

SUREFIRE RESOURCES NL

ACN 083 274 024

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of two and a half (2.5) Shares for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.012 per Share to raise up to \$3,603,031 (based on the number of Shares on issue as at the date of this Prospectus), together with:

- (a) one (1) free attaching option exercisable at \$0.018 on or before 30 November 2019 for every one (1) Share subscribed for (**Free-Attaching Options**); and
- (b) one (1) free attaching contributing share for every one (1) Share subscribed for (**Contributing Shares**), with:
 - (i) a first call for \$0.009 per Contributing Share to be made within 12 months of its date of issue;
 - (ii) a second call for \$0.009 per Contributing Share to be made within 24 months of its date of issue; and
 - (i) a third call for \$0.009 per Contributing Share to be made within 36 months of its date of issue.

The Entitlement Offer is fully underwritten by CPS Capital Group Pty Ltd (**CPS Capital**). Refer to Section 9.1 for details regarding the terms of the Underwriting Agreement. CPS Capital is also the Lead Manager and Corporate Advisor to the Offer.

IMPORTANT NOTICE

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

The Securities offered by this Prospectus should be considered as speculative.

CONTENTS

2.	CORPORATE DIRECTORY.....	1
3.	TIMETABLE.....	2
4.	IMPORTANT NOTES.....	3
5.	DETAILS OF THE OFFER.....	8
6.	PURPOSE AND EFFECT OF THE OFFER.....	18
7.	RIGHTS AND LIABILITIES ATTACHING TO SECURITIES.....	22
8.	RISK FACTORS	28
9.	MATERIAL CONTRACTS	33
10.	ADDITIONAL INFORMATION	38
11.	DIRECTORS' AUTHORISATION	46
12.	GLOSSARY.....	47

2. CORPORATE DIRECTORY

Directors

Vladimir Nikolaenko (Non-Executive Director)
Michael Povey (Non-Executive Director)
Roger Smith (Non-Executive Director)

Company Secretary

Neville Bassett

Share Registry*

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

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Auditor

Greenwich & Co Audit Pty Ltd
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Solicitors

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Lawyers and Consultants
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Perth WA 6000

Underwriter

CPS Capital Group Pty Ltd**
Level 45, 108 St Georges Terrace
Perth WA 6000

Lead Manager and Corporate Advisor

CPS Capital Group Pty Ltd**
Level 45, 108 St Georges Terrace
Perth WA 6000

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

** Australian Financial Services Licence number 294848.

3. TIMETABLE

Lodgement of Prospectus with the ASIC	24 April 2018
Lodgement of Prospectus & Appendix 3B with ASX	24 April 2018
Notice sent to Shareholders	27 April 2018
Ex date	30 April 2018
Rights start trading	30 April 2018
Record Date for determining Entitlements	1 May 2018
Prospectus sent out to Shareholders & Company announces this has been completed	2 May 2018
Rights stop trading	4 May 2018
Last day to extend the Offer	8 May 2018
Closing Date*	11 May 2018
ASX notified of under subscriptions	16 May 2018
Issue date/Securities entered into Shareholders' security holdings	18 May 2018
Quotation of Shares issued under the Offer*	21 May 2018

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

4. IMPORTANT NOTES

This Prospectus is dated 24 April 2018 and was lodged with the ASIC on that date. The ASIC, 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 Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

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

4.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8, and include, but are not limited to:

Risk	Description	Prospectus reference
Going concern risk	Risks relating to the Company's ability to continue as a going concern.	Section 8.2(a)
Potential for significant dilution	Risks relating to the dilutionary impacts of the Offer.	Section 8.2(b)
Additional requirements for capital	Risks relating to the future capital requirements of the Company and its ability to obtain suitable funding.	Section 8.2(c)
Exploration risks	Risks relating to exploration of mining tenements.	Section 8.3(a)
Commodity price volatility and exchange rate risks	Risks relating to fluctuation in commodity prices and exchange rates.	Section 8.3(b)

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities 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 Securities pursuant to this Prospectus.

The Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they trade on ASX. The past performance of the Company should not necessarily be considered a guide to future performance.

4.2 Consolidation of capital

On 22 March 2018, Shareholders approved the consolidation of the Company's capital on a 20:1 basis (**Consolidation**). As of the date of this Prospectus, the Company's Securities are trading on a post-Consolidation basis.

Unless otherwise stated, all references to Securities in this Prospectus are references to Securities on a post-Consolidation basis.

4.3 Director interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement (assuming their Options are not exercised), is set out in the table below:

Director	Shares	Options	Entitlement	Value of Entitlement
Vladimir Nikolaenko ^{1,2}	25,498,374 (21.23%)	35,000,000 ⁶	63,745,935 Shares 63,745,935 Free-Attaching Options 63,745,935 Contributing Shares	\$764,951
Roger Smith ^{3,4}	5,194,977 (4.33%)	3,000,000 ⁶	12,987,443 Shares 12,987,443 Free-Attaching Options 12,987,443 Contributing Shares	\$155,849
Michael Povey ⁵	Nil	18,000,000 ⁶	Nil	Nil

Notes:

- Shares held indirectly by Plato Mining Pty Ltd (21,000,000 Shares), Mercury Investments Pty Ltd (4,403,374 Shares) and Pharoah Nominees Pty Ltd <Tuscan Super Fund A/C> (95,000 Shares), each a company in which Mr Nikolaenko has a director and shareholding interest.
- Plato Mining Pty Ltd (**Plato Mining**), an entity controlled by Mr Nikolaenko, is also a Sub-Underwriter to the Offer. For further details refer to Section 5.14.
- Shares held indirectly by Rogon Nominees Pty Ltd <Super Fund A/C> (1,025,000 Shares), Each Nominees Pty Ltd (134,000 Shares) and Halith Pty Ltd (4,035,977 Shares), each a company in which Mr Smith has a director or shareholding interest.
- Halith Pty Ltd, an entity controlled by Mr Smith, is also a Sub-Underwriter to the Offer. For further details refer to Section 5.14.

