

Chapmans Limited

ACN 000 012 386

Prospectus

Offer

For the conditional offer of 1,000 Shares at an issue price of \$0.01 each to raise \$10 (**Offer**).

Cleansing

This Prospectus has also been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date. Please refer to **Section 4.3** for further details.

Underwriting

The Offer is not underwritten.

IMPORTANT NOTICE

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.

This is an important document that should be read in its entirety. Please read the instructions in this document and on the accompanying Application Form regarding acceptance of the Offer. If you do not understand this document you should consult your stockbroker, accountant or other professional adviser. The Securities offered by this Prospectus should be considered as highly speculative.

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1. IMPORTANT INFORMATION

1.1 General

The Prospectus is dated 17 July 2018 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

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.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX. No Shares will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

1.2 Conditional Offer

The Offer is conditional on the Company achieving the minimum subscription as set out in **Section 4.2**.

1.3 Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.chapmanslimited.com. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the 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 electronic version of this Prospectus.

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 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.

1.4 Application for Securities

Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of the Offer. By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for Securities in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Prospectus, you have acted in accordance with the terms of the relevant Offer detailed in this Prospectus and you agree to all of the terms and conditions as detailed in this Prospectus.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

1.5 Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the specific risk factors set out below and further risk factors set out in **Section 6** that could affect the performance of the Company (but are not exhaustive of all such potential risks). Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Risks specific to the Company include, without limitation:

(a) Cryptocurrency Related Business Activities

The Company has made and proposes to make investments in businesses considered crypto-currency-related businesses. The Company notes the following in relation to cryptocurrency-related business investments:

- investment into cryptocurrency related businesses are high risk in nature as cryptocurrencies are currently highly speculative;
- cryptocurrency-related businesses have a number of other risk factors, including but not limited to the following:
 - the development of new regulatory framework involving cryptocurrencies;
 - cryptocurrencies and cryptocurrency exchanges have raised regulatory issues across multiple jurisdictions;
 - in many countries, cryptocurrencies are subject to anti-money laundering and counter-terrorism funding legislations; and
- for its blockchain and cryptocurrency-related business investments, the Company has and will always endeavour to use the best of its ability to ensure that the Company and its subsidiaries comply with relevant local in-country regulatory requirements.

(b) Additional Requirements for Capital

The Company's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which the Company may incur may depend in part on its ability to raise additional funds.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Market conditions which are then generally prevailing will impact on the price or cost at which the Company will be able to raise such funds and no assurance can be given that such funding will be available on terms acceptable to the Company. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of the Company's business. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities.

(c) New business opportunities and acquisitions

The Company has to date and will continue to actively pursue and assess other new business opportunities. The Company cannot confirm the structure or proposed form of any potential business opportunity.

The acquisition of a business or asset may require the payment of monies (as a deposit) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current activities and the new business and/or assets, which may

result in the Company reallocating funds from its existing activities and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new business activities will remain.

Any new asset or business acquisition may change the risk profile of the Company, particularly if the new asset or business is located or operates in another jurisdiction and/or changes the Company's capital/funding requirements. Should the Company propose or complete the acquisition of a new asset or business activity, investors should re-assess their investment in the Company in light of the new asset/business activity.

(d) Market for Shares

There can be no guarantee that an active market in the Company's Shares will exist in the future.

(e) Issue of Additional Securities

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted. Further, if any holders of Options choose to exercise their Options, the percentage ownership of existing Shareholders may be further reduced and diluted.

1.6 Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. 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. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in Securities or the Company.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon.

1.7 Offer restrictions

The offer of Securities made pursuant to this Prospectus is not made to persons or in places to which, or in which, it would not be lawful to make such an offer of Securities. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore 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 applicable laws.

This Prospectus 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.

1.8 Representations

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer.

1.9 Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. The Company also notes that past performance is not a guide to future performance. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

1.10 Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 9**.

All references in this Prospectus to \$, **AUD** or **dollars** are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Sydney, New South Wales.

