

**PURE MINERALS LIMITED
ACN 125 368 658**

PROSPECTUS

For the offer of up to 67,500,000 Listed Options

THIS PROSPECTUS IS BEING ISSUED IN ORDER TO FACILITATE SECONDARY TRADING OF THE LISTED OPTIONS

THIS PROSPECTUS IS ALSO BEING ISSUED IN ORDER TO FACILITATE SECONDARY TRADING OF THE UNDERLYING SHARES TO BE ISSUED UPON EXERCISE OF THE LISTED OPTIONS PURSUANT TO ASIC CORPORATIONS (SALE OFFERS THAT DO NOT NEED DISCLOSURE) INSTRUMENT 2016/80

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE

IMPORTANT INFORMATION

This Prospectus is dated 20 December 2017 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Listed Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Listed Options.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 1 Altona Street West Perth. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.4).

The Listed Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

Applications for the Listed Options under the Offer will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

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

No action has been taken to permit the offer of Listed Options under this Prospectus in any jurisdiction other than Australia.

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

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AEDT, unless otherwise indicated.

CORPORATE DIRECTORY

Directors

Mr Sean Keenan	Executive Director
Mr Jeremy King	Non-Executive Director
Mr Robert Parton	Non-Executive Director
Mr Lincoln Ho	Non-Executive Director

Company Secretary

Mr Mauro Piccini

Registered Office

Level 1, 1 Altona Street
West Perth WA 6005
Email: info@pureminerals.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 4
60 Carrington Street
Sydney NSW 2000

Auditor*

Rothsay
Level 1 Lincoln Building
4 Ventnor Avenue
West Perth WA 6005

Lawyers

Bellanhouse
Level 19, Alluvion
58 Mounts Bay Rd
Perth WA 6000

ASX Code: PM1

Website: www.pureminerals.com.au

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

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1. Details of the Offer

1.1 The Offer

The Company is offering, pursuant to this Prospectus, up to 67,500,000 Listed Options each with an exercise price of \$0.03 and expiry of 2 years from the date of issue (**Offer**).

The Listed Options under the Offer are being offered to Xcel Capital, a boutique corporate advisory firm (**Participant**), and its nominees. The Listed Options are being offered to the Participant and its nominees in consideration for the Participant's marketing and investor relations services being provided to the Company up to 12 December 2018.

The Listed Options offered under this Prospectus will form a new class of securities of the Company. Further details of the rights and liabilities attaching to the Listed Options are in Section 4.2.

The Company obtained Shareholder approval to issue the Listed Options at its Annual General Meeting.

1.2 Purpose of the Prospectus

This Prospectus has been issued to:

- (a) facilitate secondary trading of the Listed Options to be issued under the Offer. A prospectus is required under the Corporations Act to enable persons who are issued the Listed Options to on-sell those Listed Options within 12 months of their issue. The Company will not issue the Listed Options with the purpose of the persons to whom they are issued selling or transferring those Listed Options, or granting, issuing or transferring interests in those Listed Options within 12 months of the issue, but this Prospectus provides them the ability to do so should they wish; and
- (b) facilitate secondary trading of the Shares to be issued upon exercise of the Listed Options to be issued under the Offer. Issuing the Listed Options under this Prospectus will enable persons who are issued the Listed Options to on-sell the Shares issued on exercise of the Listed Options pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer;
- (b) ensure that the on-sale of Listed Options does not breach Section 707(3) of the Corporations Act; and
- (c) ensure that the on-sale of the underlying Shares to be issued upon the exercise of the Listed Options is in accordance with ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80.

The Listed Options will be issued in accordance with Listing Rule 7.1 and pursuant to Shareholder approval granted at the Company's Annual General Meeting.

No funds will be raised under the Offer. The total estimated expenses of the Offer of \$18,941 will be paid by the Company from its cash reserves.