5. All of Mr Povey's Options are held by Minman Pty Ltd <Povey Super Fund>, a company in respect of which Mr Povey is a director. Mr Povey is also a beneficiary of the Povey Super Fund. Minman Pty Ltd, an entity controlled by Mr Povey, is also a Sub-Underwriter to the Offer. For further details refer to Section 5.14.
6. Exercisable at \$0.018 on or before 30 November 2019, and otherwise on the same terms as those offered under the Offer (refer to Section 7.2 for the full Option terms).

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

4.4 Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Vladimir Nikolaenko and his associated entities ¹	25,498,374	21.23%

Note:

1. Comprising Director, Vladimir Nikolaenko, and his controlled entities (as outlined in Section 4.3). Plato Mining, an entity controlled by Mr Nikolaenko, is also sub-underwriting to the Offer (refer to Section 5.14 for further information).

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer. Notwithstanding any intention to take up their full Entitlement, on the basis that the Offer is, subject to the satisfaction of certain conditions, fully underwritten, on successful completion of the Offer, the substantial holders will maintain their interests in the Company.

4.5 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 49.2% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	8.33%	25,000,000	10,000,000	2.38%
Shareholder 2	5,000,000	4.16%	12,500,000	5,000,000	1.19%
Shareholder 3	1,500,000	1.25%	3,750,000	1,500,000	0.36%
Shareholder 4	400,000	0.33%	1,000,000	400,000	0.1%
Shareholder 5	50,000	0.04%	125,000	50,000	0.01%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer.

The effect of the Offer on the control of the Company and in particular the Sub-Underwriters' shareholding in the event that Shareholders do not participate in the Entitlement Offer is further described in Section 5.15.

4.6 Underwriting

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). Refer to Section 9.1 for a summary of the terms of the underwriting.

4.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.

Eligible Shareholders may apply for Shortfall Securities under the Shortfall Offer, subject to such Applications being received prior to the Closing Date. The issue price for each Share to be issued under the Shortfall Offer will be \$0.012, being the price at which Shares have been offered under the Offer.

The allocation of the Shortfall Securities will be at the discretion of the Board, in consultation with the Underwriter and otherwise in accordance with the terms of the Underwriting Agreement. Shortfall will be allocated in priority to Eligible Shareholders who are not controlled by Directors, with any remaining Shortfall Securities to be allocated to the Sub-Underwriters in proportion to their respective sub-underwritten amounts.

If the number of Shortfall Securities applied for exceeds the Shortfall, Shortfall will be allocated among Eligible Shareholders equitably and otherwise at the discretion of the Board (in consultation with the Underwriter).

4.8 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.

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 respective dates of those sales were:

Highest	\$0.020	20 January 2017 - 23 March 2018
Lowest	\$0.013	16 - 17 April 2018
Last	\$0.017	24 April 2018

4.9 Forward-looking statements

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 8.

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a renounceable entitlement issue of two and a half (2.5) Shares for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.012 per Share, together with:

- (a) one (1) Free-Attaching Option exercisable at \$0.018 on or before 30 November 2019 for every one (1) Share subscribed for; and
- (b) one (1) free attaching Contributing Share, with no amount paid up on their date of issue, for every one (1) Share subscribed for, with:
 - (i) a first call for \$0.009 per Contributing Share to be made within 12 months of its date of issue;
 - (ii) a second call for \$0.009 per Contributing Share to be made within 24 months of its date of issue; and
 - (iii) a third call for \$0.009 per Contributing Share to be made within 36 months of its date of issue.

Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, and no Options are exercised prior to the Record Date, a maximum of approximately 300,252,600 Shares, 300,252,600 Free-Attaching Options and 300,252,600 Contributing Shares, will be issued pursuant to the Offer to raise up to approximately \$3,603,031. No funds will be raised from the issue of the Free-Attaching Options or the Contributing Shares.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7 for further information regarding the rights and liabilities attaching to the Shares.

The Free-Attaching Options and Contributing Shares will be issued on the terms and conditions set out in Sections 7.2 and 7.3 (respectively). All Shares issued upon the exercise of the Free-Attaching Options, and the Contributing Shares upon becoming fully paid, will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 6.1.

5.2 Minimum subscription

As the Offer is fully underwritten, the minimum subscription is the full subscription, being approximately \$3,603,031.

5.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to Section 5.4);
- (b) take up all of their Entitlement and apply for Securities under the Shortfall Offer (refer to Section 5.5);
- (c) sell all of their Entitlement on ASX (refer to Section 5.6);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 5.7);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 5.8);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to Section 5.9); or
- (g) allow all or part of their Entitlement lapse (refer to Section 5.10).

