

# PELICAN RESOURCES LIMITED

ABN 12 063 388 821

## PROSPECTUS

For an offer of up to 88,096,475 New Options to Eligible Optionholders on the basis of one (1) New Option for every one (1) Option held at an issue price of \$0.0001 per New Option to raise approximately \$8,809 before issue costs.

### Important Notice

This document is important and should be read in its entirety (including the 'Risk Factors' in **section 5**) before deciding whether to apply for the securities. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus, then you should consult your professional adviser.

The securities offered by this Prospectus should be considered speculative.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

An investment in the Company is not risk free and investors should consider the risk factors described below in **section 5**, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Options.

## **IMPORTANT NOTICE**

This Prospectus is dated 26 August 2014 and was lodged with ASIC on that date. ASIC and the ASX take no responsibility for the contents of this Prospectus. No New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

This Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser. In particular, it is important that you consider the risk factors (see **section 5** of this Prospectus) that could affect the performance of the Company before making an investment decision.

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

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Investors should note that past share price performance of the Company provides no guidance to the future share price performance of the Underlying Shares or the New Options.

Neither the Company nor any other person warrants or guarantees the future performance of the Underlying Shares or the New Options or any return on any investment made pursuant to this Prospectus.

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements.

The forward-looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus.

Investors should specifically refer to the 'Risk Factors' in **section 5** of this Prospectus. That section refers to some but not all of the matters that may cause actual results to differ from the position stated in any forward-looking statement in this Prospectus.

Cooling-off rights do not apply to a subscription for New Options under the Offer. This means that you cannot withdraw your Application once it has been submitted, except as required by law. Once the New Options are issued and quotation is granted by the ASX you may sell your New Options on market.

Some words and expressions used in this Prospectus have defined meanings which are explained in the Glossary in **section 9**.

## **ELECTRONIC PROSPECTUS**

A copy of the Prospectus can be downloaded from the website of the Company at <http://www.pelicanresources.com.au/> or the ASX website. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

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

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

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## SUMMARY OF IMPORTANT DATES

Record Date for determining Eligible Optionholders	5.00pm (WST) 30 June 2014
Lodgement Date	26 August 2014
Prospectus despatched	1 September 2014
Opening Date of Offer	4 September 2014
Closing Date of Offer	15 September 2014
Allotment and issue of New Options	19 September 2014
Despatch of Holding Statements	19 September 2014
Expected Official Quotation of New Options on ASX	22 September 2014

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates.

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## 1. CORPORATE DIRECTORY

### **Directors**

Mr John Palermo  
Mr John Hills  
Mr Mike Bue

### **Company Secretary**

Mr John J Palermo

### **Registered and Principal Office**

Level 1  
284 Oxford Street  
Leederville WA 6007

Telephone: +61 (8) 9242 1166

Facsimile: +61 (8) 9443 9960

Email: [jpalermo@pelicanresources.com.au](mailto:jpalermo@pelicanresources.com.au)

Website: [www.pelicanresources.com.au/](http://www.pelicanresources.com.au/)

**ASX Code:** PEL

**ABN:** 12 063 388 821

### **Share Registry\***

Security Transfer Registrars Pty Ltd  
770 Canning Hwy  
Applecross WA 6153

### **Auditors\***

Stantons International  
Level 2  
1 Walker Avenue  
West Perth WA 6005

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

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## **2. CHAIRMAN'S LETTER**

Dear Shareholder,

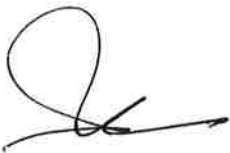
Pelican Resources Limited is pleased to offer its Eligible Optionholders of Options the opportunity to apply for one New Option for each Option held at an issue price of \$0.0001 per New Option, exercisable at \$0.02 on or before 30 June 2017.

The details of the Offer of New Options are described in this Prospectus. You should have received a personalised Application Form with this Prospectus, but if you are in any doubt, please contact the Company's Share Registry.