2. CORPORATE DIRECTORY

Directors

Mr Peter Dykes – Executive Chairman
Mr Anthony Dunlop – Director & Chief Investment Officer
Mr Dato' Muhamad Adlan bin Berhan – Non-Executive Director
Mr Daler Fayziev – Non-Executive Director

Company Secretary

Mr Robert Lees

Registered Office

Level 10, 52 Phillip Street
Sydney NSW 2000

Share Registry*

Security Transfer Australia Pty Ltd
Suite 511, 155 King Street
Sydney NSW 2000
registrar@securitytransfer.com.au

Auditor*

Nexia Australia
1 Market Street
Sydney NSW 2000

Legal Advisor

Thomson Geer
Level 25, 1 O'Connell Street
Sydney NSW 2000

ASX Code

CHP

Website

www.chapmanslimited.com

*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.

3. TIMETABLE

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC	17 July 2018
Opening Date	17 July 2018
Closing Date	18 July 2018
Expected Date of Official Quotation of the Shares (subject to ASX approval of that Official Quotation)	19 July 2018

The above dates are indicative only and may be subject to change. The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases.

4. DETAILS OF THE OFFER

4.1 Offer

The Company is making an offer of 1,000 new Shares to investors identified by the Directors at an issue price of \$0.01 each to raise \$10 before expenses of the Offer. The Offer has a minimum subscription of 1,000 Shares to raise \$10. The Offer will only be made to investors identified by the Directors, however no Shares will be issued under the Offer to Directors, related parties of the Company or any other person if the issue would breach the takeover prohibition in section 606 of the Corporations Act.

The Company reserves the right to reject any Application Form or to allocate any Applicant fewer Shares than the number for which the Applicant has applied.

4.2 Condition of the Offer

The Offer is conditional upon the Company achieving the minimum level of subscription for the Offer, being 1,000 Shares to raise \$10.

Satisfaction of the above condition is a requirement for the issue of Shares under the Offer. In the event that this condition is not met within 4 months of the date of this Prospectus (or such period as varied by the ASIC), all Application Monies will be returned to Applicants without interest as soon as practicable thereafter and no Shares will be issued under the Offer.

4.3 Purpose of the Offer

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and accordingly, the purpose of this Prospectus is not to raise capital. The Directors intend to apply the proceeds from the Offer to expenses of the Offer.

The Offer is for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued prior to the Closing Date, including the issue of 500,000,000 shares at an issue price of \$0.00166 per share on 17 July 2018, to private investors pursuant to a placement (**Placement**) to whom the Company is not required to issue a disclosure document under the Corporations Act (**Placement Shares**). The issue of the Placement Shares raised \$830,000 (before costs). These funds will be used for working capital and existing investments, as referred to in the Company's announcement dated 12 July 2018 and Appendix 3B dated 17 July 2018. The Placement Shares issued rank equally with existing Shares on issue.

4.4 Cleansing

Relevantly, section 708A(11) of the Corporations Act provides that an offer of securities for sale 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 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.

4.5 Rights and liabilities attaching to new Securities

The Shares to be issued pursuant to the Offer are of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to the Shares are further described in **Section 7.3**.

4.6 Minimum subscription

The Offer is conditional on the Company achieving the minimum level of subscription of 1,000 new Shares to raise \$10. No Shares under the Offer will be issued until the minimum subscription has been reached. If the minimum subscription has not been achieved within 4 months from the date of this Prospectus (or such period as varied by the ASIC), all Application Monies will be refunded to Applicants without interest in accordance with the Corporations Act.

4.7 Oversubscriptions

No oversubscriptions for the Offer will be accepted by the Company.

4.8 Underwriting

The Offer is not underwritten.

4.9 Applications

Applications for Securities under the Offer can only be made on the relevant original Application Form attached to or accompanying this Prospectus. Under the Offer, Applicants may apply for a minimum parcel of 100 Shares, representing a minimum investment of \$1.00 using an Application Form. Applicants seeking additional Shares must apply thereafter for Shares in multiples of 100 (equivalent to \$1.00).

All applications must be completed in accordance with the detailed instructions on the Application Form and be accompanied by a cheque or bank cheque drawn and payable on an Australian bank (if applicable). The cheque must be made payable to “Chapmans Limited” and should be crossed “Not Negotiable”. No brokerage or stamp duty is payable.

Completed Application Forms and accompanying cheques (if applicable) must be received by the Company before 5.00pm (EST) on the Closing Date by either being delivered to, or mailed to, the following address:

Delivered to: Chapmans Limited Level 10, 52 Phillip Street Sydney NSW 2000	Posted to: Chapmans Limited Level 10, 52 Phillip Street Sydney NSW 2000
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All Application Monies received with duly completed Application Forms will be paid into the Company account in accordance with **Section 4.11**.

