

STRATEGIC MINERALS CORPORATION N.L.
ACN 008 901 380

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of one (1) Share for every eight (8) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.36 per Share to raise up to \$3,170,274 (based on the number of Shares on issue as at the date of this Prospectus) (**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 Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Laif McLoughlin
Executive Chairman

Mr Darren Fooks
Non-Executive Director

Mr Jay Stephenson
Non-Executive Director

Company Secretary

Jay Stephenson

Share Registry*

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153

Telephone: +61 8 9315 2333
Facsimile: +61 8 9315 2233

Registered Office

PKF Lawler
283 Rokeby Road
Subiaco WA 6008

Telephone: + 61 8 6141 3500
Facsimile: +61 8 6141 3599

Auditor*

Hall Chadwick Chartered Accountants
and Business Advisors
Level 4, 240 Queen Street
Brisbane QLD 4000

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	31 July 2018
Lodgement of Prospectus & Appendix 3B with ASX	31 July 2018
Notice sent to Shareholders	2 August 2018
Ex date	3 August 2018
Rights start trading	3 August 2018
Record Date for determining Entitlements	6 August 2018
Prospectus sent out to Shareholders & Company announces this has been completed	9 August 2018
Rights stop trading	13 August 2018
Shares quoted on a deferred settlement basis	14 August 2018
Last day to extend the Closing Date	15 August 2018
Closing Date*	20 August 2018
ASX notified of under subscriptions	23 August 2018
Issue date/Deferred settlement trading ends	27 August 2018
Normal trading resumes	28 August 2018
Quotation of Shares issued under the Offer*	28 August 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.

3. IMPORTANT NOTES

This Prospectus is dated 31 July 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

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.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

3.2 Forward-looking statements

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

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of 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 7 of this Prospectus.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$3,170,274.

The Company successfully raised over \$2.2 Million in 2017 by way of an entitlement issue and placement to sophisticated investors. The proceeds from these capital raisings allowed the Company to undertake a comprehensive exploration and evaluation programs. The Company completed an extensive Reverse Circulation (**RC**) and Diamond Drill (**DD**) hole program targeting primarily the cross-over area of the BVS deposit with some RC holes targeting exploration potential to the north of the deposit. The DD program required additional resources and contractors to supplement existing staff in order to efficiently handle and process the logging of the core before the onset of the wet season. These additional costs were not originally foreseen or budgeted. The assay results from the RC and DD programs have been released to the market.

The Company also completed a comprehensive field mapping and a soil and rock chip sampling program over a number of prospects during the 2017 exploration season. The major findings from the work have been released to the market.

During 2017, the Company commenced a number of evaluation studies in support of assessing the feasibility of the BVS prospect. These studies included:

- (a) the design and installation of a comprehensive ground water monitoring program;
- (b) the design and completion of four geotechnical holes and numerous geotechnical pits to provide crucial information in support of pit and infrastructure design and mine modelling;
- (c) the design and completion of a post dry season Fauna study;
- (d) the design and capturing of representative samples for waste rock and tailings characterisation program; and
- (e) the design and capturing representative samples for the metallurgical program.

Regrettably, the Company has not been able to undertake a resource update of the BVS prospect. This is largely due to the impacts arising from the Takeovers Panel application made by a Shareholder of the Company during the takeover bid made by QGold Pty Ltd (**QGold**) and the associated 6-month suspension from trading. The Company had to direct considerable funds away from the various evaluation studies (including assay) towards meeting the legal and other costs associated with the Takeovers Panel proceedings and submissions. The suspension also adversely impacted the Company's ability to undertake a capital raising and therefore delayed the processing of the DD results until a Director loan could be arranged. The results of the DD program were only released to the market in late June 2018.

The Company completed the review of the Lost World and Sandy Creek Resources as outlined in the May 2017 prospectus and the 2012 JORC Resource Update for Lost World, Explorer, Camp Vein, Central and Soapsar prospects have been announced to the market.