Please note that the Closing Date for acceptances is 5pm WST on 15 September 2014. If you wish to participate in this Offer it is essential that your completed Application Form reaches the Company's Share Registry by this time.

If you have any queries regarding your Entitlement or participation in the Offer, please do not hesitate to contact your financial advisor.

I commend this Offer to you and look forward to your continued support.

A handwritten signature in black ink, appearing to be 'John Palermo', with a stylized loop at the start and a horizontal line extending to the right.

**John Palermo**

Chairman

### **3. DETAILS OF THE OFFER**

#### **3.1 The Offer**

Pursuant to this Prospectus, the Company is inviting all persons who were holders of Options at 5.00pm (WST) on 30 June 2014, other than Non-qualifying Optionholders (**Eligible Optionholders**), to apply for one (1) New Option for every one (1) Option held at an issue price of \$0.0001 per New Option, exercisable at \$0.02 each on or before 30 June 2017 (**Offer**).

#### **3.2 Rights and Liabilities Attaching to the New Options**

The terms and conditions of the New Options are set out under **section 6.1** and the Shares allotted and issued upon the exercise of the New Options will rank equally with the Company's existing Shares on issue. A summary of the rights and liabilities attaching to the Underlying Shares is set out in **section 6.2** of this Prospectus.

#### **3.3 Opening and Closing Dates**

The Opening Date of the Offer will be 4 September 2014 and the Closing Date will be 5pm WST on 15 September 2014. The Offer may be accepted in whole or in part prior to the Closing Date subject to the Directors' right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

#### **3.4 Shortfall**

A Shortfall will arise if the Applications received for New Options under the Offer are less than the number of New Options offered.

The Directors will not place any Shortfall and those entitlements will lapse.

#### **3.5 Applications for New Options and Allotment**

It is important that you read this Prospectus carefully, in its entirety and seek professional advice where necessary before deciding to invest in the Company. In particular, in considering the prospects for the Company, you should consider the risk factors that could affect the performance of the Company. The Offer does not take into account your investment objectives, financial situation and particular needs. Accordingly, you should carefully consider the risk factors in light of your personal circumstances and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The New Options that are offered under this Prospectus are speculative in nature. An Application for New Options must be made on the Application Form contained at the back of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the Application Form.

The completed Application Form must be accompanied by a cheque or bank draft made payable to "Pelican Resources Limited" and crossed "Not Negotiable" for the appropriate Application Money in Australian dollars calculated at \$0.0001 per New Option applied for (rounded up to the nearest cent), and received by the Company's Share Registry (details are set out below) no later than 5.00pm WST on the Closing Date.

<b>By hand:</b>	<b>By post:</b>
Security Transfers Registrars Pty Ltd Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153	Security Transfers Registrars Pty Ltd PO Box 535 Applecross WA 6953

The Company will present the cheque or bank draft for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation). If the Application Money received is insufficient to pay for the number of New Options you applied for in your Application Form, you may be taken to have applied for such lower number of New

Options as your cleared Application Money will pay for (and to have specified that number of New Options in your Application Form) or your Application may be rejected.

If the Application Form is not completed correctly, or if the accompanying payment of the Application Money is for the wrong amount, it may still be treated as valid. The Directors' decision as to whether to treat the application as valid and how to construe, amend or complete the Application Form is final. However, you will not be treated as having applied for more New Options than is indicated by the amount of the cheque for the Application Money.

No brokerage or commission or stamp duty is payable by you in respect of applications for New Options under this Prospectus.

Alternatively, if you are paying by BPAY® payment, you do not need to mail the Application Form. Please refer to your personalised instructions on your Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5.00pm (Eastern Daylight Saving Time) (2.00pm (WST)) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration

### **3.6 Allotment**

The New Options will be issued only after all Application Money has been received and the ASX has granted permission for the New Options to be quoted. It is expected that New Options will be issued on 19 September 2014 and trading of the New Options on the ASX is expected to commence on 22 September 2014.

