



Venus Metals Corporation Limited

ACN 123 250 582

Prospectus

For the offer of up to 31,449,491 New Options exercisable at \$0.20 each on or before 30 November 2019 at an issue price of \$0.005 per New Option on the basis of 1 New Option for every 1 Expired Option to raise up to approximately \$157,247 before expenses.

Only Expired Optionholders may apply for New Options under this Prospectus.

This Offer closes at 5.00pm WST on 23 February 2017. Valid acceptances must be received before that date.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

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

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Corporate Directory

DIRECTORS

Terence Hogan – Non-Executive Chairman
Matthew Hogan – Managing Director
Selvakumar Arunachalam – Executive Director

SECRETARY

Matthew Hogan

REGISTERED OFFICE

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Perth WA 6000
Telephone: +61 8 9321 7541
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Email: info@venusmetals.com.au
Website: www.venusmetals.com.au

SHARE REGISTRY*

Security Transfer Australia Pty Ltd
PO Box 52
Collin Street West VIC 8007

ASX CODE

VMC

*For information purposes only

Important Dates*

Event	Date*
Announcement of Offer	22 December 2016
Prospectus lodged at ASIC and ASX, dispatch of Prospectus and Entitlement and Acceptance Form and lodgement of Appendix 3B	3 February 2017
Opening Date	3 February 2017
Closing Date	23 February 2017
Allotment date	1 March 2017
Despatch of holding statements	1 March 2017
Quotation of New Options issued under the Offer	1 March 2017

** These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.*

Important Notes

This Prospectus is dated 3 February 2017 and was lodged with the ASIC on that date. Neither the ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply to ASX for Official Quotation of the New Options offered pursuant to this Prospectus.

Expired Optionholders should read this Prospectus in its entirety and seek professional advice where necessary. The New Options the subject of this Prospectus should be considered speculative.

An application for New Options by Expired Optionholders will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 1.7 of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*. It does not contain the same level of disclosure as an initial public offering prospectus. In 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 to whom investors may consult.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this document nor the New Options (or the Shares to be issued upon exercise of the New Options) the subject of the Offer have been, nor will be, registered under any applicable securities laws of a country of jurisdiction outside of Australia and New Zealand. Accordingly, subject to certain exceptions, the New Options the subject of the Offer may not, directly or indirectly, be offered or sold within a country or jurisdiction outside of Australia and New Zealand, or to or for the account or benefit of any national resident or citizen of, or any person located in a country or jurisdiction outside of Australia and New Zealand.

New Zealand Notice

The Offer to New Zealand investors pursuant to this Prospectus are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act* and the *Corporations Regulations 2001* (Cth). In New Zealand, this is Part 5 of the *Securities Act 1978*, *Securities Regulations 2009* and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008*.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. The Australian *Corporations Act* and *Corporations Regulations 2001* (Cth) set out how the Offer must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

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

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

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

United States Notice

This Prospectus may not be released or distributed in the United States. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Options have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements under the US Securities Act and applicable US state securities laws.

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

The Offer may involve a currency exchange risk. The currency for the New Options is not New Zealand dollars. The value of the New Options will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the New Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

The Company will apply to the ASX for quotation of the New Options offered under this Prospectus. If quotation is granted, the New Options offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the New Options through that market, you will have to make arrangements for a participant in that market to sell the New Options on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

The Company is required under Part 1 of the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008* to provide an Expired Optionholder with copies of the Company's Constitution on request and free of charge.

Risk factors

Potential investors should be aware that subscribing for New Options in the Company involves a number of risks. Some of the more significant risks which affect an investment in the Company are:

- Fluctuation in commodity prices and demand and exchange rates

The price of the mineral commodities that the Company explores for (including lithium, base metals and gold) is highly dependent on a number of factors, including international supply and demand, the condition of global financial markets, actions taken by governments, global economic and political development, exchange rates and the proper functioning of debt markets. Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including supply and demand fluctuations, technological advances, forward-selling activities and other macro-economic factors.

The international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is taken into account in Australian dollars. This exposes the Company to fluctuations and volatility of the exchange rate between the United States dollar and the Australian dollar, as determined in international markets.

- Exploration and operational risks

Mining exploration and production is inherently risky and speculative in nature. There is no guarantee that economic minerals deposits will be discovered in the locations being explored by the Company. In the event that deposits are discovered, there is no guarantee that they will be in commercially viable quantities or economically profitable.

