



**AUSTRALIAN MINES LIMITED**  
**ABN 68 073 914 191**

**PROSPECTUS**

For the offer of New Shares to Eligible Shareholders to raise up to \$5,000,000 (before costs) at an issue price of a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date, with the ability to accept oversubscriptions of an additional \$5,000,000 (**SPP Offer**).

The SPP Offer will be underwritten by Patersons Securities Limited (ACN 008 896 311) AFSL 239 052 up to a value of \$5,000,000. Patersons Securities Limited will also act as lead manager of the Top-Up Placement. Refer to Sections 1.6 and 6.3 for further details regarding the underwriting.

Completion of the SPP Offer is conditional upon satisfaction or waiver of the Condition, which is detailed further in Section 1.2 of the Prospectus. No New Shares will be issued pursuant to the SPP Offer until such time as the Condition is satisfied or waived by the Company.

**Important Notice**

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth). If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Shares offered by this Prospectus should be considered speculative.

# IMPORTANT NOTES

## General

This Prospectus is dated 13 June 2019 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) and options to acquire continuously quoted securities. It 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 or "full form" prospectus. In preparing this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers.

New Shares will not be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.

## Electronic prospectus

This Prospectus may be viewed in electronic form at [www.australianmines.com.au](http://www.australianmines.com.au) by Australian and New Zealand investors only. The electronic version of this Prospectus is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request before the SPP Offer Closing Date by contacting the Company. The information on the Company's website does not form part of this Prospectus.

## Risk factors

Potential investors should be aware that subscribing for securities in the Company involves a number of risks. The key risk factors are set out in Section 4 of this Prospectus. These risks together with other general risks applicable to all investments in quoted securities not specifically referred to, may affect the value of the Company's securities in the future. An investment in the Company should be considered speculative. Investors should consider these risk factors in light of personal circumstances and should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

## Overseas Applicants

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

By applying for New Shares, including by submitting an Application Form or making a payment using BPAY® an Applicant represents and warrants that there has been no breach of such laws.

The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia and New Zealand may be restricted by law and persons who come into possession of these documents should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons. Please refer to Section 2.4 for further information.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company or subscribe for New Shares.

The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon as having been authorised by the Company in connection with this Prospectus.

## Forward-looking statements

This Prospectus contains forward-looking statements that have been based on current expectations about future acts, events and circumstances, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, except as required by law, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

## Applications

Applications for New Shares offered by this Prospectus can only be made on an original Application Form accompanying this Prospectus. Please read the instructions in this Prospectus and on the accompanying Application Form regarding the acceptance of the SPP Offer.

By returning an Application Form, lodging an Application Form with a stockbroker or otherwise arranging for payment of New Shares in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.

## Meaning of terms

Capitalised terms and certain other terms used in this Prospectus are defined in the Glossary in Section 7.

References to **\$**, **A\$**, **AUD**, or **dollar** are references to Australian currency, unless otherwise stated.

References to time relate to the time in Perth, Western Australia, unless otherwise stated.

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### Indicative timetable

Event	Target Date
Record Date for determining Shareholders' entitlements to participate in the SPP Offer	5.00pm (AWST) on Tuesday, 11 June 2019
Announcement of SPP Offer	Wednesday, 12 June 2019
Lodgement of Prospectus with ASIC	Thursday, 13 June 2019
Despatch of Prospectus	Friday, 14 June 2019
Opening Date of Offers	Friday, 14 June 2019
SPP Offer Closing Date	5.00pm (AWST) on Friday, 5 July 2019
Company notifies Underwriter of any Shortfall	Tuesday, 9 July 2019
Allotment and issue of Shares under the SPP Offer and the Top-Up Placement	Monday, 15 July 2019
Despatch of Holding Statements for Shares issued under the SPP Offer and the Top-Up Placement	Tuesday, 16 July 2019
ASX quotation of New Shares under the SPP Offer and the Top-Up Placement	Tuesday, 16 July 2019
Cleansing Offer Closing Date	5.00pm (AWST) on Wednesday, 31 July 2019

**Note:** The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close an Offer early, extend an Offer, or accept late Applications, either generally or in particular cases. Investors who wish to submit an Application and subscribe for Shares under an Offer are encouraged to do so as soon as possible after the Offers open as the Offers may close at any time without notice.

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## LETTER TO SHAREHOLDERS

13 June 2019

Dear Shareholder,

### **RE: INVITATION TO PARTICIPATE IN SECURITIES PURCHASE PLAN**

On behalf of the Board of Australian Mines Limited (**AUZ** or the **Company**) it gives me great pleasure to invite Eligible Shareholders to participate in a securities purchase plan offer (**SPP Offer**) to acquire New Shares in the Company to raise \$5 million (before costs) with the ability to accept oversubscriptions of an additional \$5 million. The SPP Offer will be underwritten by Patersons Securities Limited up to a value of \$5 million.

The SPP Offer gives Eligible Shareholders the opportunity to increase their AUZ shareholding without paying brokerage fees or other transaction costs, irrespective of the size of your holding. Eligible Shareholders can purchase up to \$15,000 worth of Shares.

In addition, and subject to the Company's remaining available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A, the Company may undertake a separate placement of Shares to raise up to a further \$5 million (before costs) (**Top-Up Placement**). The Top-Up Placement will be conducted by Patersons Securities Limited as lead manager to the Top-Up Placement.

The funds raised under the SPP Offer and the Top-Up Placement will be used towards preliminary development costs associated with the Sconi Project, general working capital costs and expenses of the Offers and the Top-Up Placement.

All the details pertaining to the SPP Offer and the Top-Up Placement are contained in this Prospectus. Please read this Prospectus carefully before deciding whether or not to invest. An investment in the Company contains specific risks which you should consider before making that decision. A non-exhaustive list of risk factors relevant to an investment in the Company is set out in Section 4. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

We believe AUZ is on track to become one of the world's most cost-competitive cobalt-producing nickel operations. In addition, due to its operations being based in Australia, AUZ expects to have the added benefit of having a supply chain which is fully auditable by, and as such less risky to, end users.

We recommend the SPP Offer to you and look forward to the ongoing support of all Shareholders as we continue on this exciting journey.

Yours sincerely,



**Michael Ramsden**

**Non-executive Chairman**

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## 1. DETAILS OF THE OFFER

### 1.1 Background

As announced on 12 June 2019, the Company is providing an opportunity by this Prospectus for Eligible Shareholders to participate in a share purchase plan to raise up to \$5 million (before costs), with the ability for the Company to accept oversubscriptions of an additional \$5 million by the SPP Offer.

In addition, upon completion of the SPP Offer and after consultation with Patersons Securities Limited, the Company may undertake a placement of Shares at the same issue price of Shares under the SPP Offer, subject to the Company's remaining available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A, to raise up to an additional \$5 million (before costs) (**Top-Up Placement**). Patersons Securities Limited will act as lead manager to the Top-Up Placement (if any).

The New Shares offered under this Prospectus and under the Top-Up Placement will rank equally with the Existing Shares on issue. A summary of the rights and liabilities attaching to the New Shares is set out in Section 4.1.

