



EMERALD RESOURCES NL
ACN 009 795 046

CLEANSING PROSPECTUS

For the offer of up to 100 Shares in the capital of the Company at an issue price of \$1.125 per Share to raise up to \$112.50 (before expenses). The Company does not intend to issue any Shares under this offer.

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions that would otherwise apply to Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

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

The Shares offered under this Prospectus should be considered speculative.

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1. CORPORATE DIRECTORY

Directors

Simon Lee AO
Non-Executive Chairman

Morgan Hart
Managing Director

Michael Evans
Executive Director

Ross Stanley
Non-Executive Director

Billie Jean Slott
Non-Executive Director

Michael Bowen
Non-Executive Director

Jay Hughes
Non-Executive Director

Mark Clements
Non-Executive Director

Company Secretary

Mark Clements

Registered Office

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Lawyers

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

Auditors*

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Share Registry*

Automic Group
Level 5, 191 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

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

2. TIMETABLE AND IMPORTANT NOTES

2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	29 December 2022
Opening Date	29 December 2022
Closing Date*	5:00pm WST on 3 January 2023
Expected date of Official Quotation of the Shares	3 January 2023

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 29 December 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

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.

2.3 Electronic Prospectus

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

2.4 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 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Overseas Investors

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

2.6 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

The purpose of this Prospectus is to remove trading restrictions that have attached to the Shares that have been issued to employees since 13 January 2022 (being the date on which the Company was suspended for greater than 5 days in a 12 month period), following the conversion of options issued to them in accordance with the Company's Incentive Plan.

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 100 Shares at an issue price of \$1.125 per Share to raise up to \$112.50 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Objective

The Company is seeking to raise only a nominal amount of \$112.50 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The Shares that were issued by the Company since 13 January 2022 include:

- (a) 337,250 Shares on 21 March 2022;
- (b) 250,000 Shares on 7 June 2022;
- (c) 150,000 Shares on 24 August 2022;
- (d) 175,000 Shares on 30 November 2022; and
- (e) 125,000 Shares on 22 December 2022.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

3.3 Application for Shares

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$1.125 per Share.

Completed Application Forms and accompanying application funds must be mailed or delivered to the Company as instructed on the Application Form,

3.4 Minimum subscription

There is no minimum subscription.

3.5 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.6 Not underwritten

The Offer is not underwritten.

3.7 Issue of Shares

As noted in Section 3.2, the primary purpose of the Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date of the Offer (including prior to the date of this Prospectus).

If the Directors decide to issue Shares under the Offer, the issue of Shares will take place as soon as practicable after the Closing Date. 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. Any interest earned on the application monies will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued, and each applicant waives the right to claim any interest.

The Directors will determine the recipients of the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. 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 interest) to the applicant as soon as practicable after the Closing Date of the Offer.

The Company's decision on the number of Shares to be allocated to an applicant will be final.

3.8 Application for quotation of Shares

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date 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.

3.9 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

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.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.10 Enquiries

Any questions concerning the Offer should be directed to Mr Mark Clements, Company Secretary, on +61 8 9286 6300.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus) including the following Shares that were issued by the Company:

- (a) 337,250 Shares on 21 March 2022;
- (b) 250,000 Shares on 7 June 2022;
- (c) 150,000 Shares on 24 August 2022;
- (d) 175,000 Shares on 30 November 2022; and
- (e) 125,000 Shares on 22 December 2022.

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	593,800,983
Shares offered under this Prospectus	100
Total Shares on issue on completion of the Offer	593,801,083

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.