All Application Money received before the New Options are issued will be held in a special purpose account. After Application Money is refunded (if required) and Options are issued to Applicants, the balance of the funds in the account plus accrued interest will be received by the Company.

### **3.7 ASX Quotation**

Application will be made within seven days of the date of issue of this Prospectus for the New Options to be granted Official Quotation by the ASX. If such an application is not made within these seven days, or Official Quotation of the New Options is not granted by the ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Options and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The fact that the ASX may agree to grant Official Quotation of the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options. The ASX takes no responsibility for the contents of this Prospectus.

### **3.8 Offer Outside Australia and New Zealand**

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make the Offer. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit an offering of the Shares in any jurisdiction outside Australia and New Zealand.

Residents of countries outside Australia and New Zealand should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application for New Options on the basis of this Prospectus. No action has been taken to register or qualify the New Options or the Offer or otherwise to permit an offering of the New Options in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the

United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

### 3.9 Treatment of Overseas Shareholders

The Offer in this Prospectus is not being extended to any Optionholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand (**Non-qualifying Optionholder**) because of the small number of such Optionholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Optionholders for information only.

The Offer contained in this Prospectus to Eligible Optionholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Eligible Optionholders on the Record Date are not entitled to apply for any New Options.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Optionholders).

### 3.10 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Shares, which are on the same terms and conditions as the Underlying Shares that are to be issued upon the exercise of the New Options, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the last market sale price on the date before the lodgement date of this Prospectus are set out below.

3 month high	3 month low	Last market sale price
\$0.007 on 19, 20, 21, 22, and 25 August 2014	\$0.003 on 27 and 30 June 2014, and 1-4, 7, and 8 July 2014	\$0.007 on 25 August 2014

### 3.11 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's Share Registry and will contain the number of New Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.



### 3.12 Taxation Implications

The Directors do not consider that it is appropriate to give potential Applicants advice regarding the taxation consequences of applying for New Options under this Prospectus. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential Applicants in the Offer. Potential Applicants should, therefore, consult their own tax adviser in connection with the taxation implications of the Offer.

### 3.13 Privacy Act

If you complete an Application Form for New Options, 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 an Optionholder and/or Shareholder, facilitate corporate communications to you and carry out administration.

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

You can access, correct and update the personal information we hold about you. Please contact the Company's Share Registry to do so, at the contact addresses set out in this Prospectus.

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

### 3.14 Enquiries

Any question concerning the Offer should be directed to John J Palermo, the Company Secretary on +61 8 9242 1166.

Any queries regarding the Application Form should be directed to the Share Registry on +61 8 9315 2333.

You can also contact your professional adviser with any queries in relation to the Offer

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## 4. PURPOSE AND EFFECT OF THE OFFER ON THE COMPANY

### 4.1 Purpose of the Offer

The purpose of the Offer is to ensure that:

- (a) the Company can reward Eligible Optionholders for past support and loyalty to the Company;
- (b) the Company can motivate and provide an incentive for participation in the Company's future growth; and
- (c) upon the issue and exercise of the New Options, the funds raised will assist the Company in funding business development activities, international collaborations and additional research and development and working capital.

The table below presents the initial proceeds from the Offer prior to any New Options being exercised:

Proceeds of the Offer	\$
Working Capital	2,809
Costs of the Offer	6,000

<b>Estimated amount raised (assuming full take up under the Offer)</b>	<b>8,809</b>
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#### **4.2 Effect of the Offer**

The Effect of the Offer will be (assuming that the Offer is taken up in full) that:

- (a) cash reserves will initially increase by approximately \$8,809 before issue costs; and
- (b) the number of quoted options on issue will increase from nil to 88,096,475.

#### **4.3 Statement of financial position**

Set out in the following pages is the Consolidated Statement of Financial Position of the Company as at 30 June 2014 (unaudited), and the Consolidated Pro-Forma Statement of Financial Position as at 30 June 2014 (unaudited) assuming Full Subscription on the basis of the assumptions detailed further below. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are contained in the audit reviewed financial report for 6 months ended 31 December 2013.