5.4 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Surefire Resources NL — Subscription Account" and lodged and received at any time after the issue of this Prospectus and on or before 5.00pm (WST) on the Closing Date at the Company's Share Registry (by delivery) at 110 Stirling Highway, Nedlands WA 6909 (or post) PO Box 1156, Nedlands WA 6909.

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in Section 5.11.

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure

that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

5.5 Taking up all of your Entitlement and applying for Shares under the Shortfall Offer

Should you wish to accept all of your Entitlement and apply for Shortfall Securities under the Shortfall Offer, then Applications for Shortfall Securities under this Prospectus must be made on the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

5.6 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Securities under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 30 April 2018 and will cease on 4 May 2018.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

5.7 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Securities you wish to take up and follow the steps in Section 5.4, or make a payment by BPAY in accordance with Section 5.13.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

5.8 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Securities you wish to take up and follow the steps in Section 5.4. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

5.9 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable

from the Share Registry) and the applicable transferee's cheque for the Securities they wish to subscribe for payable to "Surefire Resources NL - Subscription Account" and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) at the address specified in Section 5.4.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Securities the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 5.4.

5.10 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enables Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

5.11 Implications of an acceptance

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

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

5.12 Payment by cheque/bank draft

All cheques must be drawn from an Australian bank or bank draft made payable in Australian currency to "Surefire Resources NL – Subscription Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

5.13 Payment by BPAY®

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

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Securities which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

5.14 Underwriting and sub-underwriting

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). The Company will pay an underwriting fee of 4% of the total amount raised under the Offer (plus GST) to the Underwriter. The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The terms of the Underwriting Agreement are summarised in Section 9.1.

The Underwriter has entered into Sub-Underwriting Agreements with Plato Mining, Halith Pty Ltd and Minman Pty Ltd, pursuant to which:

- (a) Plato Mining will sub-underwrite 8,333,333 Shares, 8,333,333 Free-Attaching Options and 8,333,333 Contributing Shares. Plato Mining is an entity associated with Director, Vladimir Nikolaenko;
- (b) Halith Pty Ltd will sub-underwrite 4,166,667 Shares, 4,166,667 Free-Attaching Options and 4,166,667 Contributing Shares. Halith Pty Ltd is an entity associated with Director, Roger Smith; and
- (c) Minman Pty Ltd will sub-underwrite 4,166,667 Shares, 4,166,667 Free-Attaching Options and 4,166,667 Contributing Shares. Minman Pty Ltd is an entity associated with Director, Michael Povey.

Under the terms of each Sub-Underwriting Agreement, each Sub-Underwriter will be paid a sub-underwriting fee of 5% of their respective sub-underwritten amounts.

To the extent entities associated with each Sub-Underwriter currently hold Shares in the Company, these entities intend to take up their Entitlement. Please refer to Section 4.3 for disclosure of Director interests in Securities, including details regarding their respective Entitlements.

5.15 Effect on control of the Company

(a) Underwriting by CPS Capital

The Underwriter does not currently hold any Shares. The Underwriter is not a related party of the Company for the purposes of the Corporations Act.

The Underwriter has entered into Sub-Underwriting Agreements with the Sub-Underwriters in respect of a total of 16,666,667 Shares, 16,666,667 Free-Attaching Options and 16,666,667 Contributing Shares (representing 5.55% of the total Securities offered under the Entitlement Offer).

The Underwriter's present relevant interests and changes under several scenarios are set out in the table below. Given the Underwriter is not currently a Shareholder, it will not have any Entitlement under the Offer.

Event	Shares held by Underwriter ^{1, 3}	Voting power of Underwriter ^{2, 4}
Date of Prospectus	Nil	0%
Entitlement Issue 75% subscribed	58,396,483	13.89%
Entitlement Issue 50% subscribed	133,459,633	31.75%
Entitlement Issue 25% subscribed	208,522,783	49.61% ⁵

Notes:

1. Assuming the Underwriter underwrites the Offer in accordance with the terms of its Underwriting Agreement.
2. Assuming the sub-underwriting of 5.55% of the Securities offered under the Offer in accordance with each Sub-Underwriter's respective Sub-Underwriting Agreement.
3. Assuming each Director and their respective controlled entities take up their full Entitlement under the Offer (as currently intended). As at the date of this Prospectus, and as noted in Section 4.3, the Directors currently have a relevant interest in 25.56% of the Shares on issue.
4. Assuming a total of 420,353,640 Shares are on issue following completion of the Offer and no Options are exercised.
5. The Company considers an outcome whereby no Shareholders other than Directors and Sub-Underwriters will take up their Entitlements under the Offer unlikely. Further, pursuant to the terms of the Underwriting Agreement, the Underwriter has agreed to ensure that no person participating in the Shortfall will receive Shortfall Securities that would result in the person holding total voting power in the Company equal to or greater than 19.99% following completion of the Offer (other than Plato Mining and its associates, as set out in further detail in Section (b) below).

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders.

Notwithstanding the potential contingent control effect of the Underwriter, the Company understands that, based on the facts and circumstances presently known to it, the Underwriter has no present intention of making any significant changes to the business or management of the Company.

(b) Sub-underwriting by Plato Mining

Plato Mining, together with its associates, has a relevant interest in 25,498,374 Shares, representing 21.23% of the Shares currently on issue. Plato Mining is a company associated with Director, Vladimir Nikolaenko.

Plato Mining has indicated that it is its intention, and the intention of its associates, to take up their Entitlements under the Offer (being a total of 63,745,935 Shares, 63,745,935 Free-Attaching Options and 63,745,935 Contributing Shares).