Over the last few years the Company has delivered considerable resource upgrades to shareholders on the back of moderate exploration budgets. At the same time, the Company has completed or commenced numerous evaluation studies designed to provide information and material in support of feasibility assessments. The Company will require substantial funding in order to undertake the necessary infill drilling programs and other environmental and technical studies in order to meet the information and data requirements of a pre-feasibility or feasibility level study.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Field work exploration and drilling	1,080,000	34%
2.	Tailings and Metallurgical test work of BVS material	200,000	6%
3.	Undertaking and advancing Environmental Studies (i.e. waste rock characterisation, ground water sampling etc)	135,000	4%
4.	Undertaking resource estimate review of BVS and appropriate mining/technical studies	175,000	6%
5.	Tenure/ Mining lease related payments and expenses	150,000	5%
6.	Expenses of the Offer ¹	26,320	1%
7.	Repayment of loan	1,000,000	32%
8.	Working capital	403,954	13%
	Total	3,170,274	100%

Notes:

1. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

If less than the full subscription is raised, funds will be allocated firstly towards expenses of the Offer and then to repay the Director loan. Following repayment of the loan, funds will be allocated pro rata to the other budget items in proportion to the above figures as appropriate. On completion of the Offer and full take-up of Entitlements, the Board believes the Company will have sufficient working capital to complete the activities listed above.

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.

At this stage, the Company is planning on completing a smaller exploration drilling program during the 2018 field season. Final plans are being developed to meet the work commitments of Exploration Permit Minerals (EPM) 9599 and the other

EPMs and to investigate the northern and lateral extensions of the BVS prospect.

The Company has a substantial portfolio of Woolgar exploration tenements which have statutory DNRME work commitments and is required to meet its expenditure obligations or it places these tenements at risk. Over the last few years much of the exploration budget had been directed to the successful delineation of the BVS prospect which sits outside of EPM 9599. Given the delay in processing the 2017 exploration and evaluation results because of the Takeovers Panel proceedings and associated suspension, the Company has plans to evaluate the prospectivity of the Belle Brandon target located within EPM 9599 and the surrounding area.

The remaining items in the table are self-explanatory. The Company has plans to advance the various environmental and technical studies originally commenced in 2017 so that the results can be incorporated into the 2019 exploration year. This includes the BVS resource update estimate.

The Board has been cautious to only raise sufficient funds so as to undertake critical exploration programs designed to meet statutory work commitments on its exploration tenements (specifically EPM 9599) and progress key evaluation studies in support of the BVS prospect. The Company will need to raise significantly more funds to complete other essential studies in support of environmental and statutory approvals and technical evaluation studies to support pre-feasibility studies.

The Company considered all reasonably available options to it to mitigate the potential control effects of the Offer. However, the arrangements summarised below and the Offer as structured were, in the Board's opinion, the most practical and suitable arrangements for the Company to undertake.

The Board also considered alternative methods of raising funds including seeking underwriters not associated with current Shareholders, private placements (which would have a greater dilutionary effect on existing Shareholders) and debt funding (which, given the Company's existing debt position, was not available on commercially acceptable terms). However, the Board decided that the Offer was the preferred form of capital raising as it provides the most certain outcome for the Company and is preferable because it allows existing Shareholders the opportunity to participate in the funding of the Company at the discount represented by the issue price, which the Company has offered to attract sufficient funding. The Board also set the issue price of the Offer at a discount to the market price of Shares to encourage Shareholders to take up their Entitlements and thereby reduce shortfall under the Offer.

The Board has considered whether any assets could be sold to generate funds and have come to the conclusion that without being able to complete a feasibility assessment of the BVS prospect, any divestment of associated Woolgar deposits, prospects or tenements would be short-sighted and potentially reckless. As Shareholders would be aware, all tenements and mining leases held by the Company are collocated in the Woolgar Project area. In addition, it is very unlikely that the Company could attract enough interest and obtain the level of cash required to fund the various significant exploration and evaluation programs to make it a worthwhile option to pursue.

The Board is also of the opinion that the control effect of the Offer does not exceed what is reasonably necessary given the Company's financial position and its need for funds. The size of the Offer is, in the opinion of the Board, consistent with and does not exceed the Company's funding requirement.

4.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,143,954 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 70,450,536 as at the date of this Prospectus to 79,256,853 Shares.