PELICAN RESOURCES LIMITED  
STATEMENT OF FINANCIAL POSITION

		Unaudited Consolidated 30 June 2014 \$	Unaudited Consolidated Proforma \$
	Notes		
<b>Current Assets</b>			
Cash and cash equivalents	1	809,750	818,559
Trade and other receivables		883,772	833,772
Other current assets		164,062	164,062
<b>Total Current Assets</b>		<b>1,807,584</b>	<b>1,816,393</b>
<b>Non Current Assets</b>			
Other financial assets		105,497	105,497
Plant and equipment		60,636	60,636
Mineral exploration and evaluation expenditures		3,801,626	3,801,626
<b>Total Non Current Assets</b>		<b>3,967,759</b>	<b>3,967,759</b>
<b>Total Assets</b>		<b>5,775,343</b>	<b>5,784,152</b>
<b>Current Liabilities</b>			
Trade and other payables		232,029	232,029
Non interest bearing liabilities		3,927	3,927
<b>Total Current Liabilities</b>		<b>235,956</b>	<b>235,956</b>
<b>Non Current Liabilities</b>			
Non interest bearing liabilities		1,026,650	1,026,650
<b>Total Non Current Liabilities</b>		<b>1,026,650</b>	<b>1,026,650</b>
<b>Total Liabilities</b>		<b>1,262,606</b>	<b>1,262,606</b>
<b>Net Assets</b>		<b>4,512,737</b>	<b>4,521,546</b>
<b>Equity</b>			
Issued capital		13,286,471	13,286,471
Reserves	1	1,646,532	1,655,341
Accumulated losses		(9,998,421)	(9,998,421)
Total parent equity interest		4,934,582	4,943,391
Non-controlling interest		(421,845)	(421,845)
<b>Total Equity</b>		<b>4,512,737</b>	<b>4,521,546</b>

**Notes to the Proforma Balance Sheet of Financial Position:**

1. Completion of raising approximately \$8,809 (before issue costs) by the issue of 1 New Option for every 1 Option held at an issue price of \$0.0001 per New Option.

#### 4.4 Effect on Capital Structure

The proposed capital structure of the Company following the completion of the Offer (assuming the Offer is fully subscribed) is summarised below.

Details	Number of Shares
Fully paid ordinary shares on issue at the date of the	241,282,360

Prospectus	
Ordinary shares issued pursuant to the Offer	Nil
<b>Total fully paid ordinary shares following Offer</b>	<b>241,282,360</b>

<b>Details</b>	<b>Number of Options</b>
Options on issue	nil
New Options issued pursuant to the Offer assuming full subscription by Eligible Optionholders	88,096,475
<b>Total Options following Offer (assuming full take up under the Offer)</b>	<b>88,096,475</b>

**Notes:**

The capital structure assumes no existing Options are exercised and that no further Shares are issued by the Company on or before the Record Date.

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## **5. RISK FACTORS**

### **5.1 Overview**

The New Options offered under this Prospectus should be regarded as speculative, due to the inherent risks associated with the Company's activities. Neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Prospectus. An investment in the New Options offered by this Prospectus should be considered speculative.

The Directors recommend that Shareholders and potential investors examine the contents of this document together with previous ASX disclosures and public documents of the Company, including its most recent audited financial statements, and rely on advice of their professional advisers before deciding whether or not to apply for New Options pursuant to this document.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

### **5.2 General**

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Options. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **5.3 Economic risks**

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

### **5.4 Market conditions**

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 and in particular, resources stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

### **5.5 General economic risks and business climate**

Share market conditions may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- movements in or outlook on interest rates and inflation rates;
- currency fluctuations;
- commodity prices;
- changes in investor sentiment towards particular market sectors; and
- the demand and supply for capital.

## **5.6 Commodity prices**

The Company expects to derive any future revenue from the sale of commodities.