The purpose of the SPP Offer and the Top-Up Placement and intended use of funds raised are set out in Sections 3.1 and 3.3.

### 1.2 The SPP Offer

#### (a) Offer details

Under the SPP Offer, Eligible Shareholders may apply for up to \$15,000 of New Shares (regardless of the number of Shares held by that Eligible Shareholder) at an issue price of a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date (**Issue Price**), with the ability for the Company to accept oversubscriptions of an additional \$5,000,000.

Eligible Shareholders may apply for New Shares under the SPP Offer, but are not required to do so.

#### (b) ASIC Class Order 09/425

ASIC Class Order 09/425 allows a company to undertake a share purchase plan without the need for issuing a prospectus, so long as the share purchase plan complies with certain conditions. ASIC Class Order 09/425 only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of the period during which the shares were quoted and the period of 12 months before the day on which the offer is made. The Company is unable to rely on ASIC Class Order 09/425 to undertake the SPP Offer as the Company's securities have been suspended from quotation for more than five days in the previous 12 months.

By reason of the restrictions in ASIC Class Order 09/425, the SPP Offer is being made under this Prospectus. The Company intends to undertake the SPP Offer, to the extent that it is practicable, in accordance with the terms and conditions for share purchase plans expressed in ASIC Class Order 09/425.

#### (c) Condition to the SPP Offer

The SPP Offer is conditional upon ASX granting a waiver from ASX Listing Rule 7.1 (**ASX Waiver**) to enable the Company to undertake the SPP Offer, which technically does not satisfy the exceptions to that rule, due to the Company's suspension for over five trading days in the last 12 months (**Condition**).

The Company has submitted an application to the ASX in respect of the above ASX Waiver and sees no reason why the ASX Waiver should not be granted. If the

ASX Waiver is not granted, the Company may waive the Condition and proceed with the SPP Offer to the extent it is permitted to do so under its existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A or the Company will not proceed with the SPP Offer in its current form. The Company will need to consider its options at that time. The Company will keep the market informed in the event that the ASX Waiver is not granted.

(d) **Eligibility to participate**

Shareholders who were registered in the Company's register of Shareholders with an Australian or New Zealand address at the Record Date (i.e. 5.00pm (AWST) on Tuesday, 11 June 2019) will be Eligible Shareholders and may participate in the SPP Offer, except in respect of any Shares such registered Shareholder holds on behalf of another person who resides outside of Australia or New Zealand.

Due to foreign securities laws, it is not practical for Shareholders resident in countries other than Australia or New Zealand to be offered the opportunity to participate in the SPP Offer.

(e) **Joint holders**

Shareholders who are joint holders of Shares are taken to be a single registered Shareholder for the purposes of the SPP Offer and the certification in the Application Form by any joint holder is taken to have been given by all joint holders.

A Shareholder who receives more than one invitation to participate in the SPP Offer (e.g. if the Shareholder holds Shares in more than one capacity) may not apply for New Shares:

- (i) with an aggregate value of more than \$15,000; or
- (ii) which would result in the aggregate value of the New Shares applied for (including through a Custodian (see Section 2.5 below)) under the SPP Offer and any similar arrangement in the last 12 months being more than \$15,000.

(f) **Custodians**

An Eligible Shareholder who holds Shares as Custodian (see Section 2.5 below) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to the maximum number of New Shares for each Beneficiary for whom the Custodian holds Shares.

The Custodian must annex a certificate (**Custodian Certificate**) to its Application Form setting out the following information:

Item	Requirements
<b>Nature of relationship</b>	<p>Either or both of the following:</p> <ul style="list-style-type: none"> <li>• that the Custodian holds Shares on behalf of one or more Beneficiaries who are residents in Australia, New Zealand and Singapore (each a <b>Participating Beneficiary</b>) who are not Custodians; or</li> <li>• that another Custodian (<b>Downstream Custodian</b>) holds beneficial interests in Shares on behalf of one or more Participating Beneficiaries, and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,</li> </ul> <p>on the Record Date and that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for New Shares under the SPP on their behalf.</p>

<b>Participating Beneficiary details</b>	The number of Participating Beneficiaries as well as their names and addresses.
<b>Holding</b>	Either: <ul style="list-style-type: none"> <li>the number of Shares that the Custodian holds on behalf of each Participating Beneficiary; and/or</li> <li>in the case of a Downstream Custodian, the number of Shares to which each Participating Beneficiary's beneficial interest relates.</li> </ul>
<b>Application amount</b>	The number or dollar amount of New Shares that each Participating Beneficiary has instructed the Custodian or the Downstream Custodian (as applicable) to apply for on behalf of each Participating Beneficiary.
<b>Confirmation that maximum application not exceeded</b>	That the total Application Monies for: <ul style="list-style-type: none"> <li>New Shares applied for under the SPP for each Participating Beneficiary for whom the Custodian acts, directly or indirectly through a Downstream Custodian does not exceed \$15,000; and</li> <li>any other Shares issued to the Custodian or Downstream Custodian, in the capacity as custodian or nominee for each Participating Beneficiary, under any arrangement similar to the SPP in the last 12 months does not exceed \$15,000.</li> </ul>
<b>Provision of Prospectus to Beneficiaries</b>	That a copy of the Prospectus was given to each Beneficiary.
<b>Downstream Custodians</b>	In the case where Shares are held for a Downstream Custodian, the name and address of each Downstream Custodian.

Custodians should request a Custodian Certificate when making an Application on behalf of Participating Beneficiaries.

To request a Custodian Certificate or for further information on how to apply, please contact the Share Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside of Australia).

(g) **Allocation and scale-back**

In the event that Applications for New Shares under the SPP Offer exceed the total amount of the New Shares offered under the plan, then Applications will be scaled back and the Directors, in consultation with the Underwriter, will have discretion as to how to allocate the New Shares under the SPP Offer. The Directors will generally allocate New Shares in a manner that they consider to be fair and reasonable to Eligible Shareholders.

The Company cannot guarantee that all Eligible Shareholders to the SPP Offer will receive the number of New Shares applied for. If an Eligible Shareholder does not receive any or all of the New Shares applied for, the excess Application Monies will be returned to the Eligible Shareholder without interest.

The Company will not allocate New Shares under the SPP Offer to the extent that the recipient's voting power in the Company would breach the takeover thresholds in the Corporations Act (i.e. in circumstances where the recipient would acquire a controlling interest in 20% or more of the issued Shares, or increase an existing controlling interest of more than 20%, subject to certain exceptions).

(h) **Shortfall**

Any New Shares not subscribed for under the SPP Offer (**Shortfall**) will be offered under a separate offer under this Prospectus (**Shortfall Offer**). The Shortfall Offer

will remain open for up to three months following the SPP Offer Closing Date. The issue price for each New Share to be issued under the Shortfall Offer shall be the same price as the New Shares offered under the SPP Offer.

The Underwriter has the right to nominate and determine who is to receive all of the News Shares under the Shortfall Offer. Accordingly, do not apply for News Shares under the Shortfall Offer unless instructed to do so by the Underwriter.