An original, completed and lodged Application Form together with a cheque for the Application Monies (if applicable) constitutes a binding and irrevocable offer to subscribe for the number of Securities specified in each Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application Form as valid and how to construe, amend or complete the Application Form is final, however, for Application Forms an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

Applicants are encouraged to lodge their Application Forms as soon as possible, as the Offer may close early without notice.

4.10 Allocation and issue of Securities

Subject to satisfaction of the relevant condition specified in **Section 4.2**, the issue of Securities will occur as soon as practicable after the Closing Date. Holding statements will then be dispatched as required by ASX. It is the responsibility of Applicants to determine whether they have been allocated any Shares pursuant to the Offer prior to trading in those Shares. Applicants who sell the Securities before they receive their holding statement will do so at their own risk.

The Directors reserve the right to reject any Application Form or to issue a lesser number of Shares than that applied for under the Offer. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded without interest.

4.11 Application Monies

The Application Monies for Shares to be issued pursuant to the Offer will be held in trust on behalf of Applicants until the Shares are issued. If the condition to the Offer set out in **Section 4.2** is not achieved within a period of 4 months from the date of this Prospectus (or such period as varied by the ASIC), the Application Monies will be refunded to Applicants in full as soon as practicable without interest, and no Shares will be issued under the Offer. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

4.12 ASX quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus.

If approval for Official Quotation of the Shares to be issued pursuant to this Prospectus is not granted within 3 months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies without interest as soon as practicable.

There can be no guarantee of whether ASX will grant Official Quotation of the Shares, but if ASX does grant such Official Quotation, that is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.13 Overseas investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Securities in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of Securities offered pursuant to this Prospectus. Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

4.14 CHESS and issuer sponsorship

The Company operates an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of Securities.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's Share Registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the ASX Listing Rules and the Corporations Act.

4.15 Privacy disclosure

Persons who apply for Securities pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to security holders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 share registry. If the information requested is not supplied, applications for Securities will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained, corrected and updated by that Shareholder through contacting the Company or the Share Registry.

4.16 Taxation

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

4.17 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company Secretary, Robert Lees, on +61 2 9299 9580.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

Offer

This Offer is for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares to be issued prior to the Closing Date.

5.2 Effect of the Offer

The effect of the Offer will, assuming that 1,000 Shares are issued pursuant to the Offer, be that:

- (a) cash reserves (before costs) will increase by approximately \$10; and
- (b) the number of Shares on issue (including the Placement Shares) will increase from 2,319,000,000 to 2,319,001,000.

The Directors intend to apply the proceeds from the Offer to expenses of the Offer.

5.3 Capital structure

The capital structure of the Company following completion of the Offer is set out below.

Shares	Full Subscription
Existing Shares on issue at the date of this Prospectus (including the Placement Shares)	2,319,000,000
Shares to be issued under the Offer	1,000
Total Shares on issue at completion of the Offer	2,319,001,000

Options	Full Subscription
Unlisted Options on issue as at the date of this Prospectus	0
Listed Options on issue at the date of this Prospectus ¹	873,040,000
Options to be issued under the Offer	0
Total Options on issue at completion of the Offer	873,040,000

¹Each Option on issue has an exercise price of \$0.015 and is exercisable until 30 November 2021.

Fully Diluted Share Capital	Full Subscription
Shares on issue at the date of this Prospectus	2,319,000,000
Total Shares on issue at completion of the Offer	2,319,001,000

Total Shares on issue if all Options on issue on completion of the Offers are exercised ²	3,192,041,000
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²This assumes no other Shares are issued between the date of this Prospectus and the date of exercise of the last Option on issue.

5.4 Pro forma statement of financial position

Set out below is the audited statement of financial position of the Company and the unaudited pro forma statement of financial position, as at 31 December 2017, prepared on the basis of the following assumptions:

- (a) the Offer was effective on 17 July 2018; and
- (b) no further Securities are issued.

The pro forma statement of financial position has been prepared on the basis of the Audited Financial Statements for the financial year ending 31 December 2017 lodged on 31 March 2018.

Notes

Adjustments related to the Offer assume funds of \$10 raised and costs of the Offer of \$8,050.