4.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2018 and the unaudited pro-forma balance sheet as at 31 May 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

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

	UNAUDITED 31 MAY 2018	PROFORMA 31 MAY 2018
CURRENT ASSETS		
Cash ¹	329,980	3,473,934
Receivables	24,709	24,709
Other current assets	15,123	15,123
TOTAL CURRENT ASSETS	369,812	3,513,766
NON-CURRENT ASSETS		
Financial Assets	72,803	72,803
Plant and Equipment	16,922	16,922
Exploration and Evaluation	24,817,618	24,817,618
Other non-current assets	3,147	3,147
TOTAL NON-CURRENT ASSETS	24,910,490	24,910,490
TOTAL ASSETS	25,280,302	28,424,256
CURRENT LIABILITIES		
Trade and other payables	150,033	150,033

	UNAUDITED 31 MAY 2018	PROFORMA 31 MAY 2018
Borrowings	42,869	42,869
Provisions	1,002,387	1,002,387
TOTAL CURRENT LIABILITIES	1,195,289	1,195,289
NON-CURRENT LIABILITIES		
Provisions	7,429	7,429
TOTAL CURRENT LIABILITIES	7,429	7,429
TOTAL LIABILITIES	1,202,718	1,202,718
NET ASSETS (LIABILITIES)	24,077,584	27,221,538
EQUITY		
Contributed Equity	52,236,020	55,379,974
Reserves	2,972,525	2,972,525
Accumulated losses	(31,124,950)	(31,124,950)
Non-controlling interest	(6,011)	(6,011)
TOTAL EQUITY	24,077,584	27,221,538

Notes:

1 \$3,143,954 = \$3,170,274 raised via rights issue less \$26,320 expenses of the offer.

4.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares

	Number
Shares currently on issue	70,450,536
Shares offered pursuant to the Offer	8,806,317
Total Shares on issue after completion of the Offer	79,256,853

Options

	Number
Options currently on issue:	Nil
New Options offered pursuant to the Offer	Nil
Total Options on issue after completion of the Offer	Nil

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

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is being made as a renounceable entitlement issue of one (1) Share for every eight (8) Shares held by Shareholders registered at the Record Date at an issue price of \$0.36 per Share. 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, a maximum of 8,806,317 Shares will be issued pursuant to this Offer to raise up to \$3,170,274.

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 6 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 4.1 of this Prospectus.

5.2 What Eligible Shareholders may do

The number of Shares 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 5.3);
- (b) sell all of their Entitlement on ASX (refer to Section 5.4);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 5.5);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 5.6);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to Section 5.7); or
- (f) allow all or part of their Entitlement lapse (refer to Section 5.8).

5.3 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Shares 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 "Strategic Minerals Corporation N.L. — Entitlement Issue Account" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Share Registry (by delivery or by post) at:

By delivery Strategic Minerals Corporation NL
c/o Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153

By Post Strategic Minerals Corporation NL
c/o Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153

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 5.9. 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 4:00 pm (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.

5.4 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 Shares 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 3 August 2018 and will cease on 13 August 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.

5.5 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 Shares you wish to take up and follow the steps in Section 5.3, or make a payment by BPAY in accordance with Section 5.12.

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

5.6 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 Shares you wish to take up and follow the steps in Section 5.3. 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.

5.7 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 Shares they wish to subscribe for payable to "Strategic Minerals Corporation N.L. – Entitlement Issue 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 following address:

By delivery Strategic Minerals Corporation NL
 c/o Security Transfer Registrars Pty Ltd
 Suite 1, 770 Canning Highway
 Applecross WA 6153

By Post Strategic Minerals Corporation NL
 c/o Security Transfer Registrars Pty Ltd
 Suite 1, 770 Canning Highway
 Applecross WA 6153

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 Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 5.3.

5.8 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable 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.

5.9 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;
- (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.

5.10 Minimum subscription

There is no minimum subscription.

5.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Strategic Minerals Corporation N.L. – Entitlement Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than 5:00 pm WST on the Closing Date.

5.12 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 Shares 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 4:00 pm (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 Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

5.13 Underwriting

The Offer is not underwritten.