Options	Number
Unlisted Options exercisable at \$0.77 each on or before 8 October 2025	525,000
Unlisted Options exercisable at \$1.32 each on or before 14 March 2027	350,000
Unlisted Options exercisable at \$0.95 each on or before 23 February 2026	550,000
Unlisted Options exercisable at \$0.82 each on or before 4 January 2026	600,000
Unlisted Options exercisable at \$0.434 each on or before 5 June 2023	1,500,000
Unlisted Options exercisable at \$0.47 each on or before 21 June 2024	300,000
Unlisted Options exercisable at \$0.39 each on or before 30	600,000

Options	Number
January 2024	
Unlisted Options exercisable at \$0.67 each on or before 30 July 2025	5,125,000
Unlisted Options exercisable at \$0.94 each on or before 22 March 2026	350,000
Unlisted Options exercisable at \$1.40 each on or before 14 June 2027	250,000
Unlisted Options exercisable at \$0.53 each on or before 19 May 2025	500,000
Unlisted Options exercisable at \$1.09 each on or before 29 July 2026	3,375,000
Unlisted Options exercisable at \$0.51 each on or before 12 March 2025	600,000
Unlisted Options exercisable at \$1.02 each on or before 3 May 2026	150,000
Unlisted Options exercisable at \$1.37 each on or before 17 October 2027	2,300,000
Total Options on issue on completion of the Offer	17,075,000

4.3 Financial effect of the Offer

After expenses of the Offer of approximately \$13,206, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$112.50) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$112.50 less costs of preparing the Prospectus of approximately \$13,206.

5. 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.

5.1 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.

5.2 Voting rights

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

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

5.3 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 according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

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 Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 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.

5.5 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.

5.6 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.

5.7 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 issue Shares as they shall, in their absolute discretion, determine.

5.8 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.

5.9 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.

6. RISK FACTORS

6.1 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.

6.2 Company specific

(a) Litigation and tenure risk

As set out in Section 7.1, the Company is currently involved in a number of civil litigation proceedings in the Supreme Court of Western Australia. Refer to Section 7.1 and the Company's ASX announcements for further details in relation to the proceedings and the possible effects of the proceedings on the Company. If adverse orders are made against the Company pursuant to these proceedings, the Company may impact adversely on Bullseye Mining Limited's (**Bullseye**) operations, financial performance and financial position or suffer reputational damage.

Also as detailed in Section 7.1, certain of Bullseye's tenements are subject to applications for forfeiture.

The 2022 Bullseye Annual Report notes that the Bullseye Board is of the view that the Plaints are opportunistic and without merit and that Bullseye has engaged specialist legal counsel to assist in defending all outlined actions.

Emerald has examined the expenditure and relevant dealings in the pleaded tenements and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Emerald notes that the main mining licence (M37/519), which contains 79% of the current JORC-compliant Indicated and Inferred mineral resources, is not under claim.

The Company is also exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position.

(b) **Control of Bullseye**

The Company currently controls 59.44% of the issued capital of Bullseye, an entity that holds the North Laverton Golden Project in Western Australia. In acquiring a relevant interest in more than 50% of the Bullseye Shares, the Company has been able to determine the outcome of ordinary resolutions (in respect of which it is entitled to vote). However, the provisions of the Corporations Act, the Listing Rules, the Bullseye constitution and the statutory and fiduciary obligations of the Bullseye directors will continue to apply and may constrain the Company's ability to realise the proposed outcomes of the Bullseye business. In addition, as the balance of Bullseye shareholders hold a relevant interest in over 25% of Bullseye, they have the potential to prevent a special resolution from being passed by shareholders (a resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required to approve certain Bullseye matters including amending Bullseye's constitution or approving a voluntary winding up of Bullseye.

(c) **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.

The Company may not be able to replace its senior management or key personnel with persons of equivalent expertise and experience within a reasonable period of time or at all and the Company may incur additional expenses to recruit, train and retain personnel. Loss of such personnel may also have an adverse effect on the performance of the Company pending replacements being identified and retained.

(d) **Replacement of mineral resources and exploration activity**

The Company must eventually replace mineral resources depleted by production to maintain production levels over the long term. Mineral resources can be replaced through further drilling to identify extensions, locating new deposits or making acquisitions. There is a risk that depletion of mineral resources will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower mineral resource base.