The pro forma statement of financial position does not include any events subsequent to 31 December 2017 other than the issue of:

- (a) 25,000,000 Shares pursuant to a placement at an issue price of \$0.015 per share on 13 February 2018;
 - (b) 198,750,000 Shares pursuant to a placement at an issue price of \$0.008 on 16 April 2018;
 - (c) 295,250,000 Shares for the satisfaction of amounts owing by the Company on 5 June 2018;
 - (d) 873,040,000 Options on 29 June 2018; and
 - (e) the Placement Shares,
- (together, the **Previous Issues**),

to investors to whom the Company is not required to issue a disclosure document under the Corporations Act.

	Audited 31 December 2017 \$	Adjustments in relation to the Previous Issues \$	Adjustments related to the Offer \$	Unaudited Pro Forma 31 December 2017 \$
Current Assets				
Cash assets	41,943	5,157,000	(8,040)	5,190,903
Trade and other receivables	596,295	-	-	596,295
Total Current Assets	638,238	5,157,000	(8,040)	5,787,198
Non-Current Assets				
Financial assets	2,860,008	-	-	2,860,008
Investments accounted for under the equity method	626,509	-	-	626,509
Plant & Equipment	7,386	-	-	7,386
Total Non-Current Assets	3,493,903	-	-	3,493,903
TOTAL ASSETS	4,132,141	5,157,000	(8,040)	9,281,101
Current Liabilities				
Trade and other payables	572,437	-	-	572,437
Borrowings	10,320	-	-	10,320
Total Current Liabilities	582,757	-	-	582,757
Non-Current Liabilities				
Borrowings	-	-	-	-
Total Current Liabilities	-	-	-	-
TOTAL LIABILITIES	582,757	-	-	582,757
NET ASSETS	3,549,384	5,157,000	(8,040)	8,698,344
EQUITY				
Contributed equity	27,383,547	5,157,000	(8,040)	32,532,507
Accumulated losses	(26,993,221)	-	-	(26,993,221)
Reserves	100,186	-	-	100,186
Equity Attributable to owners of Chapmans Ltd	490,512	5,157,000	(8,040)	5,639,472
Non controlling interest	3,058,872	-	-	3,058,872
TOTAL EQUITY	3,549,384	5,157,000	(8,040)	8,698,344

5.5 Effect of the Offer on control

The Company will not issue Shares under the Offer to Directors, related parties of the Company or any other person if the issue would breach the takeover prohibition in section 606 of the Corporations Act. The following table sets out the potential dilutionary effect of the Offer assuming that no current Shareholders apply for or are issued Shares under the Offer.

Full Subscription		
Existing Shares (including the Placement Shares)	Shares to be issued	% dilution

2,319,000,000	1,000	~0.0%
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6. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

This **Section 6** along with **Section 1.5** identify the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and the Company's ASX announcements and consult their professional advisor before deciding whether to apply for Shares.

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 and Options in the future.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can effectively manage them is limited.

6.1 Key risks

Risks specific to the Company are set out in **Section 1.5**.

6.2 Industry Specific Risks

(a) Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account by the Company. If such unforeseen expenditure is subsequently incurred, this may adversely affect the Company's financial position and financial performance.

(b) Dependence on outside parties

The Company may pursue a strategy that forms strategic business relationships with other organisations. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations.

6.3 General risks

(a) Policies and legislation

Any material adverse changes in Federal, State or Territory government policies or legislation of Australia and in other jurisdictions in which the Company operates or may operate may affect the viability and profitability of the Company.

(b) Share market

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. The market price of the Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- commodity price fluctuations;
- changes in investor sentiment toward particular market sectors;

- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few or no buyers or sellers of Shares or quoted Options on the ASX at any particular time.

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. Investors may therefore realise less than, or lose all of, their investment.

(c) Competition

The industry in which the Company is involved is subject to domestic and global competition. While 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, and such activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Economy

The future viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- general economic conditions;
- changes in government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the commodities sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates; and
- natural disasters, social upheaval or war.

(e) Taxation

In addition to the Company being at risk of adverse taxation events and reforms in taxation laws (and other laws) 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 or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) Litigation risks

The Company is exposed to possible litigation risks including, without limitation, 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, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its management and its Directors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of those individuals cease to be appointed to the Company.

(h) Insurance risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks faced by the Company is not always available and where available the costs can be prohibitive.

(i) 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 and financial position of the Company and the value of the Shares offered under this Prospectus.

