

MOUNT MAGNET SOUTH NL
ABN 93 096 635 246

REPLACEMENT PROSPECTUS

For the non-renounceable rights issue of:

- ♦ **approximately 412,013,877 Shares at \$0.001 per Share, on the basis of 2 Shares for every 3 Shares held by Eligible Shareholders as at the Record Date; and**
 - ♦ **approximately 206,006,939 Options at \$0.001 per Option, on the basis of 1 Option for every 2 Shares subscribed for under the Prospectus,**
- to raise approximately \$618,021.**

Offer closes at 5.00 pm WST on Friday, 5 December 2014

Underwritten by
Capital Investment Partners Pty Ltd AFSL No. 291 416
(refer to section 6.1 of this Prospectus for a summary of the terms of the
Underwriting Agreement including the termination events)

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act 2001. This document is important and should be read in its entirety, together with the Entitlement and Acceptance Form attached to this Prospectus. If, after reading this Prospectus, you have any questions about the Securities being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser.

The Securities offered under this Prospectus should be considered speculative.

This is a replacement prospectus dated 13 November 2014. It replaces a prospectus dated 7 November 2014 relating to a non-renounceable rights issue of Shares and free attaching Options in Mount Magnet South NL (ACN 096 635 246).

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IMPORTANT NOTICE

This is a replacement prospectus dated 13 November 2014 and was lodged with ASIC on that date. This replacement prospectus replaces the original prospectus dated 7 November 2014 (“**Original Prospectus**”). For the purpose of this document, this replacement prospectus will be referred to as the “Prospectus”. This Prospectus has been issued, following discussions with ASX, to ensure that the offer made by the Original Prospectus is modified so as to ensure compliance with the Listing Rules (in particular, Listing Rules 7.11.2 and 7.11.3).

No Securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus. Application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Securities the subject of this Prospectus.

The Company is an ASX listed company whose Shares are granted official quotation by ASX.

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 professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company or its Directors.

This Prospectus is a “transaction-specific” prospectus issued under section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. The Prospectus is therefore intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to the ASX; it does not include all information that would be included in a prospectus for an initial offering of securities in a company that is not already listed on the ASX. Accordingly, prospective investors should also have regard to other publicly available information in relation to the Company before deciding whether to apply for Securities under this Prospectus.

This Prospectus has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country other than Australia. The Securities, the subject of this Prospectus, have not been, nor will they be, approved by or registered with any regulatory authority of any other country. This Prospectus does not constitute an offer or issue in any place in which, or to any person to whom, it would not be lawful to make such an offer or issue. Refer to section 2.9 and 2.10 for treatment of overseas shareholders.

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

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

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

RISK FACTORS

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

FORWARD-LOOKING STATEMENTS

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

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

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

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 and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 4 of this Prospectus.

ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.mountmagnet.com.au, or the ASX website. Any person accessing the electronic version of this 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.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr Alec Pismiris – Non-Executive Chairman
Mr Mark Pitt - Non-Executive Director
Mr Patrick Flint - Non-Executive Director

COMPANY SECRETARY

Mr Shaun Menezes

BUSINESS OFFICE

Level 1, 10 Outram Street
WEST PERTH WA 6005
Tel: +61 8 9213 8900
Fax: +61 8 9213 8901

SHARE REGISTRY *

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233

UNDERWRITER

Capital Investment Partners Pty Ltd
Level 7, BGC Centre
28 The Esplanade
PERTH WA 6000

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

1. TIMETABLE AND IMPORTANT DATES

The following key dates are indicative only and may be subject to change without notice.

Prospectus lodged with ASIC	13 November 2014
Shares trade "ex" the entitlements issue on ASX	18 November 2014
Record Date	20 November 2014
Despatch of Prospectus and Opening Date	24 November 2014
Closing Date	5.00pm WST on 5 December 2014
Securities quoted on a deferred settlement basis	8 December 2014
Issue Securities and despatch of holding statements	12 December 2014

The Company reserves the right to vary the Opening Date and the Closing Date, subject to compliance with the ASX Listing Rules. This may impact on subsequent dates.

2. DETAILS OF THE OFFER

2.1 The Offer

The Company is making a pro-rata non-renounceable issue of Securities to Shareholders who are registered as at 5.00 pm WST on 20 November 2014 ("**Record Date**") and have a registered address in Australia or New Zealand.

The Offer is made on the basis that for every 3 Shares held as at the Record Date, Shareholders as Eligible Participants will have the right to subscribe for:

- (a) 2 new Shares at an issue price of \$0.001 each ("**Share Offer**"); and
- (b) 1 Option for every 2 new Shares subscribed for and received under the Prospectus at an issue price of \$0.001 each ("**Option Offer**"). The exercise price of the Options is \$0.006 and the expiry date is 31 December 2018. The full terms of the Options are set out in section 5.2.

The Offer will need to be accepted by Eligible Participants in respect of both the Share Offer and the Option Offer (i.e. acceptance cannot be made of only one of the Share Offer or Option Offer).

In the calculation of any entitlement, fractions will be rounded up to the nearest whole number.

Based on the capital structure of the Company at the date of this Prospectus, approximately 412,013,877 Shares and 206,006,939 Options will be offered pursuant to this Offer to raise approximately \$618,021 (before the costs of the Offer).

This Offer is made on a non-renounceable basis which means that Eligible Participants may not sell or transfer all or part of the Entitlement. If an Entitlement is not taken up under the Offer by the Closing Date, the Entitlement will lapse.