1.3 Closing Date

The Closing Date for the Offer is 21 December 2017. The Company reserves the right, subject to the Corporations Act and the Listing Rules to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.4 Application Forms

Only the Participant or its nominees will be provided a copy of this Prospectus and a personalised Application Form. No application monies are payable for the Listed Options.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be sent to Pure Minerals Limited, Level 1, Altona Street, West Perth, WA 6005

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Listed Options on the Application Form. The Application Form does not need to be signed to be a binding acceptance of the Listed Options under the Offer.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

1.5 Issue Date and despatch

Subject to the Corporations Act and the Listing Rules, the Company intends to issue the Listed Options under the Offer on or about 22 December 2017.

Security holder statements will be dispatched, as soon as possible after the issue of the Listed Options under the Offer.

1.6 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Listed Options under the Offer.

The Listed Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Listed Options on issue, with at least 50 holders with a Marketable Parcel).

If permission is not granted by ASX for the official quotation of the Listed Options offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will not issue the Listed Options.

1.7 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

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

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

The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

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

1.8 Risks of the Offer

An investment in Securities of the Company should be regarded as speculative. In addition to general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are detailed in Section 3.

1.9 Residents outside Australia

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offer. 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.

1.10 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Listed Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, the Participant or its nominees should consult their professional tax adviser in connection with subscribing for Listed Options under this Prospectus.

1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company can be found in the Company's Annual Report for the year ended 30 June 2017 and

lodged with ASX on 29 September 2017 and the Company's Half Yearly Report to 31 December 2016 lodged with ASX on 3 April 2017.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 29 September 2017 are listed in Section 4.4.

Copies of the Company's Annual Report and any continuous disclosure documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these prior to deciding whether or not to participate in the Offer.

1.12 Privacy

Applicants will be providing personal information to the Company (directly or by the Company's share registry) on the Application Form. The Company collects, holds and will use that information to assess the Acceptance, service Security holders' needs, facilitate distribution payments and corporate communications to Security holders, and carry out administration.

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

Security holders can access, correct and update the personal information the Company holds about them by contacting the Company or its share registry at the relevant contact numbers set out in this Prospectus. A fee may be charged for access. 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.

Applicants should note that if they do not provide the information required on Application Form, the Company may not be able to accept or process their Acceptance.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed for the attention of the Company Secretary by email to info@pureminerals.com.au.

2. Effect of the Offer

2.1 Capital structure on completion of the Offer

	Shares	Quoted Options	Unquoted Options
Balance at the date of this Prospectus	270,629,059 ⁽¹⁾	-	30,000,000 ⁽²⁾
To be issued pursuant to the Offer	-	67,500,000 ⁽³⁾	-
Balance after the Offer	270,629,059	67,500,000	30,000,000

Notes:

- Shares currently on issue include:
 - 12,500,000 Shares escrowed until 4 August 2019; and
 - 5,000,000 Shares escrowed until 31 July 2018.
- Obtained Shareholder approval at the Annual General Meeting to grant a total of 30,000,000 unquoted Options to Directors, at an exercise price of \$0.03 and expiry of 5 years from the date of issue. Full terms and conditions of the Options are set out in Annexure A of the Company's notice of annual general meeting lodged with ASX on 27 October 2017.
- Assumes that the quotation requirements in respect of the Listed Options are satisfied and that the Listed Options are quoted. Assumes that 67,500,000 Listed Options are issued under the Offer and no further Securities are issued or converted to Shares.

2.2 Financial effect of Offer

No cash will be received upon completion of the Offer, as the Listed Options are being granted for nil consideration. The expenses of the Offer of approximately \$18,941 will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$18,941.

Please refer to Section 4.12 for further details on the estimated expenses of the Offer.

2.3 Market price of Shares

The highest and lowest market sale prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.028 per Share on 4 December 2017

Lowest: \$0.019 per Share on 13 December 2017

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.021 per Share on 19 December 2017.

2.4 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

3. Risk factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the potential risk factors to which the Company and its Security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

Any investment in the Company under this Prospectus should be considered highly speculative.