5.14 Effect on control of the Company

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 in the table below. The table also shows each substantial Shareholder's relevant interest in Shares and potential maximum voting power (assuming they take up their full Entitlement, no other Shareholders take up their Entitlements, and no other Shareholders sell their rights):

Shareholder	Current Shares	Current voting power	Share Entitlement	Post Offer Shares	Post Offer voting power
QGold Pty Ltd (Qgold)	61,118,894	86.75%	7,639,862	68,758,756	88.05%

In the event all Entitlements are accepted there will be no change to the voting power of the Substantial Holders on completion of the Offer.

As set out above, QGold's maximum voting power resulting from it taking up its Entitlement, and assuming that no other Shareholders take up their Entitlements or sell their rights, would be 88.05%. This figure does not take into account any additional Shares that may be acquired by QGold as a result of buying rights on market during the rights trading period (if available). Any acquisition of additional Shares (and resulting increase in voting power) by QGold may only be undertaken to the extent that it complies with the ASX Listing Rules and Corporations Act.

QGold's intentions with respect to the Company's operations in the event that it increases its voting power to be greater than 90% are set out in the bidder's statement dated 4 December 2017, as supplemented by the supplementary bidder's statement dated 22 March 2018. QGold has not indicated to the Company that its intentions have changed from those set out previously.

5.15 Dilution of existing Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 12.50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer ²
Shareholder 1	50,000,000	70.97%	6,250,000	50,000,000	63.09%
Shareholder 2	25,000,000	35.49%	3,125,000	25,000,000	31.54%
Shareholder 3	10,000,000	14.19%	1,250,000	10,000,000	12.62%
Shareholder 4	1,000,000	1.42%	125,000	1,000,000	1.26%

Notes:

1. This is based on a share capital of 70,450,536 Shares at the date of this Prospectus.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that all Entitlements are accepted.

5.16 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 3 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 and Shareholders taking up their full entitlement. The issue price for each Share to be issued under the Shortfall Offer will be \$0.36, 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, where the Board will use its discretion in a manner not to exacerbate a potential unacceptable control effect. In this regard, the Shortfall will not be placed to QGold or any other Shareholder who would acquire a voting power in excess of 20% as a result of placement of the Shortfall. Shortfall will be allocated in priority to Eligible Shareholders who are not controlled by Directors on a pro rata basis in accordance with Eligible Shareholders' Entitlements under the Offer, with any remaining Shortfall Securities to be allowed to lapse or placed to third parties.

QGold has given the Company a firm commitment to take up all of its Entitlements under the Offer on the basis that the Shortfall Offer is structured to give Eligible Shareholders an opportunity to take up Shortfall Shares in proportion to their pro rata Entitlements under the Offer. Given the Company's need for funds, particularly in order to repay outstanding debt, and the difficulties in securing alternate funding options, the Board considers that structuring the Offer in this manner, where it provides certainty of funding through QGold committing to take up its Entitlement, is in the best interests of the Company in the circumstance.

Notwithstanding the above, the Directors maintain complete discretion as to how the shortfall is placed or otherwise offered.

5.17 ASX listing

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

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

5.18 Issue

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

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

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

5.19 Overseas shareholders

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 Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. 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.

Appointment of Nominee

Pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Patersons Securities Limited (ACN 008 896 311) (**Patersons**), 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.

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 may 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, Patersons will not be required to sell Ineligible Shareholders' Entitlement at a particular price. Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements at a particular price. If, in the reasonable opinion of Patersons, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse.

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 Secretary, Jay Stephenson, on +61 8 6141 3500.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

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

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

6.1 General meetings

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

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

6.2 Voting rights

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

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

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

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

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

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

6.4 Winding-up

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

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

6.5 Shareholder liability

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

6.6 Transfer of shares

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

6.7 Future increase in capital

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

6.8 Variation of rights

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

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

6.9 Alteration of constitution

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

7. RISK FACTORS

7.1 Introduction

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

7.2 Company specific

(a) Director Loan

On 9 March 2018, the Company announced that former director, Christopher Wallin, had made a \$1,000,000 loan facility available to the Company (**Loan**). The Loan is secured over the mining leases owned by the Company (**Security**).