The Entitlement of each Shareholder is shown on the Entitlement and Acceptance Form accompanying this Prospectus. The details of how to accept the Entitlement are set out below.

2.2 No Minimum Subscription

There is no minimum subscription under the Offer. However, as noted elsewhere in this Prospectus, the Offer is underwritten by the Underwriter, subject to the terms and conditions of the Underwriting Agreement.

2.3 Action required

If you wish to take up all or part of your Entitlement, you can complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out and lodge the form together with your cheque for the appropriate amount so that it reaches the Company's share registry. **Eligible Participants will also be able to apply for additional Shares and Options over and above their Entitlement pursuant to the Shortfall Offer detailed in Section 2.4:**

By post:

Mount Magnet South NL
c/- Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

By delivery:

Mount Magnet South NL
c/- Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Completed Entitlement and Acceptance Forms **must reach** the Company's share registry by no later than 5.00 pm WST on 5 December 2014.

Cheques and drafts should be made payable to "Mount Magnet South NL" and crossed "Not Negotiable".

Alternatively, you can elect to pay by BPAY in accordance with the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure the payment is received by the Company by no later than 5.00pm AEDT (2.00pm WST) on 5 December 2014. You should be aware that your own financial institution may implement earlier cut off times with regards to electronic payments and you should take this into consideration when making payment. The Company accepts no responsibility for incorrectly completed BPAY payments.

If paying by BPAY there is no need to forward the completed Entitlement and Acceptance Form to the Company's share registry.

If the amount of your cheque(s) for application money (or the amount for which those cheque(s) clear in time for allocation) is insufficient to pay for the number of Shares and Options you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of Shares and Options as your cleared application money will pay for (and to have specified that number of Shares and Options in your Entitlement and Acceptance Form) or your application may be rejected.

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire Securities on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. Refer to section 6.8 for further details.

If you decide not to accept your Entitlement, you do not need to take any action.

2.4 Shortfall Offer

The Company will also allow Eligible Participants (***other than Directors, other related parties, or their associated entities, who are excluded in compliance with ASX Listing Rules***) to apply for additional Securities (ie in addition to their Entitlement) if they wish to do so on the following basis.

If all Eligible Participants do not take up their Entitlement in full, the Shortfall will be allocated to those Eligible Participants who apply for additional Securities (in addition to their Entitlement) prior to any allocation to the Underwriter as detailed in Section 2.5.

If applications under the Shortfall Offer exceed the Shortfall, the Shortfall will be allocated on a proportionate basis having regard to the relative registered holdings on the Record Date of all Eligible Participants who have applied for Shortfall under the Shortfall Offer.

The Directors have the discretion to determine any final allocations under the Shortfall Offer, having regard to the allocation principles set out, the requirements of the Corporations Act, the ASX Listing Rules and other applicable laws.

2.5 Underwriter

The Company has appointed Capital Investment Partners Pty Ltd ("**CIP**") as the Underwriter to the Offer under the terms of the Underwriting Agreement.

The Offer is fully underwritten up to the value of \$618,021 ("**Underwritten Amount**"), subject to the provisions described below.

Under the Underwriting Agreement, the Underwriter is required to subscribe for 100% of the Shortfall (that is, the remaining Securities after applications made by Eligible Participants including under the Shortfall Offer). By way of example:

- (a) if there is a 100% Shortfall (that is, no Eligible Participant subscribes for its Entitlement), the Underwriter will be required to subscribe for Securities equal to \$618,021; and

- (b) if there is a 25% Shortfall (that is, Eligible Participants subscribe for Entitlements equal to approximately \$463,516), the Underwriter will be required to subscribe for Securities equal to approximately \$154,505.

The Underwriter will be paid a fee for underwriting the Offer of 6%, calculated on the Underwritten Amount of \$618,021 and a management fee of \$10,000. The Company has given the Underwriter (or its nominees) the right, but not the obligation, to subscribe to 90 million Underwriter Options at a price of \$0.00001 being a total cost of \$900. The terms and conditions of the Underwriter Options are set out in Section 5.3.

The material terms of the Underwriting Agreement are set out in section 6.1.

The Underwriting Agreement provides for the appointment of sub-underwriters. Fees payable to the sub-underwriters are at the discretion of the Underwriter and the Company is not responsible for any payment of fees to sub-underwriters.

2.6 Effect of the Offer on the Control of the Company

(a) General

Assuming no Convertible Securities are exercised prior to the Record Date, and no additional Shares are issued prior to the Record Date, the maximum number of Shares which will be issued pursuant to the Offer is approximately 412,013,877. This equates to approximately 40% of all the issued Shares in the Company following completion of the Offer (on an undiluted basis).

The potential effect the Offer will have on the control of the Company's undiluted share capital will depend on the extent to which Eligible Participants take up their Entitlements under the Offer.

If all Eligible Participants take up their Entitlements in full, the Offer will have no material effect on the control of the Company.

Shareholders should be aware that if they do not participate in the Offer and the Offer is fully subscribed, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

(b) Underwriter and control of the Company

As set out in section 2.5 and 6.1, the Offer is fully underwritten by CIP.

As at the date of this Prospectus, CIP has a registered holding of 6,511,201 Shares in the Company. Mr Gavin Argyle and GAB Superannuation Fund Pty Ltd, both associates of CIP have registered holdings of 890,000 Shares and 40,014,431 Shares respectively in the Company. Collectively, CIP and its associates have a relevant interest in approximately 7.67% of the issued Shares in the Company. CIP and its associates are not related parties of the Company as defined in section 228 of the Corporations Act.

