

JACKA RESOURCES LIMITED

ACN 140 110 130

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of two Shares for every three Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share to raise approximately \$614,480 (based on the number of Shares on issue as at the date of this Prospectus), together with one free attaching New Option for every two Shares subscribed for and issued (**Offer**).

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). Refer to Section 8.1 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter in relation to the Offer, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

CLOSING DATE (5:00PM WST) WEDNESDAY 16 MAY 2018

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1. CORPORATE DIRECTORY

Directors

Max Cozijn
Non-Executive Chairman

James Robinson
Non-Executive Director

Neil Fearis
Non-Executive Director

Company Secretary

Stephen Brockhurst

Share Registry*

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Auditor*

Bentleys Audit & Corporate (WA) Pty Ltd
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Perth WA 6000

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Perth WA 6000

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ASX Code

JKA

Solicitors

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Lawyers and Consultants
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Underwriter and Lead Manager

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

*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.

2. TIMETABLE

Lodgement of Prospectus with ASIC	26 April 2018
Lodgement of Prospectus & Appendix 3B with ASX	26 April 2018
Notice sent to Optionholders	27 April 2018
Notice sent to Shareholders	30 April 2018
Ex date	1 May 2018
Record Date for determining Entitlements (5:00pm WST)	2 May 2018
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders and Company announces this has been completed	7 May 2018
Last day to extend Closing Date	11 May 2018
Closing Date* (5:00pm WST)	16 May 2018
Securities quoted on a deferred settlement basis	17 May 2018
ASX (and Underwriter) notified of under-subscriptions and last day for Underwriter to subscribe or procure subscriptions for Shortfall Securities	21 May 2018
Issue date/date Securities are entered into Shareholders' security holdings	23 May 2018
Quotation of Securities issued under the Offer*	24 May 2018

*The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may change.

3. IMPORTANT NOTES

This Prospectus is dated 26 April 2017 and was lodged with ASIC on that date. ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date 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 making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities offered by this Prospectus involves a number of risks. The key risk factors of which investors should be aware include:

- (a) going concern risk;
- (b) inability to meet ASX listing requirements with respect to level of operations;
- (c) potential for significant dilution; and
- (d) future funding requirements.

Full details of these risk factors are set out in Section 7.

These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Disclaimer

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

3.3 Applications

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

3.4 Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company does not intend 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 the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of two Shares for every three Shares held by Eligible Shareholders at an issue price of \$0.002 per Share, together with one free attaching New Option for every two Shares subscribed for and issued. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no existing Options are exercised prior to the Record Date), a maximum of 307,239,839 Shares and 153,619,919 New Options will be issued pursuant to this Offer, to raise up to \$614,480. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 89,500,000 Options on issue, all of which are capable of being exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options currently on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1.

4.2 Underwriter Options Offer

This Prospectus includes the offer of 20,000,000 New Options to the Underwriter as part consideration for services provided to the Company in connection with the Offer (**Underwriter Offer**).

The issue of the 20,000,000 New Options under the Underwriter Offer will be made pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1.

Only the Underwriter (or its nominees) may accept the Underwriter Offer, by using the relevant Application Form in relation to the Underwriter Offer. A personalised Application Form in relation to the Underwriter Offer will be issued to the Underwriter together with a copy of this Prospectus.

No funds will be raised from the Underwriter Offer as relevant New Options are being issued as consideration for services provided to the Company by the Underwriter.

4.3 Minimum subscription

On the basis that the Offer is fully underwritten, the minimum subscription is also the full subscription under the Offer.

4.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate Application Monies (at \$0.002 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, you cannot sell or transfer all or part of your Entitlement.

One New Option will be issued for every two Shares subscribed for and issued under the Offer.

4.5 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Jacka Resources Limited – Share Issue Account" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the address specified on the Entitlement and Acceptance Form no later than 5:00pm WST on the Closing Date.