Assuming Plato Mining is required to sub-underwrite the maximum number of Securities under its Sub-Underwriting Agreement with the Underwriter (being 8,333,333 Shares, 8,333,333 Free-Attaching Options and 8,333,333 Contributing Shares), Plato Mining and its associates may acquire a maximum voting power of up to approximately 23.21%, assuming the issue of all Securities contemplated by the Entitlement Offer. The sub-underwriting obligation and therefore the voting power of Plato Mining and its associates will reduce for the amounts of Entitlements accepted under the Offer and any Shortfall Securities allocated to other Eligible Shareholders.

Notwithstanding the potential control effect of Plato Mining sub-underwriting the Offer, Plato Mining has informed the Company that, based on the facts and circumstances presently known to it, it has no present intention of making any significant changes to the business or management of the Company.

5.16 ASX listing

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

The Company also intends to make an application for Official Quotation of the Free-Attaching Options in accordance with the timetable set out at the commencement of this Prospectus. The quotation of the Free-Attaching Options is conditional on the Company being able to satisfy the ASX's quotation requirements, being, among other things, that there will be at least 100,000 Options on issue held by at least 50 holders with a marketable parcel. The Company gives no assurances that such quotation will be granted. If the Options are not accepted for quotation, they will be unquoted.

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

5.17 Issue

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

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

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

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

5.18 Overseas shareholders

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

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

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia or New Zealand.

If you are outside Australia or New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Important Information for New Zealand Investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

5.19 Appointment of nominee

Pursuant to ASX Listing Rule 7.7 and section 615 of the Corporations Act, the Company has appointed a nominee, CPS Capital, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company will obtain ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater

than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

5.20 Enquiries

Any questions concerning the Offer should be directed to the Company on +61 8 9429 8846.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise \$3,603,031. The funds raised from the Offer are planned to be used by the Company, during the 12 months following completion of the Offer, in accordance with the table set out below:

Proceeds of the Offer	Full subscription (\$)	Percentage of funds used
Kooline – lead/silver (E08/2372, E08/2373)	\$590,000	16.4%
Kooline – extension (E08/2956) ¹	\$470,000	13.04%
Unally Hill – Vanadium/Tungsten/Magnetite/Gold (E57/1068)	\$280,000	7.8%
Debt reduction ^{2, 3}	\$1,300,000	36.1%
Corporate administration	\$553,000	15.3%
Expenses of the Offer ⁴	\$280,328	7.78%
Working capital ⁵	\$129,703	3.59%
Total	\$3,603,031	100%

Notes:

1. As announced on 7 December 2017, the Company has acquired an interest in an application for additional licence E08/2956.
2. This figure includes the \$250,925 allegedly claimed under statutory demands recently issued against the Company. Refer to Section 10.1 for further information. To the extent the statutory demands are successfully set aside, or the amount claimed under them reduced, the increase in available cash will be allocated towards general working capital. As noted in Section 10.1, the parties to these proceedings are currently engaging in discussions with a view to these statutory demands being withdrawn.
3. This figure includes loan amounts payable by the Company to Fiji Holdings Pty Ltd, Plato Mining Pty Ltd, Pyro Holdings Pty Ltd and Vargas Holdings Pty Ltd, all companies associated with Director, Vladimir Nikolaenko.
4. Refer to Section 10.6 for further details relating to the estimated expenses of the Offer.
5. Comprising the general costs associated with the management of the Company's business, including administration expenses, Director fees (including those referred to in Section 10.3), rent and other associated costs.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted will be to:

- (a) increase the cash reserves by \$3,603,031 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Securities on issue in the manner specified in Section 6.4.

6.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 31 December 2017 and the unaudited pro-forma balance sheet as at 31 December 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared on the basis of the following assumptions:

- (a) all Entitlements are accepted or, otherwise, all Shortfall allocated;
- (b) no Options are exercised prior to the Record Date,

and includes:

- (c) the \$250,925 (under trade payables) allegedly claimed under statutory demands recently issued against the Company (refer to Section 10.1 for further information); and
- (d) the estimated expenses of the Offer (refer to Section 10.6 for further information).

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

	AUDIT REVIEWED 31 December 2017	PROFORMA 31 December 2017
CURRENT ASSETS		
Cash and cash equivalents	10,745	2,396,859
Trade and other receivables	6,763	6,763
TOTAL CURRENT ASSETS	17,508	2,403,622
NON-CURRENT ASSETS		
Deferred and capitalised exploration expenditure	415,000	415,000
TOTAL NON-CURRENT ASSETS	415,000	415,000
TOTAL ASSETS	432,508	2,818,622
CURRENT LIABILITIES		
Trade and other payables	556,461	556,461
Interest-bearing liabilities	936,589 ¹	0

	AUDIT REVIEWED 31 December 2017	PROFORMA 31 December 2017
TOTAL CURRENT LIABILITIES	1,493,050	556,461
TOTAL LIABILITIES	1,493,050	556,461
NET ASSETS (LIABILITIES)	(1,060,542)	2,262,161
EQUITY		
Contributed equity	23,250,156	26,572,859
Accumulated losses	(24,310,698)	(24,310,698)
TOTAL EQUITY	(1,060,542)	2,262,161

Note:

1. Loan payable by the Company to Fiji Holdings Pty Ltd, Plato Mining Pty Ltd, Pyro Holdings Pty Ltd and Vargas Holdings Pty Ltd, all companies associated with Director, Vladimir Nikolaenko.