CIP has entered into various sub-underwriting agreements with sub-underwriters. In the unlikely circumstances that all Shareholders decide to not take up their Entitlement and any sub-underwriters renege on their obligations to subscribe for Shortfall Shares and the Underwriting Agreement has not been terminated, the Underwriter would be issued with 412,013,877 Shortfall Shares and its relevant interest in Shares (including its associates' holdings) would represent approximately 42.15% at completion.

(c) Substantial Shareholders and control of the Company

In the event that a substantial Shareholder (or any other party who is not the Underwriter) applies for additional Securities which become available as a result of a Shortfall (if any), the Company (in conjunction with the Underwriter) will not allocate any additional Securities to any party, such that their relevant interest in voting shares in the Company would exceed

20% of the total issued voting shares in the Company other than in accordance with the Corporations Act.

2.7 Allotment

The Shares and Options will be allotted and issued as soon as practicable after the Closing Date. Statements of holding for the Shares and Options will be mailed to applicants as soon as practicable after the Closing Date.

Prior to allotment of the Shares and Options, all application moneys will be held in trust for applicants. The Company will retain any interest earned on the application moneys.

No Securities will be allotted and issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

2.8 Official Quotation by ASX

Application to ASX for admission of the Shares and Options to Official Quotation will be made by the Company within 7 days of the date of this Prospectus.

If the application referred to above is not made within the seven days, or the Shares are not admitted to Official Quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Securities offered by this Prospectus will be issued. In that circumstance, all applications will be dealt with in accordance with section 724 of the Corporations Act.

The Options will comprise a new class of listed security, subject to satisfying the Official Quotation conditions. Should the Official Quotation conditions not be satisfied, the Options will be unquoted securities.

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

2.9 Issues 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. The distribution of this Prospectus and accompanying Entitlement and Acceptance Form may be restricted by law (and any failure to comply with those restrictions may constitute a violation of applicable securities laws) and persons who come into possession of this Prospectus and accompanying Entitlement and Acceptance Form should seek advice and observe those restrictions.

No action has been taken to register or qualify the Shares and Options or the Issue or otherwise to permit an offering of the Shares and Options in any jurisdiction outside Australia, although Shareholders in New Zealand may be eligible to participate in the Issue and should refer to section 2.10 for further information

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.

2.10 Overseas Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand. Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia (other than to Eligible Participants).

It is the responsibility of any Shareholder who submits an Entitlement and Acceptance Form to obtain all necessary approvals for the allotment and issue of the Shares and Options under this Offer. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

New Zealand Shareholders

The Offer contained in this Prospectus to Eligible Participants with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Shares or Options.

Persons resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or whether formalities need to be observed, to enable them to accept the offer of Shares and Options pursuant to this Prospectus.

With only a handful of Shareholders outside Australia and New Zealand, it is not reasonable for the Company to meet the requirements of the securities laws of countries other than Australia and New Zealand and the Offer has not been and will not be registered under the relevant securities laws of those jurisdictions. For that reason, no Entitlement and Acceptance Forms can be or are being sent to Shareholders with registered addresses outside Australia and New Zealand, and this Prospectus is being sent to them for information purposes only.

2.11 Risk Factors

Investors should carefully read the risk factors outlined in section 4. An investment of this kind involves a number of risks, some of which are specific to the Company and the industry in which it operates.

2.12 Rights Attaching to Shares and Options

Summaries of the rights attaching to Shares and Options are set out in sections 5.1 and 5.2 respectively.

2.13 Taxation Implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Issue or Shareholders applying for Shares and Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Issue. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Issue.

2.14 Notice to nominees and custodians

Nominees and custodians that hold existing Shares should note that the Offer is available only to Eligible Participants. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

2.15 Summary

This section is not intended to provide full details and information on the Offer. Shareholders must read this Prospectus in full in order to make a fully informed investment decision.

2.16 Enquiries

Any questions concerning the Offer should be directed to the Company's share registry in the first instance (Telephone: +61 8 9315 2333) or otherwise to the Company (Telephone: +61 8 9213 8900).

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of Offer and use of funds

The purpose of the Offer is to raise funds of approximately \$618,021 (before expenses of the Offer). The proceeds of the Offer are intended to be applied as follows:

- Exploration and evaluation expenditure
- Evaluation of new project opportunities
- Corporate overheads, administration costs and general working capital
- Underwriting fees in relation to the Offer
- Other costs of the Offer including Prospectus preparation fees, legal fees, share registry, ASIC and ASX fees, printing and miscellaneous expenses

Use of Funds	\$
Exploration and evaluation expenditure	335,940
Evaluation of new project opportunities	75,000
Corporate overheads, administration costs and general working capital	150,000
Underwriting fees in relation to the Offer	47,081
Other costs of the Offer	10,000
Total:	618,021

The information set out in this Section is indicative only and is a statement of present intention as at the date of this Prospectus. The exact quantum of funds expended by the Company on any particular item may change depending on the Company's circumstances and priorities. The Board reserves the right to alter the way funds are applied on this basis.

The amount of general working capital referred to above may be applied towards corporate administration costs or applied towards expenses incurred in the event that any new resource projects are identified.