3.1 Specific Risks to the Company's operations

(a) Exploration and Evaluation Risks

The mineral tenements that the Company owns or has the right to exploit are all located in Australia and are at various stages of exploration. Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

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

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Development risks and costs

Possible future development of mining operations at any of the Company's projects is dependent on a number of factors and avoiding various risks, including, but not limited to, failure to acquire and/or delineate economically recoverable mineral bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, excessive seasonal

weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed future and current development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(c) Operating risks

The possible future development of a mining operation at any of the Company's projects is dependent on a number of factors. There is no assurance that can be given to the level of viability that the Company's operations may achieve. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. Lower than expected productivity and technical difficulties and late delivery of materials and equipment could have an adverse impact on any future construction and commissioning schedules. No assurance can be given that the intended production schedules will be met or that the estimated operating cash costs and development costs will be accurate.

Further, the operations of the Company (if production commences) may have to be shut down or may otherwise be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, weather conditions, fire, explosions and other accidents at the mine, processing plant or related facilities beyond the control of the Company. The occurrence of any of the risks and hazards could also result in damage to, or destruction of, amongst other things, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability.

(d) Environmental Risks and Regulations

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

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of

additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(e) Licences, permits and payment obligations

The Company's mining exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The Company cannot guarantee that those mining tenements that are applications will ultimately be granted (in whole or in part). The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

Pursuant to the licences comprising the Company's projects, the Company will become subject to payment and other obligations. In particular, licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the tenements. Failure to meet these work commitments may render the licence subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in its projects.

(f) No Production Revenues

At present, the Company is not generating any revenues from its projects nor has the Company commenced commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as additional consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's projects are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which are beyond the Company's control.

The Company expects to continue to incur losses unless and until such time as its projects enter into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's projects will require the commitment of substantial resources to conduct the time-consuming exploration and development activities. There can be no assurance that the Company will generate any revenues or achieve

profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

(g) Future capital requirements

The future capital requirements of the Company will depend on many factors including the results of future exploration and business development activities. If the Company is unable to use debt or equity to fund development after the substantial exhaustion of the net proceeds of the Re-Compliance Prospectus, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

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

(h) Potential Acquisitions

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

(i) Native Title and Aboriginal Heritage Risks

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

The Company notes that there are determined native title applications and native title claim proceedings before the Federal Court in respect of its tenements. Some of the potential claimants over these projects are already party to executed heritage agreements and indigenous land use agreements. Due to this and the customary nature of these agreements, the Directors consider the risk of not reaching agreements over native title with these potential claimants to be low. The Directors are not aware of anything to indicate that the Company's tenements have not been validly granted in compliance with the procedures set out in the Native Title Act.

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

The Company must also comply with Aboriginal heritage legislation which (inter alia) makes it an offence for a person to damage or in any way alter an Aboriginal site.

The Company notes that there are no registered Aboriginal sites in the boundaries of its tenements. There is a risk that unregistered Aboriginal sites and objects may exist on the land the subject of its tenements, the

existence of which may preclude or limit mining activities in certain areas of its tenements. Further, the disturbance of such sites and objects is likely to be an offence under the applicable legislation, exposing the Company to fines and other penalties.

While the Company acknowledges that the registers of Aboriginal sites do not purport to be comprehensive, the Directors consider the above risks low due to the absence of registered sites, the previous exploration activities in the areas, the low impact of the proposed exploration works and the signing of heritage agreements and indigenous land use agreements with claimant groups.

Heritage survey work may need to be undertaken ahead of the commencement of exploration or mining operations to reduce the risk of contravening Aboriginal heritage legislation.

(j) Access and third party risks

Under State and Commonwealth legislation, the Company may be required to obtain the consent of and pay compensation to the holders of third party interests which overlay areas within its tenements or future tenements granted to the Company, including native title claims and pastoral leases, prior to accessing or commencing any exploration or mining activities on the affected areas within its existing tenements or future tenements.

Whilst the requirement to seek and obtain such consents and pay such compensation is customary in Western Australia and South Australia, any delay in obtaining these consents may impact on the Company's ability to carry out exploration activities within the affected areas or future tenements granted to the Company.