The conditions of the Loan provide that, in the event of default by the Company, Mr Wallin will not be entitled to enforce the Security and acquire any legal or beneficial interest in the Company's assets without first obtaining Shareholder approval under ASX Listing Rule 10.1. In the event the Company fails to obtain such Shareholder approval, the Company may be required to appoint administrators if it does not consider that it will be able to pay its debts as and when they fall due. If administrators are appointed, the Company considers it unlikely that Shareholders will be able to recover their investments.

The proceeds from the Offer will be used to repay the Loan. If sufficient funds are not raised from the Offer, then the Company may not be able to repay the Loan when it falls due, which may result in Mr Wallin exercising the Security and taking ownership of all or part of the Company's tenements or the Company entering voluntary administration.

(b) Control risk

QGold Pty Ltd is currently the largest Shareholder of the Company and has a relevant interest in approximately 86.75% of the voting Shares in the Company. Assuming QGold Pty Ltd takes up its full Entitlement and no other Shareholders accept their entitlements, QGold Pty Ltd's voting power in the Company could be as high as 88.05%.

QGold Pty Ltd's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other

Shareholders. Further, QGold is a related party of the Company by virtue of being controlled by Mr Christopher Wallin, a former Director of the Company.

QGold Pty Ltd holds a relevant interest in more than 25% of the Company which means that it has the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.

QGold's intentions with respect to the Company in the event that it acquires a voting power in the Company in excess of 90% are set out in the bidder's statement dated 4 December 2017, as supplemented by the supplementary bidder's statement dated 22 March 2018. The Company is not aware of any change to QGold's intentions from those indicated previously.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

The Directors recognise that the ability of the Company to continue as a going concern is dependent on its ability to secure additional funding through equity, successful exploration and subsequent exploitation of the Company's tenements and/or sale of its non-core assets, which would be difficult to complete with the Company retaining a significant interest in its assets given the concentration of the Company's assets around the Woolgar Project area. Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

(d) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given

that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(e) **Gold price volatility and exchange rate risk**

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 (in particular, the risk of changes in the market price of gold, which in the past have fluctuated widely). 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.

(f) **Uranium**

The Company's subsidiary Alpha Uranium Pty Ltd, has the exploration rights over the uranium prospects within the Woolgar project area located in Queensland.

Uranium mining in Australia is subject to extensive regulation by state and federal governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations will increase the costs of exploration, drilling, developing, constructing, operating and closing mines and other production facilities. There is also a risk that new rules and regulations will be enacted or existing rules and regulation are applied in a manner which could limit or curtail future production or development.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent nuclear proliferation. The export of uranium is tightly controlled by the Federal Government through its licensing process and Australian uranium can only be exported to those countries which undertake to use it for peaceful purposes. The Federal Government cannot override State Government policy on this issue.

In Queensland, uranium mining ceased in 1982, and had been prohibited between 1989 and 2012. Although exploration for uranium was not prohibited, little exploration was undertaken after 1989 despite highly favourable geological settings for uranium mineralisation. In March 2015, the Queensland Government announced that Uranium mining would once again be banned, however resource companies can continue to apply for a generic exploration permit for minerals which allows them to explore for all minerals other than coal. There can be no assurance that the uranium mining in Queensland will be permitted in the future, and this

may adversely affect the long term prospects for the Company's interests in the Queensland tenements.

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in accordance with the *Customs (Prohibited Exports) Regulations 1958* (Cth) and the *Nuclear Non-Proliferation (Safeguards) Act 1987* (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

(g) **Other energy sources**

Nuclear energy is in direct competition with other more conventional sources of energy, which include gas, coal and hydro-electricity.

Furthermore, any potential growth of the nuclear power industry (with any potential attendant increase in the demand for uranium) beyond its current level will depend on continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to some negative public opinion owing to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have no or very low carbon emissions. However, to date these have not been cost-effective enough to be used for large scale base load power. Technology changes may occur that make alternative energy systems more efficient, reliable or cost-effective.

7.3 Industry specific

(a) **Exploration and Development Success**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results and the delineation of a commercial deposit or further, a commercial uranium mining operation.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mining tenements, and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of its mining tenements, a reduction in the potential size of the uranium deposits of the Company and possible relinquishment of its mining tenements.

(b) **Operating risks**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (viii) inability to obtain necessary consents or approvals

(c) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable ore bodies, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risks with third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents. No assurance can be given that the Company will achieve commercial viability through the development and/or mining of its projects.