The mineral resource base of the Company may decline if mineral resources are mined without adequate replacement. Exploration activities are highly speculative by nature, involve many risks and may be unsuccessful. There is no assurance that current or future exploration programs will be successful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional projects being developed. Also, if a discovery is made, it may take up to a decade or longer from the initial phases of exploration drilling until production is permitted and is possible.

Whether a mineral resource is commercially viable depends on several factors, including the particular attributes of the deposit, such as size, grade, quality and proximity to infrastructure, commodity prices, government regulation, obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and

the exercise of discretions by such authorities, land tenure, land use, and environmental protection.

There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of gold. Accordingly, if the exploration activities undertaken by the Company do not result in additional mineral resources, there may be an adverse effect on the Company's financial performance.

The Company intends to announce an update mineral resource in relation to the 100% owned Okvau Gold Project in Cambodia and the 59.44% owned North Laverton Gold Project in Western Australia and a maiden mineral resource at the 100% owned Memot Gold Project in Cambodia in FY23.

(e) **Operating Risks**

The Company's business operations are subject to risks and hazards inherent in the gold industry. The exploration for and the development of mineral resources and the production of gold involves significant risks, including environmental and safety hazards, industrial accidents, equipment failure, import/ customs delays, shortage or delays in installing and commissioning plant and equipment, metallurgical and other processing problems, seismic activity, unusual or unexpected rock formations, flooding, fires, or other natural disasters, outbreaks, continuations or escalations of disease (including pandemics), interruption to, or the increase in costs of, services (such as water, fuel or transport), sabotage, community, government or other interference and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production and power facilities, dams, or other properties, and could cause personal injury or death, environmental damage, pollution, delays in mining, increased production costs, monetary losses and possible legal liability. Mining operations involve the use of heavy machinery, which involves inherent risks that cannot be completely eliminated through preventative efforts.

Costs of production may be affected by a variety of factors, including changing waste-to-ore ratios, adverse weather conditions, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. If faced by the Company, these circumstances could result in the Company not realising its operational or development plans, or in such plans costing more than expected, or taking longer to realise than expected.

Any of these outcomes could have an adverse effect on the Company's financial and operational performance.

The Company will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may

have a material adverse effect on the Company's performance and the value of its assets.

(f) **Development risk**

The ability of the Company to achieve production targets or meet operating and capital expenditure estimates on a timely and accurate basis cannot be assured.

The Company may encounter unexpected difficulties, including shortages of materials or delays in delivery of materials, unexpected operational events, facility or equipment malfunctions or breakdowns, unusual or unexpected adverse geological conditions, cost overruns, regulatory issues, adverse weather conditions and other catastrophes, such as explosions, fires, floods and accidents, increases in the level of labour costs and the existence of any labour disputes, and adverse local or general economic or infrastructure conditions.

Any delays beyond the expected development periods or increased costs above those expected to be incurred, could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and ability to pay dividends.

(g) **Sovereign Risk**

The Company is conducting exploration and development activities in Cambodia. There is no assurance that future political and economic conditions in that country will not result in the Cambodian Government adopting policies precluding foreign investment and/or control in and development and ownership of mineral resources in Cambodia (directly or indirectly).

Any changes in policy by the Cambodian Government may result in changes in the laws relating to ownership and control of assets and shares in Cambodian companies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect the Company's ability to carry out its stated objectives.

It is possible that a future government in Cambodia may adopt substantially different policies, which might extend to limitation of foreign control of shares or assets, or expropriation of assets.

There can be no assurance that the government of Cambodia from time to time will not impose measures that could have a material adverse effect on the Company's future operations.

In December 2019, Emerald signed a Mineral Investment Agreement (**MIA**) with the Minister of Mines & Energy and the Minister of Economy & Finance, as authorised by the Cambodian Council of Ministers. Among other key fiscal aspects of the agreement, the MIA provides for a standstill/stability clause and allows for offshore arbitration. Refer to ASX announcements dated 26 November 2019 and 6 January 2020.