In addition, the Company's operations and profitability will be affected by operational risks. These include geological conditions, technical difficulties, securing and maintaining tenements, weather and construction of efficient processing facilities.

Further, the Company may require approvals and licences necessary to conduct the exploration and mining, which may impose conditions the Company must satisfy in order to proceed with the exploration or production of the base metals or gold deposit. It may not be possible for the Company to satisfy these conditions.

These factors may affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and may affect the price of the Company's Shares and New Options.

- Mineral resources estimates may be inaccurate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

- Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management, key consultants and contractors to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its processing, exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

- Land rehabilitation requirements

Land rehabilitation requirements are imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land and water resource disturbances. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be used for other purposes, such as exploration or development programs.

Additionally, the Company may be required to place in trust monies allocated to the remediation of the mining tenement areas. The required remediation funds may be very high relative to the assets of the company and the forms acceptable to the regulators which may be limited in form (for example insurance or guarantee). The allocation of funds for this purpose may have an adverse impact on the financial performance of the Company.

Key definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Please refer to section 6 of this Prospectus for a list of defined terms.

Rounding

All figures in tables have been rounded to two decimal places.

Brief instructions for Expired Optionholders

The number of New Options to which you are entitled is shown in the Entitlement and Acceptance Form.

You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and Customer Reference Number indicated so that the funds are received before 3.00pm (WST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form;
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® code and Customer Reference Number indicated so that the funds are received before 3.00pm (WST) on the Closing Date; or
 - (ii) fill in the number of New Options you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.005 per New Option); or
- (c) **if you do not wish to accept all or part of your Entitlement**, you are not obliged to do anything.
- (d) you will not be able to apply for additional New Options exceeding your Entitlement.

Please refer to section 1.7 of this Prospectus for further details relating to Entitlements and acceptance of the Offer.

Chairman's Letter

Dear Expired Optionholder

The Board is pleased to offer Expired Optionholders the opportunity to participate in the offer of New Options as proposed in this Prospectus.

Expired Optionholders will be entitled to participate in the issue of up to 31,449,491 New Options on the basis of 1 New Option for every 1 Expired Option, at an issue price of \$0.005 per New Option.

The Offer gives each Expired Optionholder an opportunity to participate in the capital raising at a price of \$0.005 per New Option. Your Directors urge all Expired Optionholders to subscribe for their Entitlement and continue their ongoing support of the Company.

The Offer will raise up to approximately \$157,247 before expenses. The exact amount of funds raised is dependent on the participation rate of Expired Optionholders.

The funds raised from the Offer will primarily be used for:

- general working capital; and
- the expenses of the Offer.

The funds raised from the exercise of New Options will primarily be used for general working capital.

Full details of the Offer to participate in this opportunity are included in this Prospectus, which I encourage you to read carefully.

On behalf of the Board, I take this opportunity to thank each of our Expired Optionholders and look forward to your support of the Offer.

Yours sincerely

Terence Hogan
Non-Executive Chairman

1 Details of the Offer

1.1 Offer

This Prospectus invites Expired Optionholders to participate in the issue of up to 31,449,491 New Options at an issue price of \$0.005 per New Option on the basis of 1 New Option for every 1 Expired Option to raise up to approximately \$157,247 before expenses of the Offer.

Only Expired Optionholders may apply for New Options under this Prospectus.

As at the date of this Prospectus, the Company has 69,664,693 Shares on issue.

The Company currently has 5,400,000 Options on issue. Please refer to section 2.3 of this Prospectus for further information on the exercise price and expiry date of the Options on issue.

The Shares that will be issued upon the exercise of the New Options being offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 4.5 and 4.6 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares and the terms and conditions of the New Options.

1.2 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$157,247 (before costs).

It is anticipated that the funds raised from the Offer will be applied as follows:

Description	Use of funds based on full subscription of \$157,247	
	(\$)	% of proceeds
General working capital ¹	136,161	86.60
Expenses of the Offer ²	21,086	13.40
TOTAL	\$157,247	100%

Notes:

1 This includes working capital and administrative costs such as salaries, ASX and other fees and corporate overheads.

2 Please refer to section 4.11 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. It is anticipated that these funds will be applied over the next 3 months.