Consequently, the Company's expected earnings will be closely related to the price of these commodities together with any terms of the off-take agreement(s) under which these metals will be sold.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for the specific commodity, commodity trading on the futures markets, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

## **5.7 Currency**

The Company expects that any future revenue will be in US\$ while its cost base will be in other currencies (including A\$), consequently prevailing exchange rates will have an impact on the Company's expected earnings in A\$.

Exchange rates are affected by numerous factors beyond the control of the Company.

These factors include economic conditions and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

## **5.8 Exploration, development, mining and processing risks**

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements and compliance with the terms of those tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of the Company.

#### **5.9 Ability to exploit successful discoveries**

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

Exploitation may require the Company to obtain sale agreements with third parties with the risk to both supply and volume pricing.

#### **5.10 Country risk**

The Company has projects located in the Philippines which is a less developed country with associated political, economic, legal and social risks. Consideration should be given to the risks associated with operating in the Philippines as the economy and legal system may be different from that of most developed countries. There can be no assurance that the systems of government and the political system will remain stable. There can be no guarantee that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in the Philippines will not be amended or replaced in the future to the detriment of the Company's business and or projects. The Directors are unaware of any such proposals at the date of this Prospectus. Outcomes before courts in the Philippines may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company in the Philippines. There can be no guarantee that civil, ethnic or military unrest will not break out in the Philippines in the near future.

#### **5.11 Environmental risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. In the Philippines, the Company's operations and activities are subject to the environmental laws and regulations of the Philippines. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures, or production costs, or reduction in levels of production at

producing properties, or require abandonment or delays in development of new mining properties.

#### **5.12 Resource estimations**

Resource estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimates may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

#### **5.13 Joint venture parties, agents and contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

#### **5.14 Title risk**

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

The exploration licences comprising some of the tenements which the Company holds or in which it has an interest may be the subject of applications for extension or renewal in the future. Although the Company believes that exploration licences and tenements will be extended or renewed (as the case may be) according to applicable laws, there can be no assurance that they will be extended or renewed or as to the terms of any such extension or renewal.

If an exploration licence or a tenement is not extended or renewed, the Company may suffer significant damage through loss of the opportunity to discover and/or develop any mineral resources on that tenement.

In addition, the Company cannot guarantee that those tenements that are applications for tenements will ultimately be granted in whole or in part.

#### **5.15 Native Title**

The Native Title Act 1993 (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans.

Native title can be extinguished by valid grants of land or waters to people other than the native title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters. Native title is not extinguished by the grant of mining licences, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over native title to the extent of any inconsistency for the duration of the title.

All tenements granted prior to 1 January 1994 are valid or validated.



Tenements granted between 1 January 1994 and 23 December 1996 may be invalid if they fail to comply with the Native Title Act or for certain other reasons because of native title. However, such invalid tenements may be validated if certain statutory criteria are met.

For tenements to be validly granted (or renewed) after 23 December 1996 the special "right to negotiate" regime established by the Native Title Act must be followed.

It is important to note that the existence of a native title claim is not an indication that native title in fact exists to the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

#### **5.16 Future capital requirements**

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

#### **5.17 Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

#### **5.18 Reliance on key personnel**

The Company's success depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate, in the metals and mining industry and the Company's ability to retain its key executives.

#### **5.19 Insurance and uninsured risks**

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other

companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### **5.20 Government regulation**

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the exploration and development activities of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

#### **5.21 Other risks**

Other risk factors include those normally found in conducting business, including litigation through breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel and other matters that may interfere with the Company's business or trade.

## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to the New Options to be issued pursuant to this Prospectus and the Shares issued upon the subsequent exercise of the New Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders and Optionholders. To obtain such a statement, persons should seek independent legal advice.