3.2 Effect on Capital Structure

A table of changes in the capital structure of the Company as a consequence of the Offer is set out below:

Shares	Number
Shares quoted on ASX as at the date of this Prospectus	618,020,816
Shares issued pursuant to Prospectus Offer	412,013,877
Placement Shares ¹	60,000,000
Total post completion of the Offer	1,090,034,693

Options	Number
Existing Options as at the date of this Prospectus	Nil
Options issued pursuant to Prospectus Offer ²	206,006,939
Placement Options ¹	70,000,000
Underwriter Options	90,000,000
Total post completion of the Offer¹	366,006,939

Notes:

- On 10 September 2014 the Company announced plans to place up to 140,000,000 Shares at an issue price of \$0.0015 with one attaching option issued for no additional consideration for every two new Shares subscribed ("Placement"). The attaching options are exercisable at \$0.006 with a 31 December 2018 expiry. 80,000,000 Placement Shares were issued on 19 September 2014. Approval for the issue of the remaining 60,000,000 Placement Shares and 70,000,000 attaching Placement Options was received at a Shareholder meeting held on 21 October 2014. The above table assumes the remaining Placement Shares and Placement Options will be issued subsequent to the Record Date but prior to the completion of the Offer.
- Listed Options to be issued pursuant to the Offer on the terms set out in section 5.2 of this Prospectus. See also section 2.8 of this Prospectus regarding the quotation of the Options.

The Company also has on issue 8,100,000 performance rights. These performance rights are subject to vesting conditions which will not be satisfied before the Record Date. The Company also has on issue 66,666,667 convertible notes with a face value of \$0.015 each. The notes mature on 31 July 2015 (refer to section 3.4 below for further information in relation to the convertible notes).

3.3 Effect on cash reserves

The principal effect of the Offer will be to increase cash reserves (before payment of expenses of the Offer, including the underwriting fee) by approximately \$618,021.

3.4 Pro-forma Balance Sheet

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

The significant accounting policies upon which the Balance Sheet and pro-forma Balance Sheet are based are contained in the audited financial report for the twelve months ended 30 June 2014.

The unaudited pro-forma Balance Sheet has been prepared by adjusting the Balance Sheet as at 30 June 2014 to reflect the financial effect of the following transactions as if they had occurred at 30 June 2014:

- The issue of 140,000,000 Shares at an issue price of \$0.0015 per Share and 70,000,000 free attaching Options pursuant to the Placement (refer Section 3.2) raising \$210,000.
- Cash costs of \$12,600 associated with the Shares and Options issued pursuant to the Placement.
- The issue of approximately 412,013,877 Shares at an issue price of \$0.001 per Share and approximately 206,006,939 Options at an issue price of \$0.001 per Option issued in accordance with this Prospectus raising approximately \$618,021.
- The issue of 90,000,000 Underwriter Options at an issue price of \$0.00001 per Option raising \$900.
- Cash costs of \$57,081 associated with the Shares and Options issued under this Prospectus representing fees to the Underwriter of \$47,081 and other Prospectus costs of \$10,000.
- Net cash proceeds of the issue therefore being \$561,840.

Other than as set out above, the pro-forma Balance Sheet has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 30 June 2014 and close of the Offer.

Prior to the date of this Prospectus the Company finalised negotiations with the holder of the 66,666,667 convertible notes with a face value of \$1 million that are due for redemption on 31 July 2015. The key revised terms are as follows, and completely replace those revised terms set out in Section 3.4 of the Original Prospectus:

- i. subject to completion of the Offer and subject to Shareholder approval being obtained at a Shareholder meeting to be held on or before 27 February 2015, the Company will redeem existing convertible notes with a face value of \$200,000 by the issue of 133,333,333 Shares and 66,666,666 Options, both at an issue price of \$0.001 per security to the noteholder leaving a balance of \$800,000 in existing convertible notes;
- ii. subject to completion of the Offer and Shareholder approval being obtained at a Shareholder meeting to be held on or before 27 February 2015, existing convertible notes with a face value of \$800,000 (53,333,333 convertible notes) will be cancelled and the Company will instead issue 133,333,333 new convertible notes which can be converted to up to 133,333,333 Shares at an issue price of \$0.006 (being equivalent to the exercise price of the Options that are the subject of the Offer); and
- iii. the new convertible notes (with a total face value of \$0.8 million) will have a redemption date of 31 July 2017 (compared to the 31 July 2015 redemption date for the existing notes).

In addition, the following key terms have been negotiated with the noteholder in relation to the new notes which may result in early redemption of part or all of the new convertible notes liability of \$800,000:

- a) If the Company's Kirkalocka Gold Project ("KGP") (comprising gold treatment plant and mineral tenements) is transferred into a private company for non-cash consideration, then the noteholder will receive equity capital for the value of \$400,000 in the private company thus reducing the convertible note liability to \$400,000;
- b) If KGP is sold to a third party, the noteholder will receive up to \$400,000 of sale proceeds in priority to the Company receiving sale consideration thus reducing the convertible note liability by the repayment amount; or
- c) If the Company acquires a new project or business that generates any earnings before interest and taxation ("EBIT") greater than \$1m at any time prior to the redemption date of the convertible notes (31 July 2017), then the noteholder will be paid 20% of EBIT against early redemption of the then remaining balance of the convertible note liability.

The effects of the revised terms referred to above in relation to the convertible note liability have not been reflected in the proforma Balance Sheet presented below or in the capital structure in section 3.2 above.