The above proposed use of funds is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the programs as they proceed. The Board reserves the rights to alter the way in which funds are applied on this basis. The Company's current cash resources and additional capital proposed to be raised by the Offer are sufficient to meet its current stated objectives.

The Company does not seek to raise a minimum amount under the Offer. In the event that the Company raises less than the full subscription of approximately \$157,247, funds raised will be applied in towards the expenses of the Offer first and then to working capital. The Board reserves the rights to alter the priority in which funds raised are applied.

In the event that insufficient funds are raised to meet the expenses of the Offer, the Company intends to use its existing working capital to meet the expenses of the Offer.

1.3 Minimum Subscription

There is no minimum subscription to the Offer.

1.4 No disposal or trading of Entitlements

Entitlements to New Options pursuant to the Offer are non-renounceable and accordingly Expired Optionholders may not dispose of or trade any part of their Entitlement.

1.5 Closing Date

The Offer will close at 5.00pm WST on 23 February 2017 (**Closing Date**), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules.

1.6 Underwriting

The Offer is not underwritten.

1.7 Entitlements and Acceptance

The number of New Options to which you are entitled (**Entitlement**) is shown in the Entitlement and Acceptance Form. Fractional Entitlements will be rounded down to the nearest whole number of New Options.

In determining the subscription amount, any fractional figure will be rounded down to the nearest whole cent.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) pay the amount indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® Biller Code and Customer Reference Number indicated so that the funds are received before 3.00pm (WST) on the Closing Date; or
 - (ii) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided and attach your cheque for the amount indicated on your Entitlement and Acceptance Form;
- (b) if you only wish to accept part of your Entitlement:
 - (i) pay a lesser amount than indicated on your Entitlement and Acceptance Form via BPAY® using the BPAY® Biller Code and Customer Reference Number indicated so that the funds are received before 3.00pm (WST) on the Closing Date; or
 - (ii) fill in the number of New Options you wish to accept in the space provided on the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.005 per New Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques and bank drafts must be drawn on an Australian branch of a financial institution made payable in Australian currency to "Venus Metals Corporation Limited – Options Entitlement Offer" and crossed "**Not Negotiable**".

Your completed Entitlement and Acceptance Form and cheque must be mailed to:

Security Transfer Australia Pty Ltd
PO Box 52
Collin Street West VIC 8007

and received by no later than 5.00pm (WST) on the Closing Date.

If you choose to pay via BPAY® you are not required to submit your Entitlement and Acceptance Form. Your payment will not be accepted after 3.00pm (WST) on the Closing Date and no New Options will be issued to you in respect of that application.

If you have multiple holdings you will have multiple BPAY® reference numbers. To ensure you receive your New Options in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Options that you wish to apply for in respect of that holding.

PLEASE NOTE THAT IF YOU INADVERTENTLY USE THE SAME CUSTOMER REFERENCE NUMBER FOR MORE THAN ONE OF YOUR APPLICATIONS, YOU WILL BE DEEMED TO HAVE APPLIED FOR THE ENTITLEMENT TO WHICH THAT CUSTOMER REFERENCE NUMBER APPLIES AND ANY EXCESS AMOUNT WILL BE REFUNDED.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount you wish to pay via BPAY® does not exceed your limit.

The Offer is non-renounceable. Accordingly, an Expired Optionholder may not sell or transfer all or part of their Entitlement.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action

Taxation Implications

Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

Inquiries

If you have any queries regarding your Entitlement, please contact the Company Secretary or your stockbroker or professional adviser.

1.8 Allotment of New Options

The New Options are expected to be allotted by no later than 1 March 2017. Until issue and allotment of the New Options under this Prospectus, the application monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on application monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Options takes place.

1.9 ASX Listing

Application for Official Quotation of the New Options allotted pursuant to this Prospectus will be made to ASX within seven days following the date of this Prospectus.

If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any New Options and will repay all application monies for the New Options within the time period prescribed under the *Corporations Act*, without interest.

A decision by ASX to grant Official Quotation of the New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Options now offered for subscription.

1.10 Shortfall

No shortfall facility is provided under this Prospectus, however, the Directors reserve the right to place any shortfall arising under the Offer at their discretion no later than 3 months after the date Shareholders approved the issue of New Options in general meeting (unless otherwise extended by way of ASX granting a waiver to the Listing Rules).