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no other Securities are issued prior to the Record Date is set out below.

Shares

	Number
Shares currently on issue (post-Consolidation) ¹	120,101,040
Shares offered pursuant to the Offer	300,252,600
Total Shares on issue after completion of the Offer	420,353,640

Note:

1. As noted in Section 4.2, on 22 March 2018, Shareholders approved the consolidation of the Company's capital on a 20:1 basis.

Contributing Shares

	Number
Contributing Shares currently on issue	Nil
Contributing Shares offered pursuant to the Offer ¹	300,252,600
Total Shares on issue after completion of the Offer	300,252,600

Note:

1. To be issued on the terms and conditions set out in Section 7.3.

Options

	Number
Options currently on issue (Exercisable at \$0.018 on or before 30 November 2019)	56,000,000
Options to be issued to the Underwriter (Exercisable at \$0.018 on or before 30 November 2019)	64,000,000
Free-Attaching Options offered pursuant to the Offer (Exercisable at \$0.018 on or before 30 November 2019)	300,252,600
Total Options on issue after completion of the Offer¹	420,252,600

Note:

1. Assuming no Options are exercised prior to the Record Date.

No Securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 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.

(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 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).

(c) 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.

(d) **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.

(e) **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.

(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 and the ASX Listing Rules.

(g) **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.

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at 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.

7.2 Terms of Free-Attaching Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.018 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 30 November 2019 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation of Options**

Subject to ASX's quotation requirements, the Company will apply for Official Quotation of the Options. The Company gives no assurances that such quotation will be granted.

7.3 **Terms of Contributing Shares**

- (a) Each Contributing Share is issued at a price of \$0.00 with no amount paid up upon issue, with the issue price of \$0.027 payable, at the election of the holder, in accordance with clauses (b) and (c) below.
- (b) The holder shall have the right to pay calls in advance on the Contributing Shares issued. Any notice of payment of calls in advance by the holder (**Payment Notice**) shall be in writing and delivered to the registered office of the Company. The Payment Notice shall specify the number of Contributing Shares in respect of which such payment is being made, the amount per Contributing Share which is being paid up and shall be accompanied by the appropriate payment for the number of Contributing Shares specified in the Payment Notice. The Directors of the Company must, within three (3) days after receipt of the Payment Notice, accept payment, credit the amount paid up and issue the appropriate holding statement for fully paid shares in respect of any shares which have been fully paid up.
- (c) The Contributing Shares will not be subject to calls by the Company until the Company makes the following calls in accordance with the Constitution:
- (i) the first call will be made on the date which is 12 months following the date on which the Contributing Shares were issued, when the amount of \$0.009 will become payable;
 - (ii) the second call will be made on the date which is 24 months following the date on which the Contributing Shares were issued, when the amount of \$0.009 will become payable; and
 - (iii) the third call will be made on the date which is 36 months following the date on which the Contributing Shares were issued, when the amount of \$0.009 will become payable.
- (d) A statement of holding will be issued for the Contributing Shares and will be forwarded to the holder together with the terms and conditions of the Contributing Shares.
- (e) Dividends may be declared in respect of any of the Contributing Shares notwithstanding that the issue price of such Contributing Shares has not been paid in full. The Contributing Shares will participate in any dividends so declared with all other Shares pro-rata to the proportion the total issue price paid up (not credited) on the Contributing Shares bears to the issue price (excluding amounts credited).

- (f) The holder will be entitled to exercise any vote attaching to a Contributing Share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, Contributing Shares have a vote equivalent to the proportion the total issue price paid up (not credited) on the Contributing Shares bears to the issue price (excluding amounts credited). Amounts paid in advance of a call will be ignored when calculating the proportion.
- (g) Contributing Shares allotted to the holder will participate in all issues of securities (including issues of Shares, Options and convertible notes) made to Shareholders of the Company pro-rata to the proportion of the total issue price paid up. In respect of an issue of bonus securities, amounts paid in advance of a call will be ignored when calculating the proportion.
- (h) The Company will ensure that, at least six (6) business days before the record date to determine entitlement to any such new issue, the Company will notify the holder of the proposed new issue. This will afford the holder an opportunity to pay up all or some of the Contributing Shares prior to the record date of any such new issue.
- (i) In the event of a reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company, the number of Contributing Shares shall be reconstructed in accordance with the ASX Listing Rules.
- (j) Contributing Shares will not be quoted on the ASX, until such time as all amounts credited on the Contributing Share are fully paid up.
- (k) Subject to the Contributing Shares becoming fully paid, the Company will apply for listing of the fully paid shares on the ASX.
- (l) In the event of death of the holder, the right of the holder to pay up the Contributing Shares which are not at the time of the death of the holder fully paid up, will vest in the holder's executor and/or administrator as the case may be and such executor and/or administrator shall have the same rights to pay up the Contributing Shares as such deceased holder would have had but for the holder's death.
- (m) Upon becoming fully paid, each Contributing Share will rank equally in all respects with the other issued fully paid ordinary shares in the Company.
- (n) Subject to the ASX Listing Rules, the Contributing Shares, whilst partly paid, shall be capable of transfer or assignment either in whole or in part.

8. RISK FACTORS

8.1 Introduction

The Securities 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 Securities 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.

