company's Shares are quoted on the ASX, the Company is a "disclosing entity" for the purposes of the continuous disclosure provisions of the Corporations Act. Amongst other consequences, this means that the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Company is also required to comply with the accounting and financial reporting requirements of the Corporations Act for the half-year and full-year accounting periods. These financial statements, together with a Directors' statement and report and an audit or review report, must be lodged with ASIC.

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.

Information that is already in the public domain has not generally been included in this Prospectus other than certain information required to be included in this Prospectus by the Corporations Act.

Investors are encouraged to have regard to the other publicly available information available through the ASX in relation to the Company before making a decision whether or not to invest.

### **9.3 Copies of Documents**

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of the ASIC or at the registered office of the Company during normal office hours.

The Company will provide a copy of each of the following documents, free of charge, to any person on request in the period prior to the issue of the Bonus Options:

- (a) the annual financial report most recently lodged by the Company with ASIC, being for the financial year ending 30 June 2017;
- (b) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (a) and before the lodgement of this Prospectus with the ASIC; and
- (c) any continuous disclosure notices 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 (a) and before the lodgement of this Prospectus with ASIC, which are as follows:

Date	Description of announcement
08 Sept 2017	Change of Registered Office
07 Sept 2017	Gold Hedging and Pre-Pay Update
07 Sept 2017	Retraction of Historic Remnant Inventory Statement
07 Sept 2017	Westgold to Develop Underground Mines at Reedys
04 Sept 2017	2017 Annual Update of Mineral Resources & Ore Reserves
01 Sept 2017	Full year financial results, bonus option and Appendix 3B

ASX maintains files containing publicly available information for all listed companies. Copies of all documents released by the Company to the ASX are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

## 9.4 Information excluded from continuous disclosure

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Prospectus.

## 9.5 No ASIC determination

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

## 9.6 Market price of Shares

The highest, lowest and last market sale prices of the Shares on ASX during the three (3) months immediately preceding the date of lodgement of this Prospectus with the ASIC and the last respective date of those sales were:

Highest	13 June 2017	\$2.04
Lowest	1 August 2017	\$1.45
Last	7 September 2017	\$2.02

## 9.7 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director:

- (a) holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in the formation or promotion of the Company, the Bonus offered under this Prospectus or any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (a) has been paid or given, or will be paid or given, any amount or benefit as an inducement to become, or to qualify as, a Director, or for services provided in connection with the formation or promotion of the Company, or the Bonus Options offered under this Offer.

## Directors' Interests in Securities

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

Director	Current Holdings		Offer Entitlement
	Shares	Options	Options
Peter Newton	6,941,656	-	1,388,331
Peter Cook <sup>1</sup>	9,529,066	2,250,000	1,905,813
Johannes Norregaard	-	-	-
Fiona van Maanen	435,521	-	87,104
Peter Schwann	-	-	-

Notes:

1. In the financial year ending 30 June 2016, Metals X Limited (**Metals X**) granted Mr Cook 324,476 performance rights, resulting in him holding a total of 709,092 Metals X performance rights at 30 June 2016. All of these performance rights vested and were converted into Metals X shares on 25 November 2016 as a result of the Company's demerger from Metals X. At that time, the Metals X share price was \$1.51. The Company has attributed a value for the accelerated vesting of Mr Cook's Metals X performance rights of \$165,387.

## Fees and Remuneration

The Constitution provides that the Company may remunerate the Directors. The total maximum in Director's fees payable to non-executive Directors has been set at \$500,000 per annum and may only be increased with the approval of Shareholders.

A director may also 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 in or about the performance of their duties as Directors.

Set out below is the remuneration paid to the current Directors of the Company for the past two financial years and proposed for the current financial year (figures in \$).

Director <sup>1</sup>	Year End	Salary & Fees	Leave/ Non cash benefits	Super-annuation	Share Based Payments	Total
Peter Newton	2016	-	-	-	-	-
	2017	46,667	-	4,433	-	<b>51,100</b>
	2018	80,000	-	7,600	-	<b>87,600</b>
Peter Cook	2016 <sup>2</sup>	119,961	5,895	5,988	24,968	<b>156,812</b>
	2017 <sup>3</sup>	400,858	36,281	22,542	835,662	<b>1,295,343</b>
	2018	610,100	28,833	25,000	646,990	<b>1,310,923</b>
Johannes Norregaard	2016	-	-	-	-	-
	2017	210,000	2,541	19,950	-	<b>232,491</b>
	2018	484,900	12,884	25,000	-	<b>522,784</b>

Fiona van Maanen	2016	-	-	-	-	-
	2017	46,667	-	4,433	-	<b>51,100</b>
	2018	80,000	-	7,600	-	<b>87,600</b>
Peter Schwann	2016	-	-	-	-	-
	2017	33,333	-	3,167	-	<b>36,500</b>
	2018	80,000	-	7,600	-	<b>87,600</b>

Notes:

1. Peter Newton and Fiona van Maanen appointed as Directors on 6 October 2016. Johannes Norregaard was appointed as a Director on 29 December 2016. Peter Schwann was appointed as a Director on 2 February 2017.
2. An apportionment of the remuneration provided by Metals X to Peter Cook based on an assessment of his time spent on the Company's operations (being 20%) in the financial year ending 30 June 2016 while the Company was a wholly owned subsidiary of Metals X.
3. For the period 1 July 2016 to 30 November 2016, includes an apportionment of the remuneration provided to Peter Cook by Metals X based on an assessment of his time spent on the Company's operations (being 20%).

## 9.8 Related Party Transactions

There are no related party transactions involved in the Offer.

## 9.9 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no promoter of the Company, or 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:

- (a) holds, or has held within the two (2) years preceding lodgement of this Prospectus with the ASIC, any interest in the formation or promotion of the Company, the Bonus offered under this Prospectus or any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given, or will be paid or given, any amount or benefit for services provided in connection with the formation or promotion of the Company, or the Bonus Options offered under this Offer.

EMK Lawyers has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay EMK Lawyers \$9,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, EMK Lawyers has been paid fees totalling \$25,508 for legal services provided to the Company.

## 9.10 Consents

Each of the parties referred to in this section:

- (a) has not caused or authorised the issue of this Prospectus or the making of the Offer;

- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (c) 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.

EMK Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus and have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

## 9.11 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$105,060 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	87,000
Legal fees	9,000
Printing and distribution	6,660
<b>Total</b>	<b>105,060</b>

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## 10. Directors' authorisation

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

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



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PG Cook

**Managing Director**  
For and on behalf of  
Westgold Resources Limited

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## 11. Glossary

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

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

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

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

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

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

**Bonus Option** means an Option exercisable at \$2.00 on or before 5.00pm (WST) on 30 June 2019, and otherwise on the terms set out in this Prospectus.

**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.

**CHES** means the Clearing House Electronic Sub-Register System operated by ASX Settlement Pty Ltd.

**Company** means Westgold Resources Limited (ACN 009 260 306).

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

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

**Directors** mean the directors of the Company.

**Eligible Shareholder** means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address in the Company's register of members is not located in Australia, New Zealand or Hong Kong.

**Offer** means the offer by way of 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.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

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

**Securities** means Shares or Options.

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

**Shareholder** means a holder of a Share.

**Share Registry** means the share registry of the Company as noted in section 1 of this Prospectus.

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