### 6.1 Rights and Liabilities Attaching to New Options

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the New Options. Full details of the rights and liabilities attaching to the New Options are contained in the Constitution and in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

- (a) Each New Option will be granted at an issue price of \$0.0001 each.
- (b) Each New Option will entitle the holder to subscribe for one Share at an exercise price of \$0.02 each.
- (c) The New Options are exercisable at any time on or before 30 June 2017 wholly or in part by delivering a duly completed form of notice of exercise to the Company, accompanied by payment of the exercise moneys.
- (d) All Shares allotted on exercise of the New Options will rank equally in all respects with the Company's then existing Shares.
- (e) The New Options are freely transferable.
- (f) Application will be made to the ASX for official quotation of the New Options not later than 7 Business Days after the date of issue. Application will be made to ASX for official quotation by ASX of all Shares allotted pursuant to the exercise of New Options not later than 10 Business Days after the date of allotment.
- (g) Holders of New Options may only participate in new issues of securities to holders of Shares if a New Option has been exercised and Shares allotted in respect of the New Option before the Record Date for determining Entitlements to the issue. The Company must give at least 6 Business Days' notice to holders of any New Options before the record date for determining Entitlements to the issue in accordance with the Listing Rules of the ASX.
- (h) There will be no change to the exercise price of a New Option or the number of Shares over which a New Option is exercisable in the event of the Company making a pro rata issue of Shares or other securities to the holders of Shares (other than for a Bonus Issue).
- (i) If there is a bonus issue ("**Bonus Issue**") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the New Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class at the date of issue of the Bonus Shares.
- (j) If, prior to the expiry of any New Options, there is a reorganisation of the issued capital of the Company, the New Options shall be reorganised in the manner set out in the Listing Rules.

## **6.2 Rights Attaching to Underlying Shares**

The Underlying Shares to be issued pursuant to the exercise of the New Options subscribed to under this Prospectus are ordinary Shares and will as from their allotment rank equally in all respects with all existing Shares.

The rights attaching to the Underlying Shares arise from a combination of the Company's Constitution, the Corporations Act, the ASX 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.

A summary of the rights attaching to the Underlying Shares is set out below.

**(a) Voting Rights**

Subject to the Constitution of the Company and any rights or restrictions at the time being attached to a class of shares, at a general meeting of the Company every Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson has a casting vote.

**(b) Dividends**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

**(c) Winding up**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

**(d) Transfer of Shares**

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules, or under the Company's Constitution.

**(e) Further Increases in Capital**

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any rights attached to a class of shares, the Company (under the control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

**(f) Variation of Rights**

Subject to the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

**(g) Meetings and Notices**

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the ASX Listing Rules.

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## **7. ADDITIONAL INFORMATION**

### **7.1 Continuous Disclosure and Documents Available for Inspection**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares issued upon the exercise of Options subscribed to pursuant to this Prospectus are in the same class of 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 options to acquire securities that have been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of Options on the Company and the rights attaching to the Options and the Underlying Shares. *Provided the Company has otherwise complied with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules*, 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 Options in an entity that is not already listed on a stock exchange. Eligible 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 Closing Date:
  - (i) the financial statements of the Company for the financial year ended 30 June 2013 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and
  - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement 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 2013 annual financial report on 24 September 2013:

<b>Date</b>	<b>Description of ASX Announcement</b>
25/08/2014	Listing Rule 14.7 Waiver
30/07/2014	Activities Report and Appendix 5B 30 June 2014
23/07/2014	Results of General Meeting of Members
10/07/2014	PEL: Subscription and Set-Off Agreement
10/07/2014	Subscription and Set-Off Agreement
03/07/2014	Appendix 3B
30/06/2014	Appendix 3B
24/06/2014	Appendix 3B
20/06/2014	Notice of General Meeting/Proxy Form
13/06/2014	Appendix 3B
10/06/2014	Appendix 3B
28/05/2014	Expiry of Options and Option Offer
15/05/2014	Sub-underwriting of Pluton Resources Rights Issue
30/04/2014	March 2014 Quarterly Report
14/04/2014	Appendix 3Y and Substantial Holder Change
13/03/2014	Interim Financial Statements 31 Dec 2013
28/01/2014	Quarterly Activities Report and Appendix 5B
29/11/2013	Results 2013 AGM
31/10/2013	Notice of Annual General Meeting/Proxy Form
29/10/2013	Appendix 5B Quarterly Activities Report

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.