**Proforma Consolidated
Balance Sheet
As at 30 June 2014**

	Actual 30 June 2014 (Audited)	Proforma 30 June 2014 (unaudited)
	\$	\$
Current Assets		
Cash and cash equivalents	396,321	1,155,561
Trade and other receivables	23,243	23,243
Inventory	40,163	40,163
Total Current Assets	459,727	1,218,967
Non-Current Assets		
Receivables	21,108	21,108
Property, plant and equipment	3,069,036	3,069,036
Deferred exploration expenditure	4,200,000	4,200,000
Total Non-Current Assets	7,290,144	7,290,144
Total Assets	7,749,871	8,509,111
Current Liabilities		
Trade and other payables	207,085	207,085
Provisions	49,832	49,832
Total Current Liabilities	256,917	256,917
Non-Current Liabilities		
Borrowings	925,562	925,562
Provisions	4,500,000	4,500,000
Total Non-Current Liabilities	5,425,562	5,425,562
Total Liabilities	5,682,479	5,682,479
Net Assets	2,067,392	2,826,632
Equity		
Issued capital	34,056,174	34,608,507
Option premium reserve	-	206,907
Convertible notes reserve	332,622	332,622
Equity benefits reserve	2,765,649	2,765,649
Accumulated losses	(35,087,053)	(35,087,053)
Total Equity	2,067,392	2,826,632

4. RISK FACTORS

4.1 Introduction

The Securities offered under this Prospectus as well as an investment generally in the Company's securities is considered highly speculative, and involve investors being exposed to risk. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus or make an investment generally in the Company's securities.

The following is a non-exhaustive list of the risks that may have a material effect on the financial position and performance of the Company and the value of its securities as well as the Company's exploration and development activities and an ability to fund those activities.

The specific risks below are some of the risks specific to the Company including by reason of its involvement in the mineral resource industry.

4.2 Company Specific Risks

Mining and Exploration Risks

The primary business of the Company is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities. Its operations are still in the exploration and evaluation phase. The current and future operations of the Company may be affected by a range of factors, including:

- geological conditions
- limitations on activities due to seasonal weather patterns
- unanticipated operational and technical difficulties encountered in sampling, drilling, development, production and treatment activities
- mechanical failure of operating plant and equipment
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events
- unavailability of drilling, mining, processing and other equipment
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour
- prevention of access by reason of inability to obtain regulatory or landowner consents or approvals
- terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes
- delays in completing feasibility studies and obtaining development approvals
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company, or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited by the Company.

Kirkalocka Gold Project Development

In February 2013 the Company completed an optimised feasibility study into the recommencement of operations at the Kirkalocka Gold Project (KGP). There are a number of risks that impact on the development of the KGP, the key risks being:

Development Approvals – Whilst the Company has previously been granted all major approvals for the development of the KGP, a number of these approvals have lapsed and will need to be re-

applied for (once the Company is confident of securing project development funding). There is a risk that the Company may not be granted certain approvals and / or that there may be an inordinate delay in the procurement of such approvals.

Project Finance and Financial Parameters – The Company will require project finance to complete the development and commissioning of a gold mine at the KGP. There is a risk that the Company may not be able to procure project finance on terms that are acceptable to the Board. Discussions with potential financiers have indicated the gold price at the time of entering into financial arrangements must be in excess of AUD\$1,600 per ounce of gold. There can be no assurance that the gold price will reach this level in the future.

Reliance on key personnel - The responsibility of overseeing the development and operations of the KGP depends substantially on senior management and key personnel. The Company will need to recruit key personnel in the event development is to proceed. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cannot be recruited or if recruited subsequently ceases their employment.

If any of these risks were to materialise, they could have a material adverse effect on the Company's financial performance and results of operations.

There are a number of other risks that impact on the development, commissioning and profitable production of gold at the KGP that are generic to the gold mining industry and which are noted later in this section, including an increase in capital and operating costs as well as a fall in the gold price which could impact directly on the development of the KGP.

Title

All of the tenements or licences in which the Company has an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each tenement or licence is usually at the discretion of the relevant government authority.

Additionally, tenements are subject to a number of government specific legislative conditions. The inability to meet these conditions could affect the standing of a tenement or restrict its ability to be renewed.

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

Metals and Currency Price Volatility

The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for minerals is subject to many variables and may fluctuate markedly.

These variables include world demand for gold, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Gold is principally sold throughout the world in US dollars. The Company's cost base will be payable primarily in Australian dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

Future Capital Needs and Additional Funding

As of 30 September 2014, the Company's cash reserves were \$163,145.

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus and the Company's announcements to ASX. The Company's ability to raise further

capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including the results of planned exploration programs, subsequent feasibility studies, stock market and industry conditions and commodity prices and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. 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. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

The KGP is the site of historical mining activities, with an existing pit, waste landform and tailings storage facility. If development of the KGP does not proceed, further rehabilitation of the site in its current form will be required (if development does proceed, site rehabilitation forms part of the mine closure plan). The Company has estimated the cost of such rehabilitation and made provision for this expenditure. There is a risk that the final cost of completing rehabilitation may be greater than that currently estimated if development of the KGP does not proceed.

Resource Estimations

Resources 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.

Additionally, 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.

4.3 Industry specific

Changes in Government Policy

Adverse changes in government policies or legislation concerning ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company. It is possible that the current system of exploration and mine permitting in Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

4.4 General risks

Economic

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

Market conditions

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

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

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

Speculative Nature of Investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Securityholders 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 securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities in the Company.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND TERMS OF OPTIONS

5.1 Rights Attaching to Shares

The rights and liabilities attaching to Shares in the Company, and the Shares offer under this Prospectus, are:

- (a) set out in the Constitution of the Company, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

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.

Voting Rights

Subject to any special rights or restrictions for the time being attached to any class or classes of Shares in the Company (at present there are none), at a general meeting every Shareholder present in person or by proxy, attorney or representative will have on a show of hands one vote and, on a poll, one vote for each Share held.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, financial reports and other documents required to be furnished to Shareholders under the Constitution or the Corporations Act and the Listing Rules.