1.11 Market Prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the three (3) months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.19 on 2 November 2016 and \$0.12 on 15 December 2016.

The latest available market sale price of Shares on ASX at the close of trading on the day before the date of this Prospectus was \$0.13 on 2 February 2017.

1.12 Withdrawal of Offer

The Company reserves the right not to proceed with the Offer at any time before the issue of the New Options to Expired Optionholders. If the Offer does not proceed, the Company will return all application monies as soon as practicable after giving notice of its withdrawal, without interest.

1.13 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information in the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules.

If an Applicant becomes a security holder of the Company, the *Corporations Act* requires the Company to include information about the security holder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including

the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered offices.

1.14 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 such 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 and the Directors.

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 3 of this Prospectus.

2 Effect of the Offer on the Company

2.1 Effect of the Offer

The principal effects of the Offer on the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, are as follows:

- (a) the Company will issue 31,449,491 New Options; and
- (b) the cash reserves of the Company will increase by approximately \$157,247 (less the expenses of the Offer) immediately after completion of the Offer.

2.2 Condensed Statement of Financial Position

Set out below is the audited Condensed Statement of Financial Position of the consolidated entity as at 30 June 2016, together with the Pro Forma Condensed Statement of Financial Position of the consolidated entity as at 30 June 2016, adjusted for:

- (a) the issue of 31,449,491 New Options to raise approximately \$157,247 under the Offer (which assumes the Offer is fully subscribed); and
- (b) the estimated expenses of the Offer of approximately \$21,086.

Pro-forma Statement of Financial Position

	Statement of Financial Position as at 30 June 2016 \$'000	Pro Forma Condensed Statement of Financial Position 30 June 2016 \$'000
CURRENT ASSETS		
Cash and cash equivalents	954,187	1,090,348
Trade and other receivables	32,890	32,890
Prepayments	11,912	11,912
TOTAL CURRENT ASSETS	998,989	1,135,150
NON-CURRENT ASSETS		
Property, plant and equipment	56,292	56,292
Acquisition costs capitalised	1,361,770	1,361,770
Other non-current financial assets	-	-
TOTAL NON-CURRENT ASSETS	1,418,062	1,418,062
TOTAL ASSETS	2,417,051	2,553,212
CURRENT LIABILITIES		
Trade and other payables	112,009	112,009
Employee benefits	22,948	22,948
Other current liabilities	32,555	32,555
TOTAL CURRENT LIABILITIES	167,512	167,512
TOTAL LIABILITIES	167,512	167,512
NET ASSETS	2,249,539	2,385,700
EQUITY		
Issued capital	20,056,778	20,056,778
Reserves	2,807,982	2,965,229
Accumulated losses	(20,615,221)	(20,636,307)
TOTAL EQUITY	2,249,539	2,385,700

Notes to the pro-forma Condensed Statement of Financial Position

The audited financial statements as at 30 June 2016 have been used in the preparation of the Pro Forma Condensed Statement of Financial Position. The audit was undertaken by Stantons International Audit and Consulting Pty Limited.

The Pro Forma Condensed Statement of Financial Position has been prepared by the Company and is presented in an abbreviated form insofar as it does not comply with all the disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Pro-Forma Condensed Statement of Financial Position:

- (a) includes \$157,247 comprising gross proceeds raised pursuant to the Offer (less estimated Offer costs of \$21,086); and
- (b) does not take into account any transactions between 1 July 2016 and the date of this Prospectus. The Pro-Forma Condensed Statement of Financial Position reflects only the transactions the subject of this Prospectus.

2.3 Effect on capital structure

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

Shares

	Number
Shares currently on issue	69,664,693
Shares to be issued pursuant to the Offer	Nil
Shares on issue after completion of the Offer	69,664,693

Quoted Options

Exercise Price	Expiry Date	Number
New Options to be issued pursuant to the Offer		31,449,491
Quoted Options on issue after completion of the Offer		31,449,491

Unquoted Options

Exercise Price	Expiry Date	Number
\$0.25	30 November 2019	3,000,000 ¹
\$0.30	30 November 2019	2,400,000

Note:

¹ 1,500,000 Options will vest on 31 December 2017.