8.2 Company specific

(a) Going concern risk

In note 1 to the Company's financial report for the half year ended 31 December 2017, it is noted that the Company group incurred an operating loss of \$313,598 and had recorded net liabilities of \$1,060,542 as at 31 December 2017. The Company's auditor notes that this creates significant uncertainty that may cast doubt as to whether the Company will continue as a going concern. The ability of the Company to continue as a going concern is largely dependent upon its ability to raise additional capital for its activities as and when required.

Notwithstanding the 'going concern' note in the Company's financial report, the Directors believe that there are reasonable grounds to believe that the Company will, upon successful completion of the Offer, have sufficient funds to adequately meet its current exploration and other commitments, as well as its short term working capital requirements and, on this basis, will be able to continue as a going concern. However, in the event the Offer is not successfully completed or delayed, there is significant uncertainty as to whether the Company can continue meet its commitments to its creditors and continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

It is highly likely that the Company will require further funding to meet the medium to long term working capital costs of the Company.

(b) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 120,101,040 currently on issue to 420,353,640. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last trading price of Shares on ASX prior to the prospectus being lodged (as set out in Section 4.8) is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(c) **Additional requirements for capital**

The future capital requirements of the Company depend on a number of factors, including the continued exploration of its existing assets and other business development activities. The Board continues to assess the Company's current cash reserves and considers the net proceeds of the Entitlement Offer will provide funds for the Company's proposed activities and objectives in the short term. Additional costs to meet the costs associated with ongoing exploration and development of the Company's assets will mean that further funding will likely be required by the Company in the near future.

There can be no assurance that additional funds will be available on acceptable terms, or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may contain restrictive covenants which could place restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, this could delay or suspend the Company's business development activities and other objectives and have a material adverse effect on the Company's business, financial position and performance, as well as impact on the Company's ability to continue as a going concern.

8.3 Industry specific

(a) **Exploration risks**

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance

that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

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

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

8.4 General risks

(a) **Equity market conditions**

There are risks associated with an investment in securities. The price at which the Shares trade on the Official List may fluctuate in response to many factors, including the recruitment or departure of personnel, actual or anticipated changes in estimates as to financial results or development timelines, variations in the Company's financial results (or those of companies perceived to be similar to the Company), announcements regarding litigation or other proceedings that involve the Company and other factors described in this Section 8.

Shares listed on the stock exchange can also experience extreme price and volume fluctuations that are often unrelated to the operating performance of such companies.

General factors that may affect the market price of Shares include the general economic conditions described in Section 8.4(b) below, investor sentiment, local and international share market conditions, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation and changes which occur to the taxation of companies as a result of changes in Australian and foreign taxation laws.

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.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in interest

and inflation rates, commodity prices, currency exchange rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's exploration activities, as well as on its ability to fund those activities, and its future profitability could be affected by these factors, which are beyond the control of the Company or its Directors.

(c) **Dividends**

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

(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) **Litigation Risks**

As noted in Section 10.1, statutory demands totalling \$250,925 have recently been served on the Company in respect of fees payable for services allegedly provided to the Company by entities controlled by former officers of the Company. Whilst the Company has applied to set these statutory demands aside, these proceedings are ongoing and there is no guarantee that they will be set aside, or that this dispute will be resolved on terms favourable to the Company or at all, in which case, there is a risk that this dispute may become litigious.

In addition, the Company may also become exposed to other possible litigation risks and disputes at varying stages in the development of its business, including contractual disputes, 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, but there is no guarantee that disputes will not arise, or that any such disputes arising will not result in litigation, in the future.

(f) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as

integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

8.5 Speculative investment

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

9. MATERIAL CONTRACTS

9.1 Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite the Offer for an amount of \$3,603,301,20 (**Underwritten Amount**). The Company has agreed to pay the Underwriter an underwriting fee of 4% of the total value of the Underwritten Amount.

CPS Capital is also appointed as the nominee to sell the Entitlements of Ineligible Shareholders under the Offer, as outlined in Section 5.19. No fee will be payable to CPS Capital in relation to this appointment.

The Underwriting Agreement is conditional upon:

- (a) the Underwriter being satisfied acting reasonably with the due diligence program and the due diligence results relating to the Offer by the lodgement date of the Prospectus (**Lodgement Date**);
- (b) the Prospectus being lodged with the ASIC on or before 5:00pm (WST) on the Lodgement Date.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if any of the following events occur by giving notice in writing to the Company at any time prior to the Closing Date:

- (a) (**Indices fall**): any of the following indexes closes on any 2 consecutive trading days before the shortfall notice deadline date 2% or more below its respective level as at the close of business on the business day prior to the execution date:
 - (i) Dow Jones;
 - (ii) S&P 500;
 - (iii) Nasdaq;
 - (iv) Russell 2000;
 - (v) FTSE;
 - (vi) Nikkei; or
 - (vii) Shanghai SE Comp;
- (b) (**Prospectus**): the Company does not lodge the Prospectus with ASIC by the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (c) (**No Listing Approval**): the Company fails to lodge an Appendix 3B in relation to the Shares and Free-Attaching Options under the Offer with ASX within 7 days of the Lodgement Date;
- (d) (**Restriction on issue**): the Company is prevented from issuing the Underwritten Securities within the time required by this Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or

any court of competent jurisdiction or any governmental or semi-governmental agency or authority;