Dividend Rights

Subject to the rights of holders of any Shares created or raised under any special arrangement as to dividends (at present there are none), any dividend as declared shall be payable on all Shares in proportion to the amount of capital for the time being paid up or credited as paid up in respect of such Shares.

Rights on Winding-up

Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution, divide amongst Shareholders in specie of kind, the whole or any part of the assets of the Company, for that purpose fix the value of assets and determine how the division is to be carried out as between the Shareholders or different classes of Shareholders, and vest assets of the Company in trustees or any trusts for the benefit of the Shareholders as the liquidator thinks appropriate.

Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Listing Rules and any other applicable laws of Australia, and subject to any restrictions applicable to Shares that have been designated by the ASX as "restricted securities", Shares are freely transferable.

Shareholder Liability

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

ASX Listing Rules

Despite anything in the constitution of the Company, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the

constitution to contain a provision or not to contain a provision the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of the inconsistency.

5.2 Rights Attaching to Options

The terms of the Options offered under this Prospectus are:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share.
- (b) The Options may be exercisable at any time prior to 5:00pm WST on 31 December 2018 ("**Expiry Date**"). Options not exercised on or before the Expiry Date will automatically lapse.
- (c) The exercise price of each Option is \$0.006.
- (d) The Options may be exercised wholly or in part by completing an application form for Shares ("**Notice of Exercise**") delivered to the Company's share registry and received by it any time prior to the Expiry Date.
- (e) The Options are transferable and the Company will apply to ASX to have the Options granted Official Quotation. Should the Official Quotation conditions not be satisfied, the Options will be unquoted securities.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking *pari passu* with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.
- (g) There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, Option holders will be notified by the Company in accordance with the requirements of the Listing Rules.
- (h) There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.
- (j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

5.3 Rights Attaching to Underwriter Options

The terms of the Underwriter Options are:

- (a) Each Option entitles the holder to subscribe for and be allotted one Share.
- (b) The Options may be exercisable at any time prior to 5:00pm WST on 31 December 2018 ("**Expiry Date**"). Options not exercised on or before the Expiry Date will automatically lapse.
- (c) The exercise price of each Option is \$0.006.
- (d) The Options may be exercised wholly or in part by completing an application form for Shares ("**Notice of Exercise**") delivered to the Company's share registry and received by it any time prior to the Expiry Date.
- (e) The Options are transferable and the Company will not apply to ASX to have the Options granted Official Quotation.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking *pari passu* with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation.
- (g) There will be no participating entitlement inherent in the Options to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Prior to any new pro rata issue of securities to Shareholders, Option holders will be notified by the Company in accordance with the requirements of the Listing Rules.

- (h) There are no rights to a change in exercise price, or in the number of Shares over which the Options can be exercised, in the event of a bonus issue by the Company prior to the exercise of any Options.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Option holder are to be changed in a manner consistent with the Listing Rules.
- (j) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

6. ADDITIONAL INFORMATION

6.1 Underwriting Agreement

On 13 November 2014, the Company and the Underwriter entered into the Underwriting Agreement pursuant to which the Underwriter agreed to fully underwrite the Offer.

Fees payable to the Underwriter have been detailed in Section 2.5. The Underwriter is entitled to be reimbursed for all reasonable out-of-pocket expenses.

The Underwriting Agreement imposes obligations on the Company including an obligation to offer the Securities in accordance with regulatory requirements. The Underwriting Agreement further contains various representations and warranties made by the Company to the Underwriter that are customary for an agreement of this nature.

6.1.1 Termination Conditions

The Underwriting Agreement is subject to a number of termination conditions that are customary for an agreement of this nature. The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company, without cost or liability to the Underwriter, immediately if, prior to close of the Offer:

- (a) **(proceedings)** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Offer Document, or publicly foreshadows that it may do so;
- (b) **(Unable to issue Securities)** the Company is prevented from allotting and issuing the Underwritten Securities within the time required by the Timetable, Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- (c) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (d) **(ASIC application)**: an order is made under Section 1324B or any other provision of the Corporations Act in relation to the Offer Document;
- (e) **(Authorisation)**: any authorisation which is material to anything referred to in the Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (f) **(Indictable offence)**: a director of the Company is charged with an indictable offence;
- (g) **(Cleansing Statement)**: the Company ceases to be capable of issuing, at the date of issue of any Final Shortfall Shares, a notice under Section 708A(5)(e) of the Corporations Act to allow secondary trading of any Final Shortfall Securities; or
- (h) **(Termination Events)**: any of the following events occur:
 - i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
 - ii) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;

- iii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
- iv) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- v) **(Adverse change):** an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
- 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 Offer Document, other than a statement the Company is required to make in order to ensure its disclosure obligations under the Listing Rules and the Corporations Act;
- 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 Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- viii) **(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 (excluding the introduction of a reasonable carbon tax policy that does not materially affect the ASX);
- ix) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- x) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;
- xi) **(Board and senior management composition):** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- xii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or the Placement, a matter disclosed in the Offer Document) 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;
- xiii) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 4 Business Days, without the prior written consent of the Underwriter;
- xiv) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- xv) **(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;
- xvi) **(Capital Structure):** any Relevant Company alters its capital structure in any manner not contemplated by the Offer Document;
- xvii) **(Investigation):** any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;

- xviii) **(Breach of Material Contracts):** any of the Contracts are terminated or substantially modified;
- xix) **(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, Europe, Japan, the United Kingdom, the United States of America or other international financial markets;
- xx) **(Licences):** the revocation or forfeiture of any material licence, permit or approval relevant to the Company's exploration activities or interests in such activities;
- xxi) **(S&P 200 Index):** between the Announcement Date and the Shortfall Issue Date (each inclusive), the ASX/S&P200 does not close 10% or more below the closing level on the Announcement Date for 5 or more consecutive trading days; or
- xxii) **(Gold Price):** between the Announcement Date and the Shortfall Issue Date (each inclusive), the COMEX Gold spot price does not close 10% or more below the closing level on the Announcement Date for 5 or more consecutive trading days.