The Company's existing tenements are in areas that have been the subject of exploration activities as well pastoral and agricultural activities. Given the history of the areas, the Directors believe that third party risk to access the tenements is low. As part of the process of submitting a program of works for any ground disturbing activities, pastoralists will be notified and the Company will work to minimise disturbance in relation to the proposed activities in accordance with applicable law. The Directors however acknowledge that delays may be caused to commencement of exploration programs.

The activities contemplated by the Company under all of the tenement work programs are in and around areas historically disturbed by past exploration activities. Given that the exploration activities contemplated by the Company are proximate to or otherwise in areas that have already been actively explored, the Directors consider the risk of any impediments with respect to Native Title, pastoralist activities and any other heritage restrictions to be low. However, the Company acknowledges that exploration success may result in extended work programs that may require further consent with respect to the Native Title process, existing heritage agreements and pastoralist activities as noted above.

(k) Reliance on Key Personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary

structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(l) Joint Venture Parties, Agents and Contractors

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

(m) Insurance and Uninsured Risks

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with mineral exploration and production is not always available and, where available, the costs can be prohibitive.

(n) Commodity Price and Exchange Rate Risks

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of gold, copper, uranium, lithium and manganese and other minerals fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold, copper, uranium, lithium and manganese could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold, copper, uranium, lithium and/or manganese are produced, a profitable market will exist for it.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In addition to adversely affecting any reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a

reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

3.2 General Risks

(a) Market conditions

The market price of the Company's 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.

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its tenements. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(c) Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's

operations, financial performance and financial position. The Company is not currently engaged in any litigation.

3.3 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 Securities offered under this Prospectus. The Applicants should consider that an investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

4. Additional information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to the Shares is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting Rights

Subject to any rights or restrictions, at general meetings:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) has one vote on a show of hands; and
- (iii) has one vote for every Share held, upon a poll.

(b) Dividend Rights

Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

(c) Variation of Rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(d) Transfer of Shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The

Board may refuse to register a transfer of Shares upon which the Company has a lien.

(e) **General Meetings**

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

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

(f) **Rights on Winding up**

if the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

4.2 **Terms and Conditions attaching to Listed Options**

The Listed Options offered pursuant to this Prospectus entitle a holder to subscribe for Shares on the following terms and conditions:

(a) **Entitlement**

Each Listed Option entitles the holder (**Option Holder**) to subscribe for one Share (**Option Share**) on exercise of the Listed Option.

(b) **Exercise Price**

\$0.03 for each Listed Option.

(c) **Exercise Period**

Any Listed Option not exercised before the expiry date will automatically lapse.

(d) **Exercise Notice**

The Listed Options may be exercised during the exercise period by notice in writing to the Company.

(e) **Shares Issued on Exercise**

Shares issued on exercise of the Listed Options will rank equally with the then issued Shares of the Company.

(f) **Transferability of Listed Options**

Subject to the Corporations Act, the Listing Rules, and the constitution of the Company, each Listed Option is freely transferable.

(g) **Bonus Issues**

If after the date on which the Listed Options are issued, the Company makes a bonus issue of Shares (**Bonus Issue**) before some or all of the Listed Options have been exercised, then the number of Option Shares to be issued on exercising those Listed Options will be increased by the number of additional Option Shares to which the Option Holder would have been entitled had the Listed Options held by the Option Holder at the record time for the Bonus Issue been exercised before the record time for the Bonus Issue.

(h) **Participation Rights**

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the life of the Listed Options. The Company will ensure that holders will be given at least seven business days' notice to allow for the exercise of Listed Options prior to the record date in relation to any offers of securities made to shareholders.

(i) **Dividend Rights**

The Listed Options will not give any right to participate in dividends unless and until Shares are issued upon exercise of the relevant Listed Options.