(d) **Title Risks and Native Title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(e) **Tenure and Access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

7.4 General risks

(a) **Economic**

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

(b) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(c) **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) **Reliance on key personnel**

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

7.5 **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.

8. ADDITIONAL INFORMATION

8.1 Litigation

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

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

Date	Description of Announcement
31/07/2018	Clarification of Remuneration Report
30/07/2018	Final Director's Interest Notice
30/07/2018	Initial Director's Interest Notice
27/07/2018	Notice of General Meeting/Proxy Form
27/07/2018	Appointment and Resignation of Director
27/07/2018	SMC Quarterly Activities and Cashflow Report
03/07/2018	Amendment to Final Results of 2017 Core Drill Program
02/07/2018	Change in substantial holding
02/07/2018	Change of Director's Interest Notice
29/06/2018	Change of Director's Interest Notice
27/06/2018	Change of Director's Interest Notice
27/06/2018	Final Results of 2017 Core Drill Program at BVS, Woolgar
26/06/2018	Change in substantial holding
25/06/2018	Change of Director's Interest Notice
22/06/2018	Change in substantial holding
22/06/2018	Change of Director's Interest Notice
21/06/2018	Change of Director's Interest Notice
21/06/2018	Letter from QGold Pty Ltd
18/06/2018	Change of Director's Interest Notice
06/06/2018	QGold Prospectus
01/06/2018	Reinstatement to Official Quotation – Monday 4 June 2018
01/06/2018	Supplementary Target's Statement
30/05/2018	Results of Meeting
01/05/2018	TOV: Strategic Minerals Corporation NL Fourth Variation of Or
30/04/2018	Quarterly Activities and Cashflow Report

30/04/2018	Notice of Annual General Meeting/Proxy Form
11/04/2017	TOV: Strategic Minerals Corp NL Further Variations Orders
05/04/2018	TOV: Strategic Minerals Corporation NL Variation of Orders
29/03/2018	Appendix 4G
29/03/2018	Annual Report to shareholders

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 at www.stratmin.com.au.

8.3 Market price of shares

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

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC were each \$0.40, for sales recorded between 6 June 2018 and 2 July 2018.

8.4 Interests of Directors

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

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

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

- (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

Each Director's interest in the securities of the Company at the date of this Prospectus and their Entitlement is set out in the table below.

Director	Shares	Options	Performance Rights	Entitlement (Shares)
Mr Laif McLoughlin	146,739	Nil	Nil	18,342
Mr Darren Fooks	Nil	Nil	Nil	Nil
Mr Jay Stephenson	Nil	Nil	Nil	Nil

Notes:

The Board recommends all Shareholders take up their Entitlement.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

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

Director	Year ending 31 December 2016	Year ending 31 December 2017	Year ending 31 December 2018
Laif McLoughlin	168,841	218,015	218,015
Darren Fooks	Nil	Nil	43,800
Jay Stephenson	38,000	Nil	43,800

8.5 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:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$13,000 (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 \$136,832 (excluding GST and disbursements) for legal services provided to the Company.

Patersons Securities Limited has been appointed as the nominee under ASX Listing Rule 7.7. Patersons Securities Limited will be paid for this service on standard industry terms and conditions.

8.6 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;
- (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;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Patersons Securities Limited has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7. Patersons Securities Limited has not caused or authorised the issue of this Prospectus, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$26,320 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	5,831
Legal fees	13,000
Broker fees	2,000
Printing and distribution	2,283
Total	<u>26,320</u>

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9284 1255 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.stratmin.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.

8.9 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.

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

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.

8.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the 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 Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the 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.

9. 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.

Laif Allen McLoughlin
Executive Director
For and on behalf of
STRATEGIC MINERALS CORPORATION N.L.

10. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder.

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

Application Form means an Entitlement and Acceptance Form.

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 Strategic Minerals Corporation N.L. (ACN 008 901 380).

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

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

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

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

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

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

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

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

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.

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

Share Registry means the share registry of the Company as specified in the corporate directory in this Prospectus.

Shareholder means a holder of a Share.

Substantial Holders has the meaning set out in Section 5.14 of this Prospectus.

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