The Underwriter's termination rights under clause 6.1.1(h) can only be exercised if the Underwriter reasonably believes and does believe that the matters in 6.1.1(h)(i) to (xxii) above:

- (a) have or are likely to have a materially adverse effect on:
 - the success of, ability of the Underwriter to market or sub-underwrite, or effect settlement of, the Offer (irrespective of whether or not the Offer has opened); or
 - the market price of Offer Shares and Offer Options; or
- (b) have given or could reasonably be expected to give rise to a contravention by, or a liability of, the Underwriter under any law or regulation.

As part of the Underwriting Agreement, the Underwriter may appoint sub-underwriters on such terms as it thinks fit, not inconsistent with those in the Underwriting Agreement.

6.2 Relevant interest of Underwriter

As at the date of this Prospectus, CIP has a relevant interest in 47,415,632 Shares in the Company (approximately 7.67% of the issued Shares in the Company). CIP is not a related party as defined in section 228 of the Corporations Act.

Shareholders are referred to section 2.6 of this Prospectus for further details regarding the potential effect of the Offer on the control of the Company.

6.3 Directors Interests and Emoluments

Other than as set out below or elsewhere in this Prospectus, no Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (a) to a Director to induce him or her to become, or to qualify as, a Director; or
- (b) for services provided by a Director in connection with the formation or promotion of the Company or the Offer.

Directors' interests in the securities of the Company at the date of this prospectus are set out in the table below and the disclosures following the table:

Directors	Shares	Shares Entitlement	Options Entitlement
Alec Pismiris	-	-	-
Mark Pitt	1,573,335	1,573,335	786,668
Patrick Flint	-	-	-

Note:

Mr Pitt has indicated that it is his present intention to subscribe for his full Entitlement under the Offer.

Following Shareholder approval received at a meeting held on 21 October 2014, Mr Pismiris will participate in the Placement by subscribing for 20,000,000 Shares at an issue price of \$0.0015 each, together with 1 free attaching Option for every 2 Shares subscribed for and issued. As noted at Section 3.2 it is assumed the Placement Shares and Placement Options will be issued subsequent to the Record Date but prior to the completion of the Offer.

Directors are entitled to Directors' fees and other emoluments, which are disclosed in the Company's annual financial reports. The directors' annual remuneration is as follows:

- Mr Pismiris was appointed as a non-executive director with effect from 2 August 2013. As non-executive chairman, Mr Pismiris's annual fee is \$72,000. Fees for Mr Pismiris's services are paid to Capital Investment Partners Pty Ltd. For the financial year ended 30 June 2014 total fees paid for Mr Pismiris's services were \$60,000.
- Mr Pitt is a non-executive director and receives an annual fee of \$24,000 inclusive of statutory superannuation. For the financial year ended 30 June 2014 Mr Pitt received annual remuneration of \$24,000. For the financial year ended 30 June 2013 Mr Pitt received annual remuneration of \$36,000. Mr Pitt also holds 2,000,000 performance rights, previously granted to him as part of his remuneration package. Mr Pitt intends to resign following completion of the Offer.
- Mr Flint is a non-executive director and receives an annual fee of \$24,000 inclusive of statutory superannuation. For the financial year ended 30 June 2014 Mr Flint received annual remuneration of \$24,000. During the financial year ended 30 June 2013 Mr Flint was an executive director for part of the year and received annual remuneration of \$150,898 comprising director fees, salary and consulting fees. Mr Flint also holds 1,500,000 performance rights, previously granted to him as part of his remuneration package. Mr Flint intends to resign following completion of the Offer.

Fees totalling \$61,403 were paid or payable to Corporate Consultants Pty Ltd (CCPL), a company related to Mr Flint for the financial year ended 30 June 2013 for company secretarial services provided by a CCPL employee, former company secretary, Mr Susmit Shah. From 1 September 2013 to 5 November 2014, CCPL had been engaged for the provision of company secretarial and accounting services (provided by Mr Shah and other CCPL staff) for annual fees totalling \$75,000. Fees of \$72,436 were paid or payable to CCPL for the year ended 30 June 2014.

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.

6.4 Interests of Experts and Advisors

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

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

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

CIP is underwriting the Offer. The material terms of the Underwriting Agreement and the fees to be paid to CIP in relation to this Offer are set out in Sections 2.5 and 6.1. In the two years prior to the date of this Prospectus, CIP has been paid a total of \$50,000 for other corporate advisory services, and \$84,000 has been paid or is payable for the provision of Mr Pismiris's services as a Director (refer Section 6.3 above). A fee of \$12,600 has also been paid or is payable to CIP for acting as lead manager for the Placement.

6.5 Consents

The following parties have given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC:

CIP has consented to being named as the Underwriter to the Offer and the inclusion in the Prospectus of all statements referring to it.

The party referred to above in this section:

- does not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this section;
- 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 the Prospectus with the consent of that party as specified in this section; and
- has not caused or authorised the issue of this Prospectus.