(j) **Reconstruction**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Listed Options or the rights attaching to the Listed Options or both will be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

(k) **Adjustment for rights issue**

If after the date on which the Listed Options are issued, the Company makes a pro rata issue of Shares (other than a Bonus Issue to Shareholders), then the exercise price of each unexercised Listed Option will be reduced according to the following formula:

$$O - \frac{E[P - (S + D)]}{N + 1}$$

New exercise price =

O = the old exercise price of the Listed Option;

E = the number of underlying Shares to which one Listed Option is exercisable;

P = the average market price per Share (weighted by reference to the volume) of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex-entitlements date;

S = the subscription price of a Share under the pro rata issue;

- D = any dividend per Share due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share under the pro rata issue

4.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below). Copies of all documents announced to the ASX can be found at www.asx.com.au.

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers, a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2017 and the half-year ended 31 December 2016, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company since the Company lodged its Annual Report are as follows:

Date	Description of Announcement
29/09/2017	Annual Report to Shareholders
02/10/2017	Appendix 4G and Corporate Governance Statement
05/10/2017	Large Lithium-Tantalum Anomalies Defined at Morrissey Hill
27/10/2017	Notice of Annual General Meeting/Proxy Form
27/10/2017	Quarterly Activities and Cashflow Report
07/11/2017	Second Battery Hub Tenement Granted
08/11/2017	Company Secretary Appointment/Resignation
15/11/2017	Additional High-Grade Rock-Chip Sampling Results
20/11/2017	Commencement of Drilling

Date	Description of Announcement
30/11/2017	Results of Meeting
12/12/2017	Phase 1 Drilling Completed
15/12/2017	Becoming a Substantial Holder

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (c) this Prospectus;
- (d) the Constitution; and
- (e) the consents referred to in Section 4.13 and the consents provided by the Directors to the issue of this Prospectus.

4.5 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

On 12 December 2017 the Company announced that first phase drilling was completed at the Battery Hub Project and that first results were expected by month-end. As at the date of this Prospectus the Company has received preliminary results for approximately 600 of the approximately 1,500 samples submitted for assay, with a majority of these being composite samples. In accordance with standard review processes, the Company is presently undertaking a review of these preliminary results, including plotting, checking for errors and to determine whether samples require re-assay. The Company expects the laboratory to provide the remaining assays over the course of the next fortnight, and to conclude its initial review and interpretation shortly thereafter. The Company will keep the market informed of the outcome of the review of the assay results in accordance with its continuous disclosure obligations.

4.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing Securities under this Prospectus.

4.7 Directors' interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Securities offered under this Prospectus.

4.8 Directors' interests in Securities

The Directors have the following relevant interests in the Securities as at the date of this Prospectus:

Director	Shares	% Shareholding ⁽³⁾	Options ⁽⁴⁾
Sean Keenan ⁽¹⁾	250,000	0.09%	15,000,000
Jeremy King	Nil	-	8,500,000
Robert Parton ⁽²⁾	812,337	0.30%	1,500,000
Lincoln Ho	Nil	-	5,000,000

Notes:

1. Shares are held directly by Mr Keenan.
2. Shares are held indirectly by Mr Parton through TPG Australasia Pty Ltd, of which Mr Parton is a director and shareholder.
3. Assumes 270,629,059 Shares on issue and no Options are converted to Shares.
4. Shareholders approved the issue of Options to Directors on 30 November 2017 at the Company's Annual General Meeting. Full terms and conditions of the Options are set out in the Company's notice of annual general meeting, lodged with ASX on 27 October 2017.

4.9 Directors' remuneration

The remuneration of an executive Director is decided by the Board. The total maximum remuneration of non-executive Directors is determined by the Company in general meeting, or until so determined, as the Directors resolve.

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

The following table shows the total annual remuneration paid to both executive and non-executive directors for the preceding two financial years.