The Company will not allocate New Shares under the Shortfall Offer to the extent that the recipient's voting power in the Company would breach the takeover thresholds in the Corporations Act (i.e. in circumstances where the recipient would acquire a controlling interest in 20% or more of the issued Shares, or increase an existing controlling interest of more than 20%, subject to certain exceptions).

### **1.3 Cleansing Offer**

As stated in Section 1.1, the Company may undertake the Top-Up Placement upon completion of the SPP Offer, which placement will be conducted by Patersons Securities Limited as lead manager.

Accordingly, in addition to the SPP Offer, this Prospectus includes an offer of one New Share (**Cleansing Offer**), which shall remain open until the Cleansing Offer Closing Date. The Company does not currently intend to issue New Shares under the Cleansing Offer and will therefore not provide an application form for the Cleansing Offer.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company between the date of this Prospectus and the Cleansing Offer Closing Date.

### **1.4 Minimum Subscription**

There is no minimum subscription in respect to the Offers.

### **1.5 Opening and Closing Dates**

The opening date of the Offers will be Friday, 14 June 2019. The SPP Offer Closing Date will be Friday 5 July 2019, with the Cleansing Offer Closing Date to occur on Wednesday, 31 July 2019.

The Directors reserve the right to close either of the Offers early or extend the Closing Dates of either Offers (as the case may be), should it be considered by them necessary to do so.

### **1.6 Underwriting**

The SPP Offer is underwritten to \$5,000,000 by Patersons Securities Limited, which is also acting as lead manager to the Top-Up Placement. A summary of the underwriting agreement between the Company and the Underwriter is set out in Section 6.3.

The Top-Up Placement is not underwritten.

### **1.7 ASX quotation**

Application for Official Quotation on ASX of the New Shares offered pursuant to this Prospectus will be made within 7 days after the Prospectus Date.

If permission for quotation of New Shares is not granted by ASX within 3 months after the Prospectus Date, the New Shares will not be allotted, and Application Monies will be refunded (without interest) as soon as practicable (where applicable).

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or its securities.

### **1.8 Enquiries**

Any questions concerning the Offers should be directed to the Share Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside of Australia) or the Company on +61 7 3184 9184. You can also contact your stockbroker or professional adviser with any queries in relation to the Offers.



## 2. APPLICATIONS FOR NEW SHARES

### 2.1 SPP Offer

#### (a) Making an Application

An Eligible Shareholder that would like to participate in the SPP Offer can do so by completing and lodging the Application Form which accompanies this Prospectus.

Applications for New Shares under the SPP Offer may be made with respect to any one of the amounts set out in the table below. As the price of New Shares offered under the SPP Offer will be calculated based on a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date, the table below shows the number of Shares that will be issued based on a VWAP of \$0.02, \$0.03 and \$0.04.

Parcel	Subscription amount	Number of New Shares which may be purchased based on a VWAP of \$0.02	Number of New Shares which may be purchased based on a VWAP of \$0.03	Number of New Shares which may be purchased based on a VWAP of \$0.04
A	\$15,000	750,000	500,000	375,000
B	\$10,000	500,000	333,334	250,000
C	\$7,500	375,000	250,000	187,500
D	\$5,000	250,000	166,667	125,000
E	\$2,500	125,000	83,334	62,500
F	\$1,000	50,000	33,334	25,000

Fractional entitlements will be rounded up to the nearest whole number. Application Monies received for more than an Applicant's final allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded.

If an Application Form is not completed correctly or if the accompanying payment is for an incorrect amount, it may be treated by the Company as valid at its discretion. If the exact amount of required Application Monies are not tendered with an Application Form, the Company reserves the right to either:

- (i) return the Application Form and/or Application Monies received and not issue any New Shares to the Applicant; or
- (ii) issue to the Applicant the maximum number of New Shares represented by the Application Monies received and refund any excess amount to that Applicant by cheque or electronic funds transfer as soon as possible, without interest.

Eligible Shareholders that have not received their Prospectus and personalised Application Form, or require a replacement via post or email, should contact the Share Registry using the contact details set out in the Corporate Directory section of this Prospectus above.

If the SPP Offer is oversubscribed, the Company reserves the right to accept a lesser amount to the total number of New Shares applied for by an Eligible Shareholder, at the Company's complete discretion, subject to the total amount raised under the SPP Offer not exceeding \$10 million.

#### (b) Payment by cheque or money order

Unless an Eligible Shareholder pays using BPAY® as outlined below, an Application Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares

for which the Eligible Shareholder wishes to apply, multiplied by the Issue Price of those New Shares.

Cheques or money orders must be made payable to “Australian Mines Limited” and should be marked “Not Negotiable”.

Completed Application Forms and accompanying cheques or money orders must be received by the Company before **5.00pm (AWST) on the SPP Offer Closing Date** at the following address:

By hand	By post
<b>Australian Mines Limited</b> c/- Advanced Share Registry Services Limited 110 Stirling Highway Nedlands WA 6009	<b>Australian Mines Limited</b> c/- Advanced Share Registry Services Limited PO Box 1156 Nedlands WA 6909

(c) **Payment using BPAY®**

Eligible Shareholders who wish to submit an Application and make payment using BPAY® under the SPP should follow the instructions on the Application Form which includes the ‘Biller Code’ and the Applicant’s individual ‘Customer Reference Number’.

Shareholders who have elected to receive their Shareholder communications via email should follow the instructions outlined in their email invitation. The email invitation is expected to be sent on Friday, 14 June 2019.

Eligible Shareholders can only make payment using BPAY® with respect to the SPP Offer, and if they have an account with an Australian financial institution that supports such transactions.

Eligible Shareholders must ensure to use the specific ‘Biller Code’ and ‘Customer Reference Number’ on their individual Application Form or as outlined at the final confirmation page of the online application process. An Application may not be accepted if these details are incorrect. The ‘Customer Reference Number’ is used to identify each Eligible Shareholder’s holding.

Eligible Shareholders with more than one holding of Shares may receive multiple ‘Customer Reference Numbers’. Such Eligible Shareholders can apply under one or more of their holdings, provided that they do not apply for more than \$15,000 worth of New Shares in total for all holdings.

If an Applicant makes a payment using BPAY®, an Application Form **does not** need to be submitted to the Company. However, by paying Application Monies by BPAY®, the Eligible Shareholder will be taken to have made the declarations on the Application Form.

BPAY® payments of Application Monies must be received before **5.00pm (AWST) on the SPP Offer Closing Date**.

Eligible Shareholders should take into account when making an Application that their individual financial institutions may implement earlier cut-off times for BPAY® payments. It is an Eligible Shareholder’s responsibility to ensure that the Application Monies are received by the Company before the SPP Offer Closing Date.

## 2.2 Lodgement instructions and effect of making an Application

Applications for New Shares must be submitted on an Application Form attached to or accompanying this Prospectus (other than if the Applicant makes a BPAY® payment – refer to Section 2.1(c)). An Application Form must be completed in accordance with the instructions set out on the back of the form.

An original, completed and lodged Application Form constitutes a binding and irrevocable offer to subscribe for the number of New Shares specified in that Application Form. An

Application Form does not need to be signed to be valid. Once an Application has been made, it cannot be revoked.