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

2.4 Potential dilutionary impact of Offer

As no new Shares are being offered pursuant to the Offer, there will be no immediate dilutionary effect of the Offer on Shareholders. If the New Options being issued under this Offer are exercised (which must occur on or before 30 November 2019, if at all), an additional 31,449,491 Shares will be issued by the Company. This equates to approximately 31.1% of all the issued Shares in the Company following completion of the Offer (assuming no other Options on issue are exercised).

3 Risk Factors

3.1 Introduction

This section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks, which may be higher or lower than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Options.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

3.2 Risks specific to the Offer

Use of funds

There is no minimum subscription to the Offer and the Offer is not underwritten. The amount of funds raised from the Offer will depend on the extent to which Expired Optionholders accept their Entitlements. The proposed use of funds raised from the Offer is set out in section 1.2 of this Prospectus. Should this Offer not be fully subscribed, the Directors may need to prioritise the use of the funds raised, which is currently anticipated to be in the order of the uses as listed in section 1.2. Depending on the amount raised under the Offer, the Company may need to raise further funds, whether by debt or equity instruments, should it seek to continue to meet the remaining current stated objectives.

3.3 Risks specific to the Company

Fluctuation in commodity prices and demand and exchange rates

The price of the mineral commodities that the Company explores for (including lithium, base metals and gold) is highly dependent on a number of factors, including international supply and demand, the condition of global financial markets, actions taken by governments, global economic and political development, exchange rates and the proper functioning of debt markets. Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including supply and demand fluctuations, technological advances, forward-selling activities and other macro-economic factors.

The international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company is taken into account in Australian dollars. This exposes the Company to fluctuations and volatility of the exchange rate between the United States dollar and the Australian dollar, as determined in international markets.

Exploration and Operational Risks

Mining exploration and production is inherently risky and speculative in nature. There is no guarantee that economic minerals deposits will be discovered in the locations being explored by the Company. In the event that deposits are discovered, there is no guarantee that they will be in commercially viable quantities or economically profitable.

In addition, the Company's operations and profitability will be affected by operational risks. These include geological conditions, technical difficulties, securing and maintaining tenements, weather and construction of efficient processing facilities.

Further, the Company may require approvals and licences necessary to conduct the exploration and mining, which may impose conditions the Company must satisfy in order to proceed with the exploration or production of the minerals deposit. It may not be possible for the Company to satisfy these conditions.

These factors may affect the Company's ability to establish mining operations, continue with its projects and earn income from its operations and may affect the price of the Company's Shares and New Options.

Land rehabilitation requirements

Land rehabilitation requirements are imposed on mineral exploration companies, as well as companies with mining operations, in order to minimise long term effects of land and water resource disturbances. Rehabilitation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out rehabilitation obligations imposed on the Company in connection with its mineral exploration, the Company must allocate financial resources that might otherwise be used for other purposes, such as exploration or development programs.

Additionally, the Company may be required to place in trust monies allocated to the remediation of the mining tenement areas. The required remediation funds may be very high relative to the assets of the Company and the forms acceptable to the regulators which may be limited (for example insurance or guarantee). The allocation of funds for this purpose may have an adverse impact on the financial performance of the Company.

Regulatory Risks

The Company may be impeded from operating from time to time due to regulatory interventions. These regulatory impediments could be due to a lack of clarity on the required approvals or licences, or alternatively, could be due to the Company being issued with specific directives ordering the Company to halt part or all of its operations until the requisite actions have been implemented to the satisfaction of the regulator. This could stop the Company from conducting its exploration activities as planned.

These factors may affect the Company's ability to continue with its projects and ultimately establish mining operations and earn income from its operations and will affect the Company's Share price.

Mineral resource estimates may be inaccurate

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, or from statements on the sand dumps and tailing storage facilities, resource estimates may have to be adjusted and plans may have to be altered in a way which could adversely affect the Company's operations.

Access to land

The Company will experience delays and cost overruns in the event it is unable to access the land

required for its operations. This may be as a result of weather, physical or environmental restraints, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

Environmental regulation risk

The Company's operations are subject to environmental regulations in Australia. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are required in connection with the Company's operations. To the extent such approvals are required and not obtained or renewed, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral properties.

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.

Amendments to current laws, regulations and permits governing the Company's operations and activities, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or require abandonment or delays in the development of new properties.

Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with the impact of its operations on the environment, including noise, dust and vibrations, and the necessary disposal of mining waste products resulting from exploration. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive. Further, the Company may incur delays in its exploration or other activities due to requirements to mitigate the effects of its operations on adjacent communities.

Native Title

The High Court of Australia, the *Native Title Act 1993* (Cth) and State legislation recognise Aboriginal heritage and land rights. The risks include the following:

- (a) the Company may have to seek permits or licences to access land the subject of an Aboriginal heritage or land right claim. There is no guarantee that any such permit or licence will be granted;
- (b) the Company may have to comply with restrictions or conditions on accessing land the subject of an Aboriginal heritage or land right claim. This may result in the Company facing unplanned expenditure or delays. Failure to comply with any conditions on the permits may result in the Company losing its title to its tenements or forfeiting its permits;
- (c) the Company may have to pay compensation in order to settle native title claims. It is not possible to quantify the amount of compensation which may have to be paid at this stage; and
- (d) in the event the Company discovers evidence of Aboriginal heritage on land accessed by the Company, the Company must comply with regulations prohibiting the disturbance of physical evidence of prehistoric or historical significance without statutory permission and legislation prohibiting or restricting access to Aboriginal cultural heritage or native title land. Accordingly, delays or additional costs in the exploration or production of the Company's business may be experienced. Further, the disturbance of any such land or objects may expose the Company to additional fines or other penalties.

Metallurgical risks

The economic viability of minerals recovery depends on a number of factors such as the development of an economic process route for metal concentrates. Further, changes in mineralogy may result in inconsistent metal recovery.

Reliance on key personnel

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities, and hence its success, will depend in large part on the efforts of these individuals. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

Additional requirements for capital

The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however, no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Insurance coverage risk

Exploration and development operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes, changes in regulatory environment, monetary losses and possible legal 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 development is not generally available to the Company or to other companies in the industry on acceptable terms. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

3.4 General Risks

Economic Risks

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

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

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

Unforeseen expenses

The Company may be subject to significant unforeseen expenses or actions.

This may include unplanned operating expenses, future legal actions, changes in regulatory or tax regimes or expenses in relation to future unforeseen events. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

Share market risk

The market price of the Company's Shares and New Options could fluctuate significantly. The market price of the Company's Shares and New Options may fluctuate based on a number of factors including the Company's operating performance and the performance of competitors and other similar companies, the public's reaction to the Company's press releases, other public

announcements and the Company's filings with the various securities regulatory authorities, changes in earnings estimates or recommendations by research analysts who track the Company's Shares or the shares of other companies in the resource sector, changes in general economic conditions, the number of the Company's Shares publicly traded and the arrival or departure of key personnel, acquisitions, strategic alliances or joint ventures involving the Company or its competitors.

In addition, the market price of the Company's Shares and New Options are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including other developments that affect the market for all resource sector shares, the breadth of the public market for the Company's Shares and New Options, and the attractiveness of alternative investments.

3.5 Speculative nature of investment

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

4 Additional information

4.1 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the *Corporations Act*) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board has adopted a policy on compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the *Corporations Act*. The policy provides information as to what a person should do when they become aware of information which could have material effect on the Company's securities and the consequences of non-compliance.

4.2 Legal framework of this Prospectus

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the *Corporations Act* applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

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

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

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the requirements of ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 3 months before the issue of this Prospectus.

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 ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

4.3 Information available to Expired Optionholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ended 30 June 2016;

- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ended 30 June 2016 and before the issue of this Prospectus:

Date	Announcement
3 February 2017	Results of Meeting
30 January 2017	Quarterly Report and Cash Flow Report
27 January 2017	Doolgunna Region-Curara Well Drilling Nickel Sulphides
3 January 2017	Notice of General Meeting, Explanatory Memorandum, Proxy
22 December 2016	Proposed Option Offer
22 December 2016	Appendix 3B
22 December 2016	Appendix 3Y
7 December 2016	Appendix 3Y
1 December 2016	Appendix 3B
1 December 2016	Unlisted Options Expired
29 November 2016	Appendix 3B
28 November 2016	Results of Annual General Meeting
23 November 2016	Poona Project Drilling Intersects Lithium Mineralisation
3 November 2016	Notice of Expiry of Listed Options 30 November 2016
3 November 2016	Strategic DeGrussa North Tenement Adjacent to Sandfire
28 October 2016	Pincher Well Update Gossan and Exhalite Overlies IP Target
28 October 2016	Youanmi Project Pincher Well IP Survey Results Re Release
26 October 2016	Drilling Commences at Curara Well Project Doolgunna
25 October 2016	Quarterly Report and Cash Flow Report
24 October 2016	Youanmi Project Drilling Commences at Inky South EM Target
19 October 2016	Appendix 3Y Change of Directors Interest Notice
17 October 2016	Drilling Commence at Poona Lithium Project
14 October 2016	Pincher Well Zn Cu Project Strong Untested IP Anomaly
13 October 2016	Notice of AGM Explanatory Memorandum Proxy
6 October 2016	Poona New High Grade Lithium Prospect identified
5 October 2016	Youanmi Pincher Well ZincCopper Project Update
4 October 2016	VMC Completion of Placement (Cleansing Notice)
4 October 2016	VMC Appendix 3B 4 October 2016
4 October 2016	Notice of change of interests of substantial holder
4 October 2016	App3Y Change of Director's interest Notice THogan
4 October 2016	App3Y Change of Director's interest notice MHogan
4 October 2016	Notice of ceasing to be a substantial holder

30 September 2016	Response to ASX price and volume query
23 September 2016	Capital Raising to Fund Base Metal Lithium and Gold Drilling
21 September 2016	Trading Halt
19 September 2016	Appendix 4G
19 September 2016	Corporate Governance Supplementary Information
14 September 2016	VMC Investor Presentation – Powering up with lithium
12 September 2016	Directors Options

4.4 Corporate Governance

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent that they are applicable to the Company, the Board has followed the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has disclosed the reasons for the departure in its Corporate Governance Statement for the financial year ended 30 June 2016. This can be found in the Annual Financial Report for the Company for the financial year ended 30 June 2016.

A summary of the Company's corporate governance policies and procedures is available by contacting the Company Secretary on +61 8 9321 7541.

4.5 Rights attaching to Shares

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting

Every holder of shares present in person or by proxy, attorney or representative at a meeting of shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of shares who is present in person or by proxy, attorney or representative has one vote for every fully paid share held by him or her, and a proportionate vote for every partly paid share, registered in such shareholder's name on the Company's share register.

A poll may be demanded by the chairman of the meeting, by any five shareholders present in person or by proxy, attorney or representative, or by any one or more shareholders who are together entitled to not less than 5% of the total voting rights of, or paid up value of, the shares of all those shareholders having the right to vote at that meeting.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

(c) Transfer of Shares

A shareholder may transfer shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASTC Settlement Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules (superseded by the ASX Settlement Operating Rules).

(d) Meetings and Notice

Each shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution of the Company, the Corporations Act or the Listing Rules.

(e) Liquidation Rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of shareholders divide among the shareholders the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's shareholders vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder Liability

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

(g) Alteration to the Constitution

The constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) ASX Listing Rules

If the Company is admitted to the Official List of ASX, then 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.

4.6 Terms and Conditions of New Options

The terms and conditions of the New Options are:

- (a) Each New Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$0.20.

- (b) The New Options will lapse at 5.00pm, Western Standard Time on 30 November 2019 (**Expiry Date**).
- (c) The New Options are transferable.
- (d) The Company will apply for the New Options to be quoted on ASX.
- (e) There are no participating rights or entitlements inherent in these New Options and holders of the New Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the New Option.
- (f) New Optionholders have the right to exercise their New Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the New Options, and will be granted a period of at least 6 business days before books closing date to exercise the New Options.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the rights of the Option holders will be changed to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation, but in all other respects the terms of exercise will remain unchanged.
- (h) The New Options shall be exercisable at any time before the Expiry Date (**Exercise Period**) by the delivery to the registered office of the Company of a notice in writing (**Notice**) stating the intention of the New Optionholder to exercise all or a specified number of New Options held by them accompanied by an New Option Certificate and a cheque made payable to the Company for the subscription monies for the shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some New Options shall not affect the rights of the New Optionholder to the balance of the New Options held by the New Optionholder.
- (i) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 business days of exercise of the New Options.
- (j) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary Shares of the Company in all respects.
- (k) There is no right to change the exercise price of New Options nor the number of underlying fully paid ordinary shares over which the New Options can be exercised, if the Company completes any bonus or pro rata issue.