Director	2017 (Actual)	2016 (Actual)
Sean Keenan ⁽¹⁾	-	-
Jeremy King ⁽²⁾	-	-
Robert Parton ⁽³⁾	\$7,000	-
Lincoln Ho ⁽⁴⁾	-	-

Notes:

1. The Company entered into a service contract with Mr Keenan pursuant to which the Company has agreed to pay Mr Keenan \$6,000 per year for services provided to the Company as a Director. Mr Keenan will also be paid \$108,000 per year in respect to consultancy services to be provided to the Company as chief executive officer. The service contract commenced on 31 July 2017. Further details are set out in the Company's Annual Financial Report for the year ended 30 June 2017 and lodged with ASX on 29 September 2017 and the Company's Re-Compliance Prospectus.
2. The Company entered into a service contract with Mr King pursuant to which the Company has agreed to pay Mr King \$60,000 per year for services provided to the Company as a Director. The service contract commenced on 31 July 2017. Further details are set out in the Company's Annual Financial Report for the year ended 30 June 2017 and lodged with ASX on 29 September 2017 and the Company's Re-Compliance Prospectus.
3. The Company entered into a service contract with Mr Parton pursuant to which the Company has agreed to pay Mr Parton \$42,000 per year for services provided to the Company as a Director. The service contract commenced on 26 October 2016. Further details are set out in the Company's Annual Financial Report for the year ended 30 June 2017 and lodged with ASX on 29 September 2017 and the Company's Re-Compliance Prospectus.
4. The Company entered into a service contract with Mr Ho pursuant to which the Company has agreed to pay Mr Ho \$42,000 per year for services provided to the Company as a Director. The service contract commenced on 31 July 2017. Further details are set out in the Company's Annual Financial Report for the year ended 30 June 2017 and lodged with ASX on 29 September 2017 and the Company's Re-Compliance Prospectus.

4.10 Substantial Shareholders

As at the date of the Prospectus, the Company has the following substantial Shareholders:

Substantial Shareholder	Number of Shares	Voting power (%)
Lily Mah	22,500,000	8.9%

4.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

Bellanhouse will be paid fees of approximately \$7,000 (plus GST) in relation to the preparation of this Prospectus.

Computershare has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Listed Options, and will be paid for these services on standard industry terms and conditions.

4.12 Expenses of Offer

The estimated expenses of the Offer are as follows:

	\$
ASIC Lodgement fee	2,400
ASX quotation fee	8,541
Legal and other	8,000
Total	<u>18,941</u>

4.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus or the making of the Offers;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

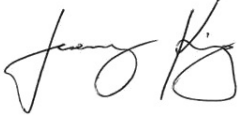
Bellanhouse has given its written consent to being named as the solicitors to the Company in this Prospectus. Bellanhouse has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Only to the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Prospectus other than the references to their name.

5. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

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

Jeremy King

Chairman

Dated: 20 December 2017

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time, being the time in Sydney, New South Wales.

Annual General Meeting means the annual general meeting of the Company held on 30 November 2017, at which Shareholders approved, among other things, the issue of the Listed Options offered under this Prospectus.

Annual Report means the annual financial report in respect of the year ended 30 June 2017 lodged by the Company with ASX on 29 September 2017.

Applicant means a person who submits an Application Form.

Application means a valid application for Listed Options under the Offer made on an Application Form.

Application Form means the Application Form provided by the Company with a copy of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date has the meaning given in Section 1.3.

Company means Pure Minerals Limited ACN 125 368 658.

Computershare means Computershare Investor Services Pty Limited ACN 078 279 277.

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

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

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

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listed Option means an Option having the terms and conditions detailed in Section 4.2.

Listing Rules means the listing rules of ASX.

Marketable Parcel has the meaning given in the Listing Rules.

Offer means the offer of Listed Options under this Prospectus detailed in Section 1.1.

Option means an option to acquire a Share.

Participant has the meaning given in Section 1.1.

Prospectus means this prospectus dated 20 December 2017.

Re-Compliance Prospectus means the Company's prospectus in respect to the Company's re-compliance with chapters 1 and 2 of the Listing Rules, dated 4 May 2017.

Section means a Section of this Prospectus.

Securities mean any securities including Shares or Options.

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

Shareholder means a holder of Shares.

Xcel Capital means Xcel Capital Pty Ltd ACN 617 047 319.