If an Application Form is not completed correctly, it may be treated by the Company as valid at its discretion. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete a form is final. However, in relation to the SPP Offer, an Applicant will not be treated as having applied for more New Shares than is indicated by the amount of Application Money.

Brokerage or transfer/stamp duty is not payable in relation to the SPP Offer.

The Company reserves the right to refuse a completed Application Form if it has reason to believe that an Applicant has not received a copy of this Prospectus in paper or electronic form, or the Prospectus or Application Form provided to the Applicant has been altered or tampered with in any way.

If a person makes an Application, that person:

- (a) irrevocably and unconditionally agrees to the terms of the SPP Offer set out in this Prospectus;
- (b) acknowledges that their Application is irrevocable and unconditional;
- (c) agrees to pay the Issue Price for each New Share which they have applied for, subject to any scale back (refer to Section 1.2(g)); and
- (d) warrants and represents to the Company that they are an Eligible Shareholder entitled to participate in the SPP Offer.

### **2.3 Application Money to be held on trust**

Application Money will be held by the Company on trust in accordance with the requirements of the Corporations Act until the New Shares to which the Application Money pertains are issued under the SPP Offer, or a refund of Application Money occurs in the circumstances described in this Prospectus. The Company will retain any interest earned on Application Money, including in the event of any refund of Application Money.

### **2.4 Applicants outside of Australia**

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

This Prospectus does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offers.

It is the responsibility of any Applicant who is resident outside Australia to ensure compliance with all laws of any country relevant to their Application, and any such Applicant should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued New Shares.

Return of a duly completed Application Form will constitute a representation and warranty by an Applicant that there has not been any breach of such regulations.

The Company has not taken any action to register or qualify the New Shares or an Offer, or otherwise to permit a public offering of the New Shares, in any jurisdiction outside Australia.

#### **(b) New Zealand resident Eligible Shareholders**

The New Shares offered under the SPP Offer pursuant to this Prospectus are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand and to whom the SPP is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand).

This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(c) **Other overseas resident Shareholders**

This Prospectus may not be released or distributed in any country other than Australia or New Zealand. The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any country other than Australia or New Zealand.

The distribution of this Prospectus and accompanying Application Form (including electronic copies) outside Australia or New Zealand may be restricted by law and therefore 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.

## 2.5 Determination of Custodians – SPP

A Shareholder is a Custodian if they satisfy any of the following:

Category	Requirements
<b>Licensee</b>	That Shareholder holds an Australian financial services licence (under the Corporations Act) that covers: <ul style="list-style-type: none"> <li>the provision of a custodian or depositary service; or</li> <li>the operation of an IDPS (as that term is defined in ASIC Class Order 13/763).</li> </ul>
<b>Exempt by regulation or legislative instrument</b>	That Shareholder is exempt under: <ul style="list-style-type: none"> <li>regulation 7.6.01(1)(k) of the <i>Corporations Regulations 2001</i> (Cth) (<b>Corporations Regulations</b>);</li> <li>regulation 7.6.01(na) of the Corporation Regulations;</li> <li>ASIC Class Order 14/1000 or 14/1001;</li> <li>Schedule 2 to the ASIC Corporate (Repeal and Transitional) Instrument 2017/396;</li> <li>an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of ASIC Corporate (Repeal and Transitional) Instrument 2017/396 or any of the ASIC Class Orders repealed by that legislative instrument; or</li> <li>paragraph 911A(2)(h) of the Corporations Act,</li> </ul> from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service.
<b>Superannuation trustee</b>	That Shareholder is the trustee of a self-managed superannuation fund or a superannuation master trust (as those terms are defined in ASIC Class Order 09/425).
<b>Responsible entity</b>	That Shareholder is a responsible entity of an IDPS-like scheme as that term is defined in ASIC Class Order 09/425.
<b>Registered holder</b>	That Shareholder is noted on the Company's register of Shareholders as holding the Shares on account of another person.

If a Shareholder holds Shares as a trustee or nominee for another person or persons but is not a Custodian as defined above, that Shareholder cannot participate in the SPP for beneficiaries for whom they hold Shares in the manner described above. In such instance, the rules for multiple single holdings (above) apply.

The Company reserves the right to reject any Application to the extent that it considers that the Application (whether alone or in conjunction with other Applications) does not comply with the requirements set out above.

The Company also reserves the right to reject Applications in accordance with the terms and conditions of this Prospectus.

## **2.6 CHES and issuer sponsorship**

The Company participates in the Clearing House Electronic Sub-register System (**CHES**), operated by ASX Settlement (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Rules. The Company operates an electronic issuer-sponsored sub-register and an electronic CHES sub-register. The two sub-registers together make up the Company's principal register of its Shares.

Under CHES, the Company does not issue certificates to the holders of Shares. Instead, the Company provides holders with a Holding Statement (similar to a bank account statement) that sets out the number of New Shares allotted and issued to them under this Prospectus.

This Holding Statement also advises investors of either their Holder Identification Number (**HIN**) in the case of a holding on the CHES sub-register or Security Holder Reference Number (**SRN**) in the case of a holding on the issuer sponsored sub-register.

A Holding Statement is routinely sent to holders at the end of any calendar month during which their holding changes. A holder may request a statement at any other time; however, a charge may be incurred for additional statements.

## **2.7 Taxation implications**

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions for potential Applicants.

Neither the Company nor any of its advisers or officers accept any responsibility or liability for any taxation consequences to potential Applicants in relation to the Offers. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offers.

## **2.8 Privacy disclosure**

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Shares holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement.

The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Share Registry for ongoing administration of the Company's register;
- (b) the Company's Related Bodies Corporate, agents, contractors and third party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the shareholder (name, address and details of the Shares held) in its public register. This information must remain in the Company's register of Shareholders even if that person ceases to be a Shareholder of the Company. Information contained in the Company's register of Shareholders is also used to facilitate distribution

payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

### 3. EFFECT OF THE OFFERS AND TOP-UP PLACEMENT

#### 3.1 Purpose of the Offers and the Top-Up Placement

The primary purpose of the SPP Offer is to raise up to \$5,000,000, with the ability to accept oversubscriptions of an additional \$5,000,000 (before costs).

The primary purpose of the Top-Up Placement is to raise up to a further \$5,000,000 (before costs).

The primary purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Cleansing Offer Closing Date (including any Shares issued under the Top-Up Placement).

#### 3.2 Principal effect of the SPP Offer and the Top-Up Placement on the Company

The principal effects of the Offer and the Top-Up Placement, assuming the SPP Offer and the Top-Up Placement are fully subscribed, will be to:

- (a) increase the number of Shares on issue from 3,083,406,567 Shares as at the Prospectus Date to a number to be determined based on the Issue Price; and
- (b) increase cash reserves by approximately \$13.87 million (after deducting the estimated expenses of the SPP Offer and the Top-Up Placement set out in Section 6.7) immediately after completion.