(h) **Financing Risk**

In the ordinary course of operations and development, the Company is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and

environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

In addition, the Company's operations and expansion plans may also result in increases in expected capital expenditure commitments. The Company may require additional funding to continue or expand its business and may require additional capital in the future to, among other things, develop its projects or build additional processing capacity, and no assurance can be given that such external capital will be available at all or available on terms acceptable to the Company.

If the Company is unable or not permitted to obtain adequate external financing on acceptable terms to satisfy its operating, development and expansion plans, the Company's business and results of operations may be materially and adversely affected.

(i) **Dependence on licences, permits and approvals**

The Company's projects require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities in relevant jurisdictions, including Cambodia and Western Australia, including in relation to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters (**Operating Authorisations**).

Obtaining and complying with the necessary Operating Authorisations or governmental regulations can be complex, costly and time consuming and is not assured. The duration, cost and success of applications for Operating Authorisations are contingent on many factors, including those outside the control of the Company. Delay in obtaining or renewing, or failure to obtain or renew, a material and necessary permit could mean that the Company may be delayed or, in a worst-case scenario, unable to proceed with the development or continued operation of a mine or project.

The Operating Authorisations that the Company need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of the Company to conduct its mining operations, which in turn may impact the Company's operations, financial performance and financial position.

No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of the Company's assets. Any inability to conduct the Company's mining operations pursuant to applicable

Operating Authorisations would materially reduce the Company's production and cash flow.

Also as detailed in Section 7.1, certain of Bullseye's tenements are subject to applications for forfeiture.

(j) **Climate change risks**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. 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.

6.3 Industry specific risks

(a) **Occupational Health and Safety**

The Company will be subject to extensive laws, rules and regulations regarding occupational health and safety. As a result, the Company may experience increased costs of production in the future arising from compliance with such laws, rules and regulations. There can be no assurance that more stringent laws, regulations or policies regarding occupational safety and health will not be implemented or that existing laws, regulations and policies will not be more stringently enforced.

Should the Company fail to comply with any occupational safety and health laws or regulations imposed, the Company could be required to rectify the occupational safety and health problems within a period prescribed by law and/or as prescribed by the relevant regulatory authorities. Failure to rectify any such problem could lead to disruptions to business and the breach could attract penalties involving mandatory fines.

In addition, there can be no assurance that accidents arising from the mishandling of dangerous articles will not occur in the future. Should the Company fail to comply with any relevant laws, regulations or policies or should any accident occur because of the mishandling of dangerous articles, the Company's business, reputation and financial condition may

be adversely affected, and may be subject to penalties and civil liabilities or criminal liabilities.

Workplace incidents may occur for various reasons, including as a result of non-compliance with occupational health and safety laws. The Company may be liable for workplace incidents that occur to the Company's employees or other persons under applicable occupational health and safety laws. If the Company is liable under such laws, in whole or part, the Company may be liable for significant penalties, which may adversely impact the Company's operations, financial performance and financial position.

(b) **Environmental risk**

The operations and activities of the Company are subject to the environmental laws and regulations of Cambodia and Australia. As with all mining operations and exploration projects, the Company's operations and activities are expected to have an impact on the environment.

The Company intends to conduct its operations and activities to high standards of environmental performance, including compliance with all environmental laws and regulations. Nevertheless, such operations may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the Company's operations, financial performance and financial position.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality.

Changes in environmental legislation could increase the cost of the Company's exploration, development and mining activities or delay or preclude those activities altogether. The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not require the Company to incur significant expenses and undertake significant investments which could have material adverse effect on the Company's business, financial condition and performance.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets,

may directly or indirectly impact the Company's costs and operational efficiency.

(c) **Production inputs**

Timely and cost-effective execution of the Company's mining operations and exploration activities are dependent on the adequate and timely supply of water, fuel, chemicals and other critical supplies. Any increase in the price of production inputs, including labour, fuel, particularly heavy fuel oil, consumables or other inputs could materially and adversely affect the Company's business and results of operations.