## **7.2 Material Contracts**

As at the date of this Prospectus, the Company has not entered into any material contracts relating to the business of the Company.

### 7.3 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any entity in which such a Director is a partner or director, has or has had in the two years before the date of this Prospectus, any interest in:

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

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 Director or to any entity in which such a Director is a partner or director, either to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offer.

At the date of this Prospectus the relevant interest of each of the Directors in securities are as follows:

Director	Shares
Mr John Palermo	21,754,400 Options (Exp. 30/6/2014) 25,895,124 Fully paid ordinary Shares
Mr John Hills	11,883,839 Fully paid ordinary Shares
Mr Mike Bue	500,000 Performance Rights

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive Directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares.

In the two years preceding lodgement of this Prospectus, \$740,364 (excluding GST where applicable) has been paid by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

### 7.4 Interests and Consents of Experts and Advisers

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

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

and no amounts have been paid or agreed to be paid (in cash or securities 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.

References to Stanton International appear for information purposes only. Stanton International has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Ltd appear for information purposes only. Security Transfer Registrars Pty Ltd has not been involved in, authorised or caused the issue of this Prospectus.

#### **7.5 Expenses of the Offer**

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are \$6,000.

#### **7.6 Litigation**

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



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**8. DIRECTORS' STATEMENT**

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

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board by:

A handwritten signature in black ink, appearing to be 'John Palermo', written over a horizontal line.

**JOHN PALERMO**

Director

Dated: 26 August 2014

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## 9. GLOSSARY

**\$ or A\$** means Australian dollars unless otherwise specified.

**Applicant** means a person who submits an Application.

**Application** means an application for New Options pursuant to this Prospectus.

**Application Form** means the application form accompanying this Prospectus.

**Application Money** means amounts received in dollars by the Company from Applicants for New Options under this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX Settlement** means ASX Settlement Pty Ltd (ABN 49 008 504 532).

**ASX Settlement Operating Rules** means the settlement rules of ASX Settlement Pty Ltd ACN 008 504 532.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** or the **Listing Rules** means the official Listing Rules of the ASX.

**Auditor** means Stantons International.

**Board** means the board of Directors.

**Business Day** means a day on which trading takes place on the stock market of the ASX.

**CHESS** means Clearing House Electronic Subregister System, operated by ASX Settlement, effects the exchange and registration of securities.

**Closing Date** means 15 September 2014 or such other date as may be determined by the Directors under this Prospectus.

**Company** means Pelican Resources Limited (ABN 12 063 388 821).

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company as at the date of this Prospectus.

**Eligible Optionholder** means the holder of an Option at the Record Date other than a Non-qualifying Optionholder.

**Entitlement** means an Eligible Optionholder's entitlement to subscribe for one (1) New Option for every one (1) Option held on the Record Date.

**New Option** means an option to subscribe for a Share in the company exercisable at \$0.02 on or before 30 June 2017.

**Non-qualifying Optionholder** means an Optionholder whose registered address is not situated in Australia or New Zealand.

**Offer** means the offer of New Options pursuant to this Prospectus.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation of securities on ASX.

**Opening Date** means the date that the Offers open for applications specified in **section 3.3** being 4 September 2014.

**Option** means a listed option to subscribe for a Share in the Company, exercisable at \$0.04 each on or before 5.00pm (WST) 30 June 2014.

**Optionholder** means the holder of an Option.

**Prospectus** means this Prospectus dated 26 August 2014.

**Record Date** means 5.00pm (WST) on 30 June 2014.

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

**Shareholder** means the holder of a Share.

**Shortfall** will occur if the Company does not hold successful valid Applications for all the New Options offered by the Company under this Prospectus by the Closing Date.

**Shortfall Options** means New Options for which successful valid Applications have not been received by the Closing Date.

**Underlying Shares** means Shares allotted and issued upon the exercise of the New Options issued pursuant to this Prospectus.

**WST** means Western Australian Standard Time.