- (e) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a material adverse effect;
- (f) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus being repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (g) **(Indictable offence)**: a director or senior manager of the Company, or a subsidiary of the Company, is charged with an indictable offence, which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the Offer; or
- (h) **(Termination Events)**: subject always to there being a material adverse effect on the Offer or market for the Underwritten Securities or a material adverse effect on (among other things) the financial condition or performance of the Company, upon the occurrence of any of the following events:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, Israel or any member of the European Union, including hostilities involving Libya, Afghanistan, Iraq, Syria, or Lebanon, and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated in Section (a) (Indices Fall) above falling by the percentage contemplated by that Section;
 - (ii) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date valid applications are required to be lodged in accordance with the Underwriting Agreement;
 - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
 - (iv) **(Contravention of constitution or Act)**: a contravention by the Company, or a subsidiary of the Company, of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (v) **(Adverse change)**: an event occurs which gives rise to a material adverse effect in relation to the Company's assets, liabilities, financial position, trading results, profits, forecasts,

losses, prospects, business or operations of the Company or a subsidiary of the Company;

- (vi) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them that is materially adverse from the point of view of an investor;
- (vii) **(Significant change):** a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company, or a subsidiary of the Company, is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **(Official Quotation qualified):** the Official Quotation of the Shares and Free-Attaching Options under the Offer is qualified or conditional other than as set out in the Underwriting Agreement;
- (xi) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (xii) **(Prescribed Occurrence):** a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (xiii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
- (xiv) **(Event of Insolvency):** an event of insolvency occurs in respect of the Company, or a subsidiary of the Company;
- (xv) **(Judgment against the Company):** a judgment in an amount exceeding \$50,000 is obtained against the Company, or a subsidiary of the Company, and is not set aside or satisfied within 7 days;
- (xvi) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any the Company, or a subsidiary of the

Company, other than any claims foreshadowed in this Prospectus;

- (xvii) **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (xviii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of the Company, or a subsidiary of the Company, (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company, or a subsidiary of the Company;
- (xix) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 3 business days;
- (xx) **(Force Majeure):** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xxi) **(Certain resolutions passed):** the Company, or a subsidiary of the Company, passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxii) **(Capital Structure):** the Company, or a subsidiary of the Company, alters its capital structure in any manner not contemplated by the Prospectus and the CPS Mandate;
- (xxiii) **(Breach of Material Contracts):** any material agreement of the Company is terminated or substantially modified;
- (xxiv) **(Investigation):** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so; or
- (xxv) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

9.2 CPS Mandate

On or around 19 March 2018, the Company entered into a mandate with CPS Capital, pursuant to which CPS Capital is engaged as Lead Manager and broker to the Company on an exclusive basis, and the Corporate Advisor to the Company on a non-exclusive basis.

In consideration for its services as Lead Manager and Corporate Advisor, the Company has agreed to pay CPS Capital a management fee of 2% of the amount raised under the Offer (plus GST) for managing the Offer and issue 64,000,000 Options to CPS Capital or its nominee on the same terms as the Free-Attaching Options under the Offer.

The CPS Mandate may be terminated by CPS Capital by giving 14 days' notice in writing if the Company commits or allows to be committed a material breach of any terms and conditions of the CPS Mandate or if any warranty or representation given by the Company is not complied with or proves to be untrue in any respect. CPS Capital may also terminate the mandate immediately if the Company becomes insolvent or the subject of certain insolvency events.

The Company may terminate the mandate by giving 7 days' notice in writing to CPS Capital.

10. ADDITIONAL INFORMATION

10.1 Litigation

On 28 March 2018, the Company announced that it had been served with three statutory demands totalling \$250,925, which were issued by Wembley Corporate Services Pty Ltd, Turco & Co Pty Ltd and Argonaut Consulting Group Pty Ltd. The statutory demands relate to fees for services allegedly provided to the Company by Graeme Ian Smith, Vitorio Vincenzo Turco and John Kristian Wareing, all former officers of the Company. The Company disputes that the amounts claimed are due and payable and has filed and served applications to set aside the statutory demands.

The parties to these proceedings are currently engaging in discussions with a view to the statutory demands being withdrawn. The Company will keep Shareholders updated on any progress made in relation to this.

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 legal proceedings pending or threatened against the Company.

10.2 Continuous disclosure obligations

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

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

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

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

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

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

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

Details of documents lodged by the Company with ASX from the date of lodgement of the Company's latest annual financial report on 31 October 2017 to the date of lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31/10/2017	Annual Report and Notice of AGM/Proxy Form
30/11/2017	Board and Company Secretary Changes
30/11/2017	Results of Meeting
01/12/2017	Response to ASX Appendix 5B Query
05/12/2017	Initial and Final Director's Notice
07/12/2017	Kooline Lead-Silver Project Expansion
15/12/2017	Company Secretary Appointment/Resignation
03/01/2018	Appendix 3B
31/01/2018	Quarterly Activities Report
21/02/2018	Notice of General Meeting/Proxy Form
16/03/2018	Half Year Accounts
20/03/2018	Consolidation/Split - SRN
22/03/2018	Results of Meeting
23/03/2018	Appendix 3B
28/03/2018	Statutory Demands

10/4/2018	Appendix 3B
10/4/2018	Change of Director's Interest Notice
10/4/2018	Change of Director's Interest Notice
10/4/2018	Change of Director's Interest Notice
20/4/2018	Change in substantial holding
24/04/2018	Company Secretary Appointment/Resignation

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

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

10.3 Interests of Directors and disclosures

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

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in Section 4.3.