Input costs can be affected by changes in factors including market conditions, government policies, exchange rates and inflation rates, which are unpredictable and outside the Company's control.

If the Company is unable to procure the requisite quantities of fuel or other inputs in time and at commercially acceptable prices or if there are significant disruptions in the supply of fuel, water or other inputs (including as a result of COVID-19), the performance of the Company's business and results of operations could be materially and adversely affected.

(d) **Price of gold**

The success of the Company's operations will be primarily dependent on the price of gold as the Company's revenue will be derived from the sale of gold. Gold prices are volatile and may fluctuate because of numerous factors, which are beyond the control of the Company. Such factors include, but are not limited to:

- (i) speculative positions taken by investors or traders in gold;
- (ii) changes in global demand for gold;
- (iii) global and regional recessions or reduced economic volatility and/or inflationary expectations;
- (iv) financial market expectations regarding the rate of inflation;
- (v) the strength of the US dollar (the current in which gold trades internationally);
- (vi) gold hedging and de-hedging by gold producers;
- (vii) decisions made by central banks and multilateral organisations to purchase, hold or sell portions of their gold reserves; and
- (viii) changes in production costs in major gold producing regions.

Historically, the price of gold has fluctuated widely and is currently trading significantly above long-term historical average prices. The possible adverse consequences of future price declines could include the following:

- (i) the Company may become uneconomic because the projected future revenues no longer justify the costs of operation or development;

- (ii) the Company may be unable to raise finance to construct or complete required infrastructure on acceptable terms;
- (iii) the Company's revenue may decline to a point at which its operations are uneconomic, as a result of which the Company may cease operations;
- (iv) the Company may be required to restate its gold reserves and resources; and
- (v) the Company's operations may experience delays while assessments are made of the economics of the Company's Projects under different gold price assumptions.

(e) **Ore reserve and mineral resource estimate**

Ore Reserve and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. The reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Company obtains new information through additional drilling and analysis, Ore Reserves and Mineral Resource estimates are likely to change. This may result in changes to the Company's proposed exploration, development and production programs which in turn, may positively or negatively affect the Company's operations and financial position. In addition, by their very nature, Ore Reserve and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

(f) **Production estimates and metallurgical recovery**

The Company's actual production may vary materially from targets and projections of future production for a variety of reasons, including, adverse operating conditions (such as unexpected geological conditions, fire, weather, accidents), compliance with governmental requirements, labour and safety issues, delays in installing or repairing plant and equipment, inability to complete, or lack of success of, capital development and exploration drilling. Problems may also arise due to interruptions to essential services (such as power, water, fuel, equipment or transport capacity) or technical support which results in a failure to achieve expected target dates for production. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, results of operations and financial condition.

6.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) 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 will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) **Taxation**

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

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

(e) **COVID-19**

The global economic outlook continues to face uncertainty due to COVID-19, which has been having, and is likely to continue to have, a significant impact on global capital markets, supply chains, staffing and foreign exchange rates.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors

be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from COVID-19 and measures implemented by governmental authorities around the world to limit the transmission of the virus may, in addition to the general level of economic uncertainty, also adversely impact the Company's operations, financial position and prospects.

6.5 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 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.

7. ADDITIONAL INFORMATION

7.1 Litigation

Matter COR 83 of 2020

In July 2020, Hong Kong Xinhe International Investment Company Limited (**Xinhe**), a substantial shareholder in Bullseye, brought an action in the Supreme Court of Western Australia, COR 83 of 2020, against Bullseye and its three directors (one of whom still remains on the board) alleging that the affairs of Bullseye have been conducted in a manner which is oppressive to or unfairly discriminatory against Xinhe and contrary to the interests of shareholders as a whole. On 10 August 2021, Xinhe commenced fresh oppression proceedings against Bullseye and the three directors in order to litigate in one proceeding alleged grounds of oppression which had arisen since the first proceedings were commenced. Xinhe seeks a number of orders to remedy the alleged oppressive conduct.