#### 3.3 Use of funds

The funds raised from the SPP Offer and the Top-Up Placement (assuming full subscription under both) are planned to be used in accordance with the table set out below:

Use of funds	Amount (\$)	%
Preliminary Sconi Project development costs:		
- process engineering costs (including costs related to the demonstration plant operations)	4,000,000	26.67%
- plant engineering costs	5,000,000	33.33%
- early site work costs	3,000,000	20.00%
General working capital	1,871,075	12.47%
Expenses of the Offers and Top-Up Placement	1,128,925	7.53%
<b>Total</b>	<b>15,000,000</b>	<b>100.00%</b>

**Notes:**

1. In conjunction with the Company's available cash reserves as at the Prospectus Date, funds allocated to general working capital will be used for administration expenses of the Company over the next 12 months, including administration fees, director's remuneration and other administration and obligatory overheads.
2. Refer to Section 6.7 for further details relating to the estimated expenses of the Offers and the Top-Up Placement.

In the event that the Company raises less than the \$5 million under the Top-Up Placement and less than \$10 million under the SPP Offer (the SPP Offer is underwritten to \$5 million by Patersons Securities Limited), the funds raised will be allocated firstly towards the expenses of the Offers and the Top-Up Placement and then proportionally between the remaining items.

The above table is a statement of current intentions as at the Prospectus Date. As with any budget, intervening events 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.

### 3.4 Pro forma balance sheet

Set out below is:

- (a) the audited balance sheet of the Company as at 31 December 2018; and
- (b) the unaudited pro forma balance sheet of the Company as at 31 December 2018 incorporating the effect of the Offers and the Top-Up Placement, assuming scenarios where \$5 million, \$10 million and \$15 million, respectively, are raised under the SPP Offer and the Top-Up Placement.

The unaudited pro forma balance sheet has been derived from the audited financial statements of the Company, for the year ended 31 December 2018, and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the SPP Offer and Top-Up Placement had occurred by 31 December 2018, and also for material adjustments noted below.

The pro-forma information is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma balance sheet has been adjusted for the material movements in the assets and liabilities of the Company between 31 December 2018 and the Prospectus Date, namely, the costs of the Offers and the Top-Up Placement estimated to be approximately \$1,128,925.

Allowance has not been made for expenditure incurred in the normal course of business from 31 December 2018 to the Prospectus Date.

	31 December 2018	Pro-Forma unaudited 31 December 2018		
	Consolidated	Assuming \$15m raised	Assuming \$10m raised	Assuming \$5m raised
Cash	586,557	14,457,632	9,757,632	5,057,632
Receivables and Prepayments	2,538,165	2,538,166	2,538,167	2,538,168
<b>Total Current Assets</b>	<b>3,124,722</b>	<b>16,995,798</b>	<b>12,295,799</b>	<b>7,595,800</b>
Exploration & Evaluation	25,358,047	25,358,047	25,358,047	25,358,047
Investments in Associates	3,176,637	3,176,637	3,176,637	3,176,637
Property, plant and equipment	223,918	223,918	223,918	223,918
Intangibles	4,860	4,860	4,860	4,860
<b>Total Non-Current Assets</b>	<b>28,763,462</b>	<b>28,763,462</b>	<b>28,763,462</b>	<b>28,763,462</b>
<b>Total Assets</b>	<b>31,888,184</b>	<b>45,759,260</b>	<b>41,059,261</b>	<b>36,359,262</b>
Payables & Accruals	1,949,780	1,949,780	1,949,780	1,949,780
Short Term Provision	145,425	145,425	145,425	145,425
<b>Total Current Liabilities</b>	<b>2,095,204</b>	<b>2,095,204</b>	<b>2,095,204</b>	<b>2,095,204</b>
Long Term Provision	45,115	45,116	45,117	45,118
<b>Total Non-Current Liabilities</b>	<b>45,115</b>	<b>45,116</b>	<b>45,117</b>	<b>45,118</b>
<b>Total Liabilities</b>	<b>2,140,319</b>	<b>2,140,320</b>	<b>2,140,321</b>	<b>2,140,322</b>
<b>Net Assets</b>	<b>29,747,865</b>	<b>43,618,940</b>	<b>38,918,940</b>	<b>34,218,940</b>
<b>Equity</b>				
Contributed equity	73,345,307	88,345,307	83,345,307	78,345,307
Share & Option Reserves	3,783,883	3,783,883	3,783,883	3,783,883
Retained losses	(41,820,178)	(41,820,178)	(41,820,178)	(41,820,178)
Net income	(5,561,147)	(6,690,072)	(6,390,072)	(6,090,072)
<b>Total Equity</b>	<b>29,747,865</b>	<b>43,618,940</b>	<b>38,918,940</b>	<b>34,218,940</b>



### 3.5 Effect on capital structure

The capital structure of the Company following completion of the SPP Offer and the Top-Up Placement, assuming both are fully subscribed, is set out below:

Securities	Number
<b>Shares</b>	
Shares on issue as at the Prospectus Date	3,083,406,567
New Shares to be issued under the SPP Offer <sup>1</sup>	333,333,333
New Shares to be issued under the Top-Up Placement <sup>1</sup>	166,666,667
<b>Total Shares on issue at completion of the SPP Offer and the Top-Up Placement</b>	<b>3,583,406,567</b>
<b>Options</b>	
Options on issue as at the Prospectus Date <sup>2</sup>	19,800,000
<b>Total Options on issue at completion of the Offers</b>	<b>19,800,000</b>

**Notes:**

1. Assuming a five-day VWAP before the issue date (and therefore an Issue Price) of \$0.03.
2. Option expiring on 11 September 2020 and exercisable at \$0.0959 each.

### 3.6 Effect of the Offers and Top-Up Placement on control of the Company

As at the Prospectus Date, the Company has 3,083,406,567 Shares on issue and 19,800,000 unquoted Options on issue.

The Company will, in consultation with the Underwriter, manage the SPP Offer (including the Shortfall Offer) and the Top-Up Placement, such that none of the Applicants will obtain a relevant interest in Shares of 20% or more.

The Company does not anticipate that the acquisition of Shares by any Shareholder under any Offer will result in any Shareholder either becoming a substantial Shareholder, or obtaining a relevant interest in Shares of 20% or more.

The Company therefore does not anticipate that the SPP Offer or the Top-Up Placement will have any material effect on control of the Company.

### 3.7 Substantial holdings

A "substantial holding" is defined under section 9 of the Corporations Act to mean a relevant interest in 5% or more of the voting shares of a company.

As at the Prospectus Date, there are no Shareholders with a substantial holding based on the Company's register of Shareholders.

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## **4. RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES**

### **4.1 Rights attaching to New Shares**

The New Shares will rank equally in all respects with all Existing Shares. The rights attaching to the Shares arise from a combination of the Company's Constitution, the Corporations Act, the Listing Rules and general law. A copy of the Company's Constitution is available for inspection free of charge during business hours at its registered office.

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

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

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

#### **(c) Dividend rights**

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.

#### **(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.

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## **5. RISK FACTORS**

### **5.1 Overview**

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

There are specific risks which relate directly to the 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.