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 the sum fixed from time to time by 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.

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

The following table shows the proposed Director fees to be paid to Directors for the current financial year. Given each Director was appointed during the current financial year, no Director received any fees for the previous financial year. The proposed fees have been calculated on a pro-rata basis, based on an amount of \$1,500 per month, from the date on which each Director was appointed.

Director	Proposed Director fees for current financial year (FY2017/2018)
Vladimir Nikolaenko	\$16,742
Roger Smith	\$10,578
Michael Povey	\$12,945

Management of insolvent company

Director, Vladimir Nikolaenko, was previously a director of Magna Mining NL, a company which entered into liquidation on 15 January 2015. The company encountered financial difficulty after being unable to meet the cost of maintaining ongoing legal proceedings relating to the company's mining projects and other costs associated with the business. On 15 January 2015, the Court ordered that the company be wound up and appointed liquidators. The company had approximately \$908,000 in claimed debt at the time.

10.4 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:

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

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

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

- (d) the formation or promotion of the Company; or
- (e) the Offer.

CPS Capital Group Pty Ltd will be paid an underwriting fee of approximately \$144,121 (exclusive of GST and disbursements) in respect of this Offer, being 4% of the total amount raised under the Offer, a management fee of approximately \$72,061 (exclusive of GST and disbursements), being 2% of the total amount raised under the Offer, and will be issued 64,000,000 Options pursuant to the terms of the underwriting. CPS Capital Group Pty Ltd has also been appointed as the nominee under ASX Listing Rule 7.7 and section 615 of the Corporations Act. CPS Capital Group Pty Ltd will be paid for this service on standard industry terms and conditions.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$39,960.52 (excluding GST and disbursements) for legal services provided to the Company.

10.5 Consents

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) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

CPS Capital Group Pty Ltd has given its written consent to being named in this Prospectus as the Underwriter, Lead Manager and Corporate Advisor to the Offer and the appointed nominee under ASX Listing Rule 7.7 and section 615 of the Corporations Act, in the form and context in which it is named. CPS Capital Group Pty Ltd has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus. CPS Capital Group Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Plato Mining has given its written consent to being named in this Prospectus as a Sub-Underwriter to the Offer, in the form and context in which it is named. Plato

Mining has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

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

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus, in the form and context in which it is named. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Greenwich & Co Audit Pty Ltd has given its written consent to being named as the auditors to the Company in this Prospectus, in the form and context in which it is named, and to the inclusion of the auditor reviewed balance sheet as at 31 December 2017 in Section 6.3. Greenwich & Co Audit Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

10.6 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$280,328 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,046
ASX fees	20,225
Underwriting fee (CPS Capital) ¹	144,121
Management fee (CPS Capital) ²	72,061
Legal fees	18,500
Printing and distribution	15,000
Miscellaneous	7,375
Total expenses	280,328

Notes:

1. Being the 4% underwriting fee payable to CPS Capital pursuant to the Underwriting Agreement. Refer to Section 9.1 for further information. CPS is responsible for the payment of all sub-underwriting fees.
2. Being the 2% management fee payable to CPS Capital pursuant to the CPS Mandate. CPS Capital will also be issued 64,00,000 Options in consideration for these services. Refer to Section 9.2 for further information.

10.7 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 8 9429 8846 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.surefireresources.com.au.

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

10.8 Financial forecasts

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

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

The Company will not be issuing option 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.

10.10 Privacy Act

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

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

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

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

11. DIRECTORS' AUTHORISATION

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

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

Vladimir Nikolaenko
Non-Executive Director
For and on behalf of
SUREFIRE RESOURCES NL

12. GLOSSARY

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

Applicant means a Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application means an application to subscribe for Securities under this Prospectus.

Application Form means an Entitlement and Acceptance Form either attached to or accompanying this Prospectus.

Application Monies means money submitted by Applicants in respect of Applications.

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 CHESS.

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

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

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

Company means Surefire Resources NL (ACN 083 274 024).

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

Contributing Share means a contributing share in the capital of the Company, to be issued on the terms set out in Section 7.3.

Corporate Advisor means the corporate advisor to the Offer, being CPS Capital.

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

CPS Mandate means the mandate between the Company and CPS Capital pursuant to which CPS Capital is engaged as Lead Manager and Corporate Advisor.

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

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

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

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

Free-Attaching Options means a free-attaching Option under the Offer, to be issued on the terms set out in Section 7.2.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Lead Manager means the lead manager to the Offer, being CPS Capital.

Offer or **Entitlement Issue** means the renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Plato Mining means Plato Mining Pty Ltd.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Security means a Share, Option, Contributing Share or other security in the capital of the Company.

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

Shareholder means a holder of a Share.

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

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.15.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Sub-Underwriters means each of Plato Mining, Halith Pty Ltd and Minman Pty Ltd and **Sub-Underwriter** means any one of them (as the context requires), being the sub-underwriters to the Offer.

Sub-Underwriting Agreements means the sub-underwriting agreements between the Underwriter and each Sub-Underwriter, and **Sub-Underwriting Agreement** is a reference to any one of them (as the context requires).

Underwriter or **CPS Capital** means CPS Capital Group Pty Ltd ACN 088 055 636.

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter in relation to the Offer.

Underwritten Amount means total amount being raised under the Offer, being \$3,603,031.

Underwritten Securities means the Securities offered under the Entitlement Offer.

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