The trial of the proceedings commenced before his Honour Justice Marcus Solomon on 6 September 2021, and continued across a number of blocks of trial dates, having reached completion on 22 November 2022 with judgement pending, by which time it had run for a total of 73 trial days.

Xinhe's claims in the proceedings were vigorously defended by Bullseye. The Board is of the view that with the takeover bid for Bullseye by the Company having been successfully completed, most of the relief sought by Xinhe in these oppression proceedings have become moot, save in relation to the costs of the proceeding, which will be in contest.

As at the date of this Prospectus, the matter is still on-going, and it is premature to estimate the total (if any) costs associated with this case.

Matter COR 159 of 2022

This action was commenced by Xinhe and related entity Au Xingao Investment Pty Ltd (**AXI**) on 25 August 2022, against Bullseye, Emerald and the five directors of Bullseye, at the time Emerald acquired control of Bullseye. ASIC has also been included as a defendant on the basis that the relief sought against the other defendants potentially affects ASIC. In these proceedings, Xinhe and AXI applies for relief from oppressive conduct of Bullseye's affairs since October 2020.

Emerald will defend the claims in these proceedings. Until a statement of claim is served on Emerald and the other defendants, it is difficult for Emerald to understand the basis upon which the claims are brought or assess the relief claimed. Emerald's position is that any grievances of any substance, which the plaintiffs have, in relation to the takeover bids by Emerald or AXI, were ventilated before the Takeovers Panel and orders made by the Panel were complied with by Emerald and Bullseye in giving further disclosure via supplementary bidder and target statements and extending rights of withdrawal to Bullseye shareholders, who had already accepted Emerald's offer, such that the Emerald takeover bid ultimately proceeded with the endorsement and imprimatur of the Takeovers Panel.

Matter CIV 1989 of 2020

Mr Sam Cheng and Mr Eddy Cheng as trustees of the NEZA Trust brought an action in the District Court of Western Australia, CIV 1989 of 2020, against Bullseye, seeking payment of capital raising fees from Bullseye in the amount of approximately \$366,000.

Bullseye filed a defence and counterclaim in the proceedings, denying any amount is owing to the Plaintiffs, and claiming:

- (a) reimbursement of fees paid by Bullseye to the Plaintiffs in the sum of \$120,000; and
- (b) the transfer to Bullseye of 900,000 shares in Bullseye, or alternatively reimbursement of fees in the sum of \$117,000.

The trial of this matter commenced on 31 January 2022 and proceeded for four sitting days. On 4 February 2022, the trial was adjourned part-heard and four further trial days were heard in October 2022. The trial is now complete with judgement pending. This matter is not deemed material to Emerald or Bullseye.

Matter CIV 1987 of 2020

Mr Sam Cheng brought a further action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, alleging that Bullseye has breached a contract between Bullseye and Mr Cheng entered into around 9 October 2013, by failing or refusing to pay monthly consulting fees to Mr Cheng in the amount of \$580,000 during the period from June 2018 until May 2020.

On 19 October 2020, Bullseye filed a defence denying that it is liable to Mr Cheng for any amount owing under such a contract, and a counterclaim against Mr Cheng and other parties. Bullseye seeks unliquidated damages against the parties for conspiring to cause harm and injury to Bullseye.

The action is in the interlocutory stages of the Court process and is awaiting judgment to be delivered by the District Court (anticipated in January 2023), concerning applications for security for costs issued against Bullseye by six of the defendants to the counterclaim.

Once the security for costs applications have been determined, Bullseye will advance its damages claim. As the matter progresses, it is expected to be elevated to the Supreme Court commensurate with the damages to be sought in the proceeding.

Dispute with Inca Minerals Limited

Bullseye and Inca Minerals Limited are in dispute in relation to nickel rights on two of Bullseye's non-core tenements within Bullseye's North Laverton Gold Project. The parties entered into a mediation process which commenced on 6 December 2022 which has subsequently been adjourned. This matter is not deemed material to Emerald or Bullseye.