The Shares proposed to be issued pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or market value.

The prices at which an investor may be able to trade the Shares, if at all, may be above or below the price paid by the investor for the Shares.

Potential investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

Potential investors should also 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 Continuous disclosure obligations

The Company is a “listed disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which, among other things, require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

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 and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publically available information in relation to the Company, which has been notified to the 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 publically 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.

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of 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 with ASIC by the Company;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of the annual financial report referred to in **Section 7.1(c)(i)** and before the lodgement of a copy of this Prospectus with ASIC; and
 - (iii) all 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 **Section 7.1(c)(i)** before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Shares the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

Copies of all documents lodged with ASIC in relation to the Company can be obtained from, or inspected at, an ASIC office, or they may be inspected at the registered office of the Company during normal office hours. Copies of documents lodged with ASX, in relation to the Company, including the Company's corporate governance policies, may be obtained from the Company's website.

The following announcements have been lodged with the ASX in respect of the Company since the lodgement of the 2017 annual report.

Date	Heading
17/07/2018	Appendix 3B
16/07/2018	Response to ASX Appendix 3X Query
12/07/2018	Chapmans successfully raises \$830,000
11/07/2018	Initial Director's Interest Notice
10/07/2018	Trading Halt
03/07/2018	Chapmans Appoints Non Executive Director
29/06/2018	Appendix 3B replacing Appendix 3B lodged 20 June 2018
20/06/2018	Appendix 3B
14/06/2018	Disclosure Document - Prospectus
06/06/2018	Ceasing to be a substantial holder
05/06/2018	Disclosure Document - Cleansing Prospectus
05/06/2018	Appendix 3B
04/06/2018	Securrency Update
31/05/2018	Results of Meeting
25/05/2018	Ceasing to be a substantial holder for RFN
22/05/2018	Amended Appendix 4C
22/05/2018	Change in substantial holding for RFN
18/05/2018	Final Director's Interest Notice
16/05/2018	Change of Auditor
11/05/2018	Change of Company Secretary and Director Resignation
09/05/2018	GPU.One Update
01/05/2018	Notice of Annual General Meeting/Proxy Form
01/05/2018	Quarterly Activities Report and Appendix 4C
26/04/2018	CHP Completes \$2.55M Investment in GPU.One
16/04/2018	Reinstatement to Quotation
16/04/2018	Prospectus

16/04/2018	Appendix 3B
16/04/2018	CHP Secures Amended GPU.One Term Sheet & Capital Raise
12/04/2018	Response to ASX Query Letter
10/04/2018	Amendment to GPU.One Presentation
05/04/2018	Securrency Investment Update
03/04/2018	Appendix 4G
03/04/2018	Corporate Governance Statement
03/04/2018	Annual Report to shareholders

7.2 Determination by ASIC

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

7.3 Rights and liabilities attaching to the Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) 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.

(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 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 fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, 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).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with

special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, 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 of the Company, 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.

(e) Shareholder liability

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

(f) 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 or the ASX Listing Rules.

(g) Variation of Rights

Pursuant to 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.

(h) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes cast by Shareholder entitled to vote 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.

7.4 Consents

Each of the parties referred to as consenting parties who are named below:

- (a) does not make the Offer;
- (b) has not authorised, and has not caused the issue of this Prospectus;
- (c) has not made, or purported to make, any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, except to the extent specified in this **Section 7.4**;

- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus; and
- (e) has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

Legal Advisor	Thomson Geer
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7.5 Directors', experts' and advisers' consents and interests

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

- Director or proposed Director (or any firm in which any such Director or proposed Director is a partner or director);
- 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;
- promoter of the Company; or
- underwriter to the issue of the Securities or financial services licensee named in this Prospectus as being involved in the issue of the Securities,

holds at the date of this Prospectus or held at any time during the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the offer of Securities under the Offer; or
- 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:

- in the case of the Directors or any proposed Directors, as an inducement to become or qualify as a Director; or
- for services provided in connection with:
 - a. the formation or promotion of the Company; or
 - b. the Offer.

Thomson Geer has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Thomson Geer \$4,000 (excluding GST and disbursements) for these services.

The Company is party to deeds of access and indemnity with each of the Directors. Under the deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a Director of the Company. The Company must allow the Directors to inspect Board papers in certain circumstances once the relevant Director ceases to be a director of the Company.