### **5.2 Company Specific Risks**

#### **(a) Potential for significant dilution**

Upon implementation of the Offers, assuming full subscription under the Offers and Top-Up Placement, the number of Shares will increase from 3,083,406,567 Shares currently on issue to 3,583,406,567 (assuming a VWAP of \$0.03). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

The last trading price of Shares on ASX before the Prospectus Date of \$0.022 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offers.

#### **(b) Underwriting risk**

AUZ has entered into an underwriting agreement with Patersons Securities Limited, who have agreed to underwrite up to \$5 million under the SPP Offer and to act as lead manager to the Top-Up Placement, subject to certain terms and conditions (please refer to Section 6.3 for further details). If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the underwriting agreement. Termination of the underwriting agreement could result in the Company not raising the anticipated amount of proceeds which could have an adverse effect on AUZ's business, cash flow, financial condition and operations.

The Top-Up Placement is not underwritten, which means there can be no assurance as to the amount that will be raised under the Top-Up Placement.

#### **(c) Future capital requirements**

Whilst plans for the development of the Company's projects are in progress, the Company does not have any current operating revenue.

Unless and until the Company develops or acquires income producing assets, it will be dependent upon the Company's cash reserves, and its ability to obtain future equity or debt funding to support exploration, evaluation and development of its projects in which it has an interest, including the Sconi Project.

The Company may exhaust its current cash reserves and still require further capital, in which case, neither the Company nor the Directors can provide any assurance that if further funding is required, such funding can be raised on terms favourable to the Company (or at all). Additional equity funding will dilute existing Shareholders.

If the Company is unable to obtain additional funding as required, the Company may be required to delay or indefinitely postpone exploration, development or production on the Company's projects and/or reduce the scope of its operations, which may affect the Company's ability to continue as a going concern.

(d) **Mining and Exploration Risk**

Exploration and mining companies are subject to the inherent risks of the mineral industry. The future viability and profitability of the Company as an exploration and mining company will depend on the number of factors, including but not limited to:

- (i) commodity prices and currency exchange rates are constantly changing;
- (ii) risks inherent in exploration and mining include, among other things, successful exploration and identification of ore reserves, satisfactory performance of mining operations if a minable deposit is discovered and competent management;
- (iii) risks associated with obtaining the grant of any or all of the Company's mining tenements or permits which are applications, or renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground;
- (iv) applications may also be subject to additional processes and requirements under the Native Title Act. The right to negotiate process under Native Title matters can result in significant delays to the implementation of any project or stall it. Negotiated native title agreements may adversely impact on the economics of projects depending on the nature of any commercial terms agreed;
- (v) the risk of material adverse changes in the government policies or legislation of Australia affect the level and practicality of mining and exploration activities;
- (vi) environmental management issues, laws and regulations with which the Company may be required to comply from time to time;
- (vii) poor access to exploration areas as a result of the remoteness of difficult terrain;
- (viii) poor weather conditions over a prolonged period which may adversely affect mining and exploration activities and the timing of earning revenues;
- (ix) business risks associated with AUZ's joint venture arrangements with Jervois Mining Limited and Riedel Resources Limited; and
- (x) business risks associated with AUZ's option agreement arrangements with Jervois Mining Limited.

(e) **Development risks and costs**

Should the Company determine to proceed, the proposed operations at the Sconi Project will be the first development undertaken by the Company. A new operation has no operating history on which to base estimates of future operating costs and capital requirements. Unforeseen geological, geotechnical, seismic and mining conditions (including significant geological faults which have not already been identified) or breakdown of equipment could also adversely affect mining and transport operations and result in increased operating costs or, in the extreme, closure of the mine. Industrial accidents, labour disputes, extreme weather conditions, changes to customs duty, increases in the cost of fuel and other expenses which are outside of the Company's control could also adversely affect the Company's operations and financial results. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(f) **Contractual risk**

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. In particular, and as previously announced to the ASX, the Company is in the process of negotiating the terms of a long-form

offtake contract with SK Innovation for the sale and purchase of battery-grade cobalt sulphate and nickel sulphate to be produced from the Sconi Project in Northern Queensland.

As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action.

(g) **Commodity price volatility and exchange rate risk**

Assuming 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 a number of factors beyond the control of the Company, including supply and demand fluctuations for battery-grade cobalt sulphate and nickel sulphate, technological advancements and other macro-economic factors.

In addition, international prices for various commodities are subject to a number of international factors including world inflation, geo-political events, central bank transaction, exchange rates as well as supply and demand factors. The price of commodities in Australian dollars will influence returns on the Company's projects, subject to any hedging contracts the Company may take out in relation to future production.

### 5.3 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 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. 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 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. The Company can give no assurance in relation to the payment of dividends or franking credits attaching to dividends.

(d) **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.

(e) **Insurance risks**

The Company maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not

covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(f) **Market risk and interest rate volatility**

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or floating. A change in interest rates would be expected to result in a change in the interest rate to the Company and, hence, may affect its profit.

(g) **Share market**

There are general risks associated with an investment and the share market. The price of the Company's securities on the ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

(h) **Liquidity risk**

There is no guarantee that there will be an ongoing liquid market for the Company's securities. Accordingly, there is a risk that, should the market for the Company's securities become illiquid, Shareholders will be unable to realise their investment in the Company.

(i) **Investment speculative**

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 Company's securities.

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## 6. ADDITIONAL INFORMATION

### 6.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111 AC 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. The New Shares which will be issued pursuant to this Prospectus are in the same class as Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus, and options over such continuously quoted securities. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 12 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 relevant Closing Date:
  - (i) the most recent annual financial statements of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half year report of the Company lodged with ASIC after the lodgment of the annual financial report in (i) above and before the lodgment of this Prospectus; and
  - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgment of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.



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.

The Company has lodged the following announcements with ASX since the lodgement of the annual financial report for the financial year ended 30 June 2018:

Date	Description of Announcement
19/10/2018	Notice of Annual General Meeting/Proxy Form
30/10/2018	Quarterly Cashflow Report
31/10/2018	Quarterly Activities Report
02/11/2018	AUZ takes R&D lead on next gen battery technology
05/11/2018	Drilling continues to unlock growth potential at Sconi
07/11/2018	AUZ & Metalysis progress to Phase 2 development of scandium
13/11/2018	Norwest Minerals IPO – Close of Offer
14/11/2018	Response to ASX Aware Query
14/11/2018	Pause in Trading
14/11/2018	Suspension from Official Quotation
15/11/2018	Response to ASX Query Letter
16/11/2018	AUZ appoints highly credentialed Chief Financial Officer
20/11/2018	BFS supports strong commercial case for developing Sconi
20/11/2018	Presentation – Sconi BFS
20/11/2018	Reinstatement to Official Quotation
21/11/2018	Chairman address at 2018 AGM
22/11/2018	Results of Meeting
23/11/2018	Relocation of corporate office to Brisbane
23/11/2018	Appendix 3B
29/11/2018	Norwest Minerals spin-off now listed on ASX
29/11/2018	Becoming a substantial holder for NWM
30/11/2018	Supplementary Prospectus
30/11/2018	Appendix 3B
06/12/2018	JRV: NSW government approval to transfer Flemington to AUZ
02/01/2019	Trading Halt
02/01/2019	Appendix 3B
03/01/2019	SKI and AUZ – Committed to building the Sconi Project
15/01/2019	Termination of convertible facility
15/01/2019	\$1.9 million received from Commonwealth Government
21/01/2019	Growth potential of Sconi Cobalt-Nickel Project continues
21/01/2019	Appendix 3B
22/01/2019	Land acquisition reinforces AUZ's commitment to Sconi
25/01/2019	Qld Gov provides Sconi Prescribed Project status
30/01/2019	Quarterly Cashflow Report