Tenure Plaints

Between the dates of 27 June 2019 through to 12 March 2020, Bullseye has received applications for forfeiture lodged against many of Bullseye's North Laverton Gold Project tenements and the Company's Southern Cross tenements.

The applications for forfeiture have been lodged by the following parties against the following projects:

Project	Application for forfeiture
North Laverton Gold Project	(a) Zygmund Wolski; and (b) Golden Soak Enterprises Pty Ltd (Michael Jay Williams).
Southern Cross Gold Project	(a) West Australian Prospectors Pty Ltd (Vernon Wesley Strange); and (b) Zygmund Wolski.

18 applications for forfeiture have been lodged against Bullseye's mining tenements by Golden Soak Enterprises Pty Ltd (**Golden Soak**) and a total of 55 applications for forfeiture have collectively been lodged by West Australian Prospectors Pty Ltd (**WAP**) and Mr Zygmund Wolski (**Wolski**) against mining tenements held by Bullseye and its subsidiaries.

In addition to the above, 14 objections to exemption from expenditure applications have been lodged by WAP or Wolski against 17 mining tenements held by Bullseye and its subsidiaries. If any of the objections to exemption from expenditure applications are determined in favour of Bullseye, then any forfeiture applications in respect of those 17 tenements will fall away.

The objections to exemption applications lodged by WAP and Wolski were originally listed for a substantive hearing on 1 to 3 November 2022, however the substantive hearing dates have recently been re-listed to 28 February and 1-2 March 2023. Bullseye has agreed with both WAP and Wolski that any substantive hearing of the applications for forfeiture lodged by those parties will not be heard until after the applications for exemptions have been determined. Bullseye expects that any substantive hearings of the Wolski and WAP forfeiture applications will not occur until the second half of 2023.

Most of the Golden Soak applications for forfeiture are second in time to forfeiture applications lodged by either WAP or Wolski. On that basis, Golden Soak and Bullseye have agreed that the first in time applications for forfeiture should be heard first.

In December 2022, an objection to exemption from expenditure and application for forfeiture was lodged against E37/1018 by Turner River Holdings Pty Ltd.

Considering historical and current expenditure on the licences, no matter the outcome in the Warden's court, Emerald is of the view it is unlikely it will result in forfeiture of any significant licences.

Bullseye is of the view that the Plaints are opportunistic and without merit and has engaged specialist legal counsel to assist in defending all outlined actions.

Other than as set out above, as at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

Exploration and development works have continued at Bullseye's Southern Cross Gold Project and in particular at the Hopes Hill Gold Mine. Bullseye is currently assessing a number of opportunities for the divestment of the Southern Cross Gold Project. Further updates will be provided in due course, as and when terms for

any divestment proposal materialise. These terms may also contemplate the provision of ongoing technical and development support for the project through access to the Bullseye and Emerald geological and operational teams.

7.2 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 the 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.

The purpose of this Prospectus is to remove trading restrictions that have attached to the Shares that have been issued to employees since 13 January 2022 (being the date on which the Company was suspended for greater than 5 days in a 12 month period), following the conversion of options issued to them in accordance with the Company's Incentive Plan.

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

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

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

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

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

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

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

Details of documents lodged 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
24 October 2022	Annual Report to shareholders
24 October 2022	Notice of Annual General Meeting/Proxy Form
31 October 2022	Quarterly Activities/Appendix 5B Cash Flow Report
1 November 2022	ESOP Option Issue
1 November 2022	Notification regarding unquoted securities - EMR
1 November 2022	Proposed issue of securities - EMR
24 November 2022	AGM Presentation
24 November 2022	Results of Meeting
25 November 2022	Notification regarding unquoted securities - EMR
25 November 2022	Change of Director's Interest Notice
2 December 2022	Application for quotation of securities - EMR
22 December 2022	Application for quotation of securities - EMR
29 December 2022	Modern Slavery Statement

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 <https://www.emeraldresources.com.au/announcements>.