4.7 Litigation

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

4.8 Interests of Directors

- (a) Directors' holdings

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

Director	Number of Shares		Number of Options ¹	
	Direct	Indirect	Direct	Indirect
Terence Hogan	-	9,858,502 ²	500,000	-
Matthew Hogan	-	180,000 ³	-	1,500,000 ⁴
Selvakumar Arunachalam	-	175,000 ⁵	-	1,000,000 ⁶

Notes:

- 1 Unlisted options each exercisable at \$0.25 with an expiry date of 30 November 2019.
- 2 9,821,002 Shares are held by Traolach Investments Pty Ltd, a company of which Mr Terence Hogan is a director. 37,500 are held by Rene Investments Pty Ltd, a company of which Mr Terence Hogan is a director.
- 3 180,000 Shares are held by T Hogan, M Hogan and P Hogan as trustee for the Hogan Employee Super Fund.
- 4 Options held by T Hogan, M Hogan and P Hogan as trustee for the Hogan Employee Super Fund.
- 5 Shares held by Sivagami Selvakumar, Mr Selvakumar Arunachalam's spouse.
- 6 Options held by Sivagami Selvakumar, Mr Selvakumar Arunachalam's spouse.

(b) Remuneration of Directors

The Constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$150,000 per annum).

Details of remuneration provided to Directors and their associated entities during the financial years ended 30 June 2015 and 30 June 2016 and for the current financial year to date (from 1 July 2016 to 31 January 2017) are as follows:

Director	Financial Year End	Fees/ Salaries (\$)	Super-annuation (\$)	Equity Options (\$)	Other non-monetary remuneration (\$)	Total (\$)
Terence Hogan	2017 ¹	17,500	1,663	15,980	-2,008	37,151
	2016	35,000	3,275	6,997	3,443	48,715
	2015	40,000	3,700	27,457	2,768	73,925
Matthew Hogan	2017 ¹	139,583	13,260	47,980	2,008	202,831
	2016	240,000	18,387	11,660	21,563	291,610
	2015	282,450	17,775	45,762	2,768	348,755
Selvakumar Arunachalam	2017 ¹	87,500	8,313	31,960	2,008	129,781
	2016	120,000	11,225	11,660	3,443	146,328
	2015	140,000	12,950	45,762	2,768	201,480

Notes:

- 1 Amounts for 2017 include remuneration paid and payable for the period from 1 July 2016 to 30 January 2017.

(c) Directors' interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into

by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

4.9 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter or 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 this Prospectus, holds, or during the last two years has held, any interest in:

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

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Stantons International Audit and Consulting Pty Limited are the auditors to the Company. They have provided audit services to the Company during the last two years for which the Company has paid \$26,000 (plus GST).

4.10 Consents

Each of the other parties referred to in this section 4.10:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Stantons International Audit and Consulting Pty Limited has consented to being named as auditors to the Company and has not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC.

Stantons International Audit and Consulting Pty Limited has given its written consent to the inclusion in section 2.2 of this Prospectus of references to the audited Condensed Statement of Financial Position as at 30 June 2016 and all statements based on that reviewed Condensed Statement of Financial Position in the form and context in which they appear. Stantons International Audit and Consulting Pty Limited has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

5 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the *Corporations Act*, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 3 February 2017

Matthew Hogan
Managing Director
For and on behalf of
Venus Metals Corporation Limited

6 Defined terms

A\$ and \$ means Australian dollars, unless otherwise stated.

Applicant means a person who submits an Entitlement and Acceptance Form.

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

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

Board means the board of Directors.

Business Day means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means 23 February 2017 (unless extended).

Company means Venus Metals Corporation Limited (ACN 123 250 582).

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

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

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

Expired Option means an option to acquire a Share exercisable at \$0.20 each on or before 30 November 2016.

Expired Optionholder means a person who held (or was entitled to hold) Expired Options on 30 November 2016.

Entitlement means the entitlement of an Expired Optionholder to apply for New Options pursuant to the Offer.

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

Listing Rules means the Listing Rules of ASX.

New Option means an option to acquire a Share exercisable at \$0.20 each on or before 30 November 2019.

New Optionholder means a holder of New Options.

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

Official List means the Official List of the ASX.

Official Quotation means quotation on the Official List.

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means the registered holder of a Share.

WST means Australian Western Standard Time.