(a) Directors' Relevant Interests in securities

As at the date of this Prospectus, the Directors had the following Relevant Interests in Shares:

Director	Number
Peter Dykes	72,862,502
Dato' Muhamad Adlan bin Berhan	40,050,000
Anthony Dunlop	35,075,000
Daler Fayziev	Nil

(b) **Remuneration**

The Constitution provides that the Directors may be paid for their services as directors a maximum total amount (excluding salaries) determined by the Company in general meeting. Executive Directors are entitled to be remunerated by salary or other employment related benefits in accordance with their employment agreements. The table below sets out the remuneration paid, or due to be paid, to the Directors, inclusive of superannuation (exclusive of GST) for the two financial years prior to the date of this Prospectus and for the current financial year until the date of this Prospectus:

Director	Proposed remuneration to be paid in 2018 financial year	Remuneration paid in 2017 financial year	Remuneration paid in 2016 financial year
Peter Dykes	\$480,000	\$421,200	\$514,500
Dato' Muhamad Adlan bin Berhan ¹	\$-	\$-	\$-
Anthony Dunlop	\$480,000	\$542,000	\$514,500
Daler Fayziev ²	\$15,000	\$-	\$-

¹Appointed 11 August 2017

²Appointed 3 July 2018

(c) **Director Disclosure**

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

Except as set out below, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after the ceased to be an officer.

Anthony Dunlop was a director of Capital Mining Limited at the time that it entered into external administration on 16 May 2018.

Peter Dykes was a director of Capital Mining Limited within 12 months of the time that it entered into external administration on 16 May 2018.

Peter Dykes was a director of Stirling Wealth Group Limited within 12 months of the time that it entered into external administration on 15 May 2018.

The other Directors, being Dato' Muhamad Adlan bin Berhan and Daler Fayziev, do not believe that the above matters are material to or indicative of future performance of Mr Dunlop or Mr Dykes' duties as a Director of the Company or the future performance or prospects of the Company.

7.6 Details of substantial holders

Based on publicly available information as at 17 July 2018, there are no persons that have a relevant interest in 5% or more of the Shares on issue.

7.7 Expenses of the Offer

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Full Subscription
ASIC fees	\$2,400
ASX fees	\$1,650
Other costs (including legal)	\$4,000
Total	\$8,050

7.8 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.

During the three month period prior to the date of this Prospectus, the highest and lowest Share price respectively has been \$0.009 (on 23 April 2018) and \$0.002 (on 12 July 2018). The last market sale price per Share prior to the date of this Prospectus was \$0.002 (on 16 July 2018).

7.9 Litigation

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

7.10 Financial Forecasts

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

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 ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 17 July 2018.

A handwritten signature in black ink, appearing to read 'Anthony Dunlop', with a horizontal line extending to the right.

Anthony Dunlop
Executive Director
Chapmans Limited

9. DEFINITIONS

Definitions used in this Prospectus are as follows:

Applicant means an applicant for Securities under the Offer.

Application Form means an application form in respect of the Offer attached to and forming part of this Prospectus.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.01 per Share pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the ASX Listing Rules published and distributed by the ASX.

Board means the board of Directors of the Company from time to time.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the date that the Offer close which is 5.00pm (EST) on 18 July 2018 or such other time and date as the Directors determine.

Company means Chapmans Limited ACN 000 012 386.

Constitution means the constitution of the Company.

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

Director means a director of the Company.

EST means Eastern Standard Time in Australia.

Offer means the offer to investors to be identified by the Directors of 1,000 shares at an issue price of \$0.01 each pursuant to this Prospectus to raise \$10.

Official Quotation means official quotation on ASX.

Opening Date means the first date for receipt of completed Application Forms which is 17 July 2018 or such other time and date as the Directors determine.

Option means an option to acquire a Share.

Placement has the meaning given to it in Section 4.3.

Placement Shares has the meaning given to it in Section 4.3.

Previous Issues has the meaning set out in Section 5.4.

Prospectus means this prospectus dated 17 July 2018.

Relevant Interest has the meaning given to it by sections 608 and 609 of the Corporations Act.

Section means a section of this Prospectus, unless otherwise specified.

Securities means Shares and Options.

Share means a fully paid ordinary share in the Company.

Share Registry means Security Transfer Australia Pty Ltd.

Shareholder means the registered holder of a Share.