7.3 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 most recent dates of those sales were:

	Price	Date
Highest	\$1.225	21 December 2022
Lowest	\$1.005	26 September 2022
Last	\$1.180	29 December 2022

7.4 Details of substantial holders

The names of shareholders who have lodged substantial shareholder notices with ASX as at 15 December 2022 are:

Shareholder	Shares	%
Morgan Cain Hart & Simore Pty Ltd	39,383,334	6.63%
BlackRock Group	37,280,514	6.28%
Tazga Two Pty Ltd	36,599,696	6.16%

There will be no material change to the substantial holders on completion of the Offer.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or 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 is set out in the table below.

Director	Shares	Options
Simon Lee	24,733,333	Nil
Morgan Hart	39,383,334	Nil

Director	Shares	Options
Michael Evans	1,991,677	2,500,000 ¹
Billie Slott	Nil	Nil
Ross Stanley	36,599,696	Nil
Michael Bowen	Nil	Nil
Jay Hughes	1,850,000	Nil
Mark Clements	555,115	Nil

Notes:

1. Comprising:

- (a) 500,000 unlisted \$1.37 options expiring 17 October 2027;
- (b) 500,000 unlisted \$1.09 options expiring 29 July 2026;
- (c) 1,000,000 unlisted \$0.67 options expiring 30 July 2025; and
- (d) 500,000 unlisted \$0.434 options expiring 5 June 2023.

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 and approved by shareholders at an amount not to exceed \$1,000,000 per annum.

A Director may be paid fees or other amounts (ie 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	Estimated 30 June 2023 (\$)	30 June 2022 (\$)
Simon Lee	108,000	90,000
Morgan Hart ¹	647,055	580,683
Michael Evans ²	958,699	1,132,181
Billie Slott	78,000	49,500
Ross Stanley ³	78,000	66,000
Michael Bowen ⁴	62,700	N/A
Jay Hughes ⁵	62,700	N/A

Notes:

1. Comprising \$527,204 cash salary and fees; \$78,750 short term employee benefit incentives; \$25,296 superannuation and \$15,805 in long service leave benefits. (June 2022: \$471,432 cash salary and fees; \$23,568 superannuation; and \$85,683 annual and long service leave benefits).
2. Comprising \$527,204 cash salary and fees; \$78,750 short term employee benefit incentives; \$25,296 superannuation; \$15,536 in long service leave benefits; and \$311,913 in Options (June 2022: \$471,432 cash salary and fees; \$295,000 short term employee benefit incentives; \$23,568 superannuation; \$74,266 annual and long service leave benefits; and \$267,915 in Options).
3. Comprising \$70,588 cash salary and fees; and \$7,412 superannuation (June 2022: Comprising \$60,000 cash salary and fees; and \$6,000 superannuation).
4. Appointed as a director on 13 September 2022, comprising \$56,742 cash salary and fees; and \$5,958 superannuation.
5. Appointed as a director on 13 September 2022, comprising \$56,742 cash salary and fees; and \$5,958 superannuation.

7.6 Interests of experts and advisers

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

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

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

- (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.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services.

7.7 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:

- (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 disclaims and takes 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.

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.

7.8 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$13,206 as follows:

Expense	(\$)
ASIC Fees	3,206
Legal Fees	10,000
Total	13,206

The estimated expenses will be paid out of the Company's existing working capital.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9286 6300 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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 Prospectus or any of those documents were incomplete or altered.

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

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

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

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

7.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, 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 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.

8. 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.



Morgan Hart
Managing Director
For and on behalf of
Emerald Resources NL

9. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

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.

Bullseye means Bullseye Mining Limited (ACN 118 341 736).

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

Closing Date means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

Company means Emerald Resources NL (ACN 009 795 046).

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

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

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

Offer means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

Share Registry means Automic Pty Ltd (ACN 152 260 814).

WST means western standard time as observed in Perth, Western Australia.

Xinhe means HongKong Xinhe International Investment Company Limited.