Date	Description of Announcement
30/01/2019	Quarterly Activities Report
12/02/2019	Study places Sconi as low-cost cobalt and nickel producer
13/02/2019	Third Supplementary Refresh Prospectus
14/02/2019	Substantial increase in Sconi Mineral Resource tonnage
19/02/2019	Investor Presentation – RIU Explorers Conference
21/02/2019	Sconi Off-take Update
22/02/2019	Trading Halt
26/02/2019	Suspension from Official Quotation
27/02/2019	Reinstatement to Official Quotation
27/02/2019	AUZ secures funds to accelerate cobalt and nickel projects
06/03/2019	Appendix 3B
08/03/2019	S&P DJI Announces March 2019 Quarterly Rebalance
08/03/2019	UPDATE – S&P DJI Announces March 2019 Quarterly Rebalance
13/03/2019	Half Year Accounts
26/04/2019	Quarterly Activities Report
26/04/2019	Supplementary Prospectus
26/04/2019	Quarterly Cashflow Report
29/04/2019	AUZ Resource tonnage in Qld exceeds 115 million tonnes
03/05/2019	Presentation – EV Battery Tech Germany
07/05/2019	Clarification of metal equivalents
22/05/2019	Response to ASX Price Query
29/05/2019	Response to ASX Price Query
31/05/2019	Appendix 3B
07/06/2019	Trading Halt
12/06/2019	Australian Mines launches underwritten Share Purchase Plan
13/06/2019	Sconi to generate \$5 billion in free cash flow

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.australianmines.com.au](http://www.australianmines.com.au).

## 6.2 Market Prices of Existing Shares on ASX

During the three months immediately preceding the Prospectus Date, the highest and lowest market sale price of the Existing Shares and the last market sale price on the date before the Prospectus Date of Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, are set out below:

	3 months high	3 months low	Last Market Sale Price
Share Price	\$0.034	\$0.018	\$0.022
Date	29 & 31 May 2019	21 May 2019	12 June 2019

### 6.3 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the SPP Offer to \$5,000,000 worth of Shares (**Underwritten Shares**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter and underwriting / lead manager fee of 6% of the total gross amount raised in the SPP Offer and the Top-Up Placement (if any) as consideration for its obligations in accordance with the Underwriting Agreement. All sub-underwriting and lead manager fees to third parties will be met from this fee by the Underwriter.

As an issue management fee, the Company will pay the Underwriter a cash fee of \$60,000 plus GST on completion of the Shortfall Offer.

The obligation of the Underwriter to underwrite the Underwritten Shares is subject to the satisfaction or waiver of the condition precedent to the Underwriting Agreement that the ASX Waiver is granted as well as certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): any of the All Ordinaries Index or the Standard and Poors/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement, 7.5% or more below its respective level as at the close of business on the Business Day (as that term is defined in the Underwriting Agreement) prior to the date of the Underwriting Agreement; or
- (b) (**No Official Quotation**): ASX has indicated before the Shortfall Notice Deadline Date (as that term is defined in the Underwriting Agreement) that Official Quotation will not be granted in accordance with the timetable in the Underwriting Agreement or will be granted with such conditions attached so as to represent a Material Adverse Effect (as that term is defined in the Underwriting Agreement), having been granted, is subsequently withdrawn, withheld or qualified; or
- (c) (**Restriction on allotment**): the Company is prevented from allotting the Offer Shares within the time required by the 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; or
- (d) (**Supplementary prospectus**): the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter; or
- (e) (**Misleading Share Purchase Plan**): it transpires that there is a statement made by the Company including without limitation a statement or omission in connection with, or the Company's documents comprising, the share purchase plan, Offer Materials (as that term is defined in the Underwriting Agreement), an ASX announcement relating to the SPP Offer, and that is, or becomes, misleading or deceptive or likely to mislead or deceive; or
- (f) (**ASIC or other prosecution**): ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the SPP Offer, the share purchase plan or the Company; or
- (g) (**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, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application; or
- (h) (**Authorisation**): any authorisation which is material to anything referred to in the Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (i) (**Indictable offence**): a director or a senior manager of a Relevant Company is charged with an indictable offence; or
- (j) (**Termination Events**): subject always to carve out below, any of the following events occurs:

- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (ii) **(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 Australia, Japan, China, South Korea, the United Kingdom, the United States of America, any member of the European Union or the People's Republic of China;
- (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (iv) **(Contravention of constitution or Act)**: a contravention by a Relevant Company (as that term is defined in the Underwriting Agreement) 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 (as that term is defined in the Underwriting Agreement) or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company (as that term is defined in the Underwriting Agreement) including, without limitation, if any forecast disclosed to ASX prior to the date of the Agreement (as that term is defined in the Underwriting Agreement) becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (vi) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Share Purchase Plan;
- (vii) **(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 SPP Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (ix) **(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;
- (x) **(Prescribed Occurrence)**: a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs;
- (xi) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xii) **(Event of Insolvency)**: an Event of Insolvency (as that term is defined in the Underwriting Agreement) occurs in respect of a Relevant Company;
- (xiii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against

any Relevant Company, other than any claims disclosed to the ASX prior to the date of the Underwriting Agreement;

- (xv) **(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 completion of the Shortfall Offer without the prior written consent of the Underwriter;
- (xvi) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days without the consent of the Underwriter;
- (xviii) **(Force Majeure)**: a Force Majeure (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xix) **(Certain resolutions passed)**: a Relevant 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;
- (xx) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the New Equity Issue (as that term is defined in the Underwriting Agreement);
- (xxi) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- (xxii) **(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;
- (xxiii) **(Shares are not fully paid ordinary)**: all Shares issued pursuant to the Offer and in accordance with the terms of this Agreement must, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company and will be free of all encumbrances; or
- (xxiv) **(Suspension)**: the Company is removed from the Official List or, after the date of the Underwriting Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 3 trading days following such suspension.

#### 6.4 Directors' Interests

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

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the

firm in connection with the formation or promotion of the Company or offer of New Shares pursuant to this Prospectus.

Directors' direct and indirect interests in securities of the Company at the Prospectus Date are:

Director	Shares	Options	Performance Rights
Michael Ramsden	68,367,958	Nil	Nil
Benjamin Bell	64,627,228	Nil	Nil
Mick Elias	17,801,777	Nil	Nil
Dominic Marinelli	43,934,690	Nil	Nil

The Directors may be paid such remuneration as is from time to time determined by the Company in general meeting and all travelling, hotel and other expenses properly incurred by them in attending at and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise in connection with the business of the Company. The Directors remuneration is deemed to accrue from day to day and the remuneration (other than a managing director or other executive director) shall be a fixed sum and not a commission or calculated on a percentage of profits or turnover.