6.6 Share Trading History

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

The highest and lowest market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last sale price on the trading day prior to lodgement of this Prospectus were:

	Price	Date
Highest	\$0.008	20 August 2014
Lowest	\$0.002	8 October 2014
Latest	\$0.002	10 November 2014

6.7 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares that will be issued pursuant to this Prospectus and the Shares that will be issued on exercise of the Options offered under this Prospectus will be in the same class of Shares that have been granted official quotation by ASX during the 3 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, or options to acquire securities, in a class which has 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 Offer on the Company and the rights and liabilities attaching to the securities offered. 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 enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities 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 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 ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report for the year ended 30 June 2014; and
 - (ii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

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

Date	Description of Announcement
12/11/2014	Revised non-renounceable entitlement offer
11/11/2014	Withdrawal of non-renounceable entitlement offer*

Date	Description of Announcement
11/11/2014	Trading Halt
07/11/2014	Appendix 3B
07/11/2014	Disclosure Document*
06/11/2014	Company Secretary Appointment/Resignation
30/10/2014	Notice of Annual General Meeting / Proxy Form
30/10/2014	Annual Report to shareholders
30/10/2014	September 2014 Quarterly Cashflow Report
30/10/2014	September 2014 Quarterly Activities Report
21/10/2014	Results of General Meeting

*On 7 November 2014, the Company issued a disclosure document for a non-renounceable entitlement offer of securities. The offer constituted under that disclosure document was subsequently withdrawn on 11 November 2014, following discussions with ASX, to ensure that the offer made by the Original Prospectus is modified so as to ensure compliance with the Listing Rules (in particular, Listing Rules 7.11.2 and 7.11.3).

6.8 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire Shares and Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for Shares and Options. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, you will be deemed to have represented that you are an Eligible Participant. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Offer;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares and Options to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares and Options are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the Shares and Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Shares and Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

7. DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 13 November 2014

A handwritten signature in black ink, appearing to be 'Alec Pismiris', with a stylized initial 'A' and a long horizontal stroke extending to the right.

Signed for and on behalf of Mount Magnet South NL
By Alec Pismiris
Director

8. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

AEDT	means Australian Eastern Daylight Time.
Announcement Date	means the date of this Prospectus.
ASIC	means the Australian Securities and Investments Commission.
ASX	means the ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.
Board	means the Board of Directors.
Closing Date	means the closing date for receipt of Entitlement and Acceptance Forms under this Prospectus, estimated to be 5.00 pm WST on Friday, 5 December 2014 or an amended time as set by the Board.
Company	means Mount Magnet South NL (ABN 93 096 635 246).
Constitution	means the constitution of the Company.
Convertible Securities	means the 8,100,000 performance rights and 66,666,667 convertible notes on issue at the date of this Prospectus, where each performance right can convert to a Share upon specified performance criteria being satisfied and where the holder of the convertible notes can convert the notes to 66,666,667 Shares in settlement of the face value of the notes of \$1 million.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Eligible Participant and Eligible Shareholder	means a Shareholder as at 5.00pm WST on the Record Date who: <ul style="list-style-type: none">(a) has a registered address in Australia or New Zealand;(b) is not in the United States and is not a US Person and is not acting for the account or benefit of a US Person; and(c) is eligible under all applicable securities laws to receive an offer under the Offer and to participate in the Offer.
Entitlement	means the right of a Shareholder to subscribe for Securities under the Offer.
Entitlement and Acceptance Form	means the personalised entitlement and acceptance form attached to or accompanying this Prospectus.
Issue	means the issue of the Shares and Options comprised in the Offer.
Listing Rules	means the official listing rules of the ASX.
Offer	means the offer of Securities pursuant to this Prospectus.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the Listing Rules.
Opening Date	means the date on which the Offer opens.

Option	means an option to acquire a Share, exercisable at \$0.006 each expiring on 31 December 2018.
Original Prospectus	means the Company's prospectus dated and lodged with ASIC on 7 November 2014.
Placement	means the placement of Securities announced by the Company on 10 September 2014 and further described in Section 3.2 of this Prospectus.
Prospectus	means this Prospectus.
Record Date	means 20 November 2014 being the date for determining the Shareholder's Entitlement to participate in this Offer.
Securities	means Shares and Options.
Share	means a fully paid ordinary share in the Company.
Shareholder	means the registered holder of Shares in the Company.
Shortfall	means the Shares and Options forming Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders.
Shortfall Issue Date	means the date that is 5 business days after the Shortfall Notice Deadline Date.
Shortfall Notice	means the written notice of the number of Shortfall given by the Company to the Underwriter.
Shortfall Notice Deadline Date	means the day that is 3 business days after the Closing Date or any other date agreed in writing between the parties as the date by which the Company must give the Underwriter the Shortfall Notice.
Shortfall Offer	means the offer of Shortfall made in accordance with this Prospectus and as further described in Section 2.4.
Underwriter or CIP	means Capital Investment Partners Pty Ltd (ABN 37 110 468 589) (AFSL 292416).
Underwriting Agreement	means the underwriting agreement between the Company and the Underwriter summarised in Section 6.1.
Underwriter Options	means an option to acquire a Share, exercisable at \$0.006 each expiring on 31 December 2018 for which the Underwriter (or its nominees) will pay a price of \$0.00001 as subscription price, and otherwise on the terms and conditions set out in Section 5.3.
US Person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	means the United States Securities Act of 1933, as amended.
WST	means Western Standard Time as observed in Perth, Western Australia.
\$	means Australian dollars unless otherwise stated.