A Director may be paid a fee 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 Directors' remuneration for the 2017 and 2018 financial years, together with the anticipated remuneration of the Directors for the current financial year are set out in the table below:

Director	Remuneration for FY2017	Remuneration for FY2018	Current financial year
Michael Ramsden	\$67,500	\$95,000	\$105,000
Benjamin Bell	\$273,750	\$424,933	\$424,933
Mick Elias	\$40,000	\$60,000	\$70,000
Dominic Marinelli	\$40,000	\$60,000	\$70,000

**Notes:** The figures in the table above excludes share-based payments relating to performance shares granted to the Directors on 27 November 2017.

## 6.5 Interests and Consents of Experts and Advisers

Other than as set out in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the two years before the Prospectus Date, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares pursuant to this Prospectus.

Patersons Securities Limited will be paid an underwriting fee / selling fee of 6.0% of the total gross amount raised by the SPP Offer and the Top-Up Placement. Patersons Securities Limited will also be paid \$60,000 (excluding GST) for issue management services provided to the Company. During the 24 months preceding the Prospectus Date, the Company has not paid Patersons Securities Limited any fees.

## 6.6 Consents

Other than as set out in this Prospectus, each of the parties named in this Prospectus:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

## 6.7 Estimated expenses of the Offers and Top-Up Placement

The estimated expenses of the Offers and Top-Up Placement (assuming full subscription) are expected to comprise the following estimated costs, exclusive of GST.

Expense	Amount
ASIC fees	\$3,206
ASX fees	\$80,719
Legal fees	\$25,000
Underwriter's fees (please refer to Section 6.3)	\$960,000
Share Registry fees (including printing and distribution expenses)	\$60,000
<b>TOTAL</b>	<b>\$1,128,925</b>

## 6.8 Litigation

As at the Prospectus Date, other than as disclosed elsewhere under this Prospectus, the Company is not currently involved in any material legal proceedings.

## 6.9 Privacy Act

If you complete an Application, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your New Shares 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 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, the Corporations Act and certain rules. You should note that if you do not provide the information required on the Application the Company may not be able to accept or process your Application.

## 6.10 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to read 'jbell', written in a cursive style.

**Benjamin Bell**  
**Managing Director**



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## 7. GLOSSARY

<b>A\$, \$ and dollars</b>	Australian dollars, unless otherwise stated.
<b>Applicant</b>	A person who applies for New Shares under and in accordance with this Prospectus.
<b>Application</b>	An application for New Shares pursuant to the Application Form.
<b>Application Form</b>	The application form attached to or accompanying this Prospectus and relating to the SPP Offer.
<b>Application Money</b>	The money received in respect of an Application.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the market operated by that entity, as the context requires.
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>ASX Settlement Operating Rules</b>	The settlement rules of ASX Settlement.
<b>ASX Waiver</b>	Has the meaning given to that term in Section 1.2(c).
<b>AWST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	The board of Directors.
<b>CHESS</b>	ASX Clearing House Electronic Sub-register System.
<b>Cleansing Offer</b>	Has the meaning given to that term in Section 1.3.
<b>Cleansing Offer Closing Date</b>	The closing date in relation to the Cleansing Offer, being 5.00pm AWST on Wednesday, 31 July 2019, or such other date as may be determined by the Directors under this Prospectus.
<b>Closing Date</b>	The SPP Offer Closing Date or the Cleansing Offer Closing Date, as applicable.
<b>Company or AUZ</b>	Australian Mines Limited (ABN 60 073 914 191).
<b>Condition</b>	Has the meaning given to that term in Section 1.2(c).
<b>Constitution</b>	The constitution of the Company, as amended from time to time.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Custodian</b>	A custodian, trustee or nominee holder of Shares within the meaning of “custodian” in ASIC Class Order 09/425.
<b>Director</b>	A Director of the Company at the Prospectus Date and <b>Directors</b> has a corresponding meaning.
<b>Eligible</b>	A Shareholder who is registered as the holder of Shares on the

<b>Shareholder</b>	Record Date and is resident in Australia or New Zealand.
<b>Existing Share</b>	An issued Share in the capital of the Company.
<b>Issue Price</b>	A price equal to a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date under the SPP Offer.
<b>Listing Rules or ASX Listing Rules</b>	The official listing rules of the ASX.
<b>New Share</b>	A Share in the capital of the Company to be issued under this Prospectus.
<b>Offers</b>	The SPP Offer and the Cleansing Offer.
<b>Official Quotation</b>	Official quotation on ASX.
<b>Privacy Act</b>	The <i>Privacy Act 1988</i> (Cth).
<b>Prospectus</b>	The prospectus constituted by this document.
<b>Prospectus Date</b>	The date of this Prospectus, being the date that this Prospectus is lodged with ASIC.
<b>Record Date</b>	The record date for determining Shareholders' entitlements to participate in the SPP Offer, being 5.00pm (AWST) on Tuesday, 11 June 2019.
<b>Section</b>	A section under this Prospectus.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Share Registry</b>	Advanced Share Registry Services Limited.
<b>Shareholder</b>	The holder of a Share.
<b>Shortfall</b>	The New Shares offered under the SPP Offer for which Applications are not received and accepted.
<b>Shortfall Offer</b>	Has the meaning given to that term in Section 1.2(h).
<b>SPP Offer</b>	The offer to each Eligible Shareholder of New Shares at the Issue Price totalling \$15,000.
<b>SPP Offer Closing Date</b>	The closing date in relation to the SPP Offer, being 5.00pm AWST on Friday, 5 July 2019, or such other date as may be determined by the Directors under this Prospectus.
<b>Top-Up Placement</b>	Has the meaning given to that term in Section 1.1.
<b>Underwriter</b>	Patersons Securities Limited (ACN 008 896 311) AFSL 239 052.
<b>VWAP</b>	Volume weighted average price.

## CORPORATE DIRECTORY

### Directors

Michael Ramsden (Chairman, Non-Executive Director)  
Benjamin Bell (Managing Director)  
Mick Elias (Non-Executive Director)  
Dominic Marinelli (Non-Executive Director)

### Registered Office

Level 34, 1 Eagle Street,  
BRISBANE QLD 4000

Telephone: +61 7 3184 9184  
Facsimile: +61 7 3341 4581  
Email: [office@australianmines.com.au](mailto:office@australianmines.com.au)  
Website: [www.australianmines.com.au](http://www.australianmines.com.au)

### Share Registry\*

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009

### Auditors\*

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

### Management

Oliver Carton (Company Secretary)  
Tim Maclean (Chief Operating Officer)  
Marcus Hughes (Chief Financial Officer)  
Stuart Peterson (Exploration Manager)  
Sophia Bolhassan (Investor Relations)

### Underwriter to the SPP Offer and Lead Manager to the Top-Up Placement

Patersons Securities Limited  
Level 23, 2 The Esplanade  
PERTH WA 6000

**ASX Code:** AUZ

**ABN:** 68 073 914 191

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