4.6 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and

- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings you must use only the unique customer reference number (**CRN**) specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company will not be responsible for any delays in the receipt of the BPAY® payment. Any Application Monies received for more than your final allocation of Shares (where the excess payment is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

4.7 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form with a cheque or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

4.8 Underwriter Offer

The Underwriter Offer is a personal offer to the Underwriter (or its nominees). As such, New Options offered under the Underwriter Offer will be issued to the Underwriter (or its nominees) only.

4.9 Underwriting

The Offer is fully underwritten by the Underwriter. Refer to Section 8.1 for details of the terms of the underwriting.

Neil Fearis and James Robinson, each a Director of the Company, or their respective nominees, have entered into agreements with the Underwriter to sub-underwrite the Offer. Neil Fearis will sub-underwrite the Offer up to \$5,000 (in addition to his Entitlement) and James Robinson will sub-underwrite the Offer up to \$20,000 (in addition to his Entitlement). The allocation of the Shortfall between the sub-underwriters will be at the discretion of the Underwriter.

4.10 Effect of control on the Company and potential dilution to Shareholders

The Underwriter is not presently a Shareholder, and the extent to which Shares are issued to the Underwriter pursuant to the Underwriting Agreement will determine the Underwriter's voting power in the Company. The Underwriter's present voting power and changes to that voting power under various scenarios are set out in the table below:

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Prospectus	Nil	0.00%
Completion of Entitlement Issue:		
Fully subscribed	Nil	0.00%
75% subscribed	76,809,960	10%
50% subscribed	153,619,919	20%
25% subscribed	230,429,879	30%
0% subscribed	307,239,839	40%

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce by an amount corresponding to the Entitlements or Shortfall Shares taken up by Shareholders. Furthermore, the voting power of the Underwriter will also be reduced to the extent that sub-underwriters take up any Shortfall and/or the Underwriter procures subscriptions for the Shortfall Shares from other investors.

If Neil Fearis (or his nominee) is required to take up his full sub-underwriting commitment of 2,500,000 Shares, Mr Fearis will, together with his current holding and upon taking up his full Entitlement, have a relevant interest in 1.63% of the Shares on issue following completion of the Offer. Mr Fearis will also be entitled to receive 1,250,000 New Options under the terms of the Offer as part of his sub-underwriting commitment. On a fully diluted basis (assuming no other Options have been exercised or Shares issued) Mr Fearis's relevant interest upon completion of the Offer would be 2.30%.

If James Robinson (or his nominee) is required to take up his full sub-underwriting commitment of 10,000,000 Shares, Mr Robinson will, together with his current holding and upon taking up his full Entitlement, have a relevant interest in 1.63% of the Shares on issue following completion of the Offer. Mr Robinson will also be entitled to receive 5,000,000 New Options under the terms of the Offer as part of his sub-underwriting commitment. On a fully diluted basis (assuming no other Options have been exercised or Shares issued) Mr Robinson's relevant interest upon completion of the Offer would be 2.52%.

The Company and the Underwriter have confirmed that no sub-underwriter nor existing Shareholder will increase its voting power to above 19.9% as a result of the Offer.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer if not taken up
Shareholder 1	50,000,000	10.85%	25,000,000	50,000,000	6.51%
Shareholder 2	25,000,000	5.42%	12,500,000	25,000,000	3.25%
Shareholder 3	10,000,000	2.17%	5,000,000	10,000,000	1.30%
Shareholder 4	5,000,000	1.08%	2,500,000	5,000,000	0.65%
Shareholder 5	1,000,000	0.22%	500,000	1,000,000	0.13%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer (whether with existing Shareholders, the Underwriter, or investors introduced by the Underwriter). In the event not all Entitlements are accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting his Entitlement would be a lesser percentage. Percentages post-Offer have been calculated on the basis of there being 768,099,597 Shares on issue on completion of the Offer. Refer to Section 5.4 for further details of the Company's capital structure.

4.11 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer will be \$0.002, being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for additional Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shares using BPAY®. Securities will be issued under the Shortfall Offer at the absolute discretion of the Underwriter (in consultation with the Directors), and as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders.

No Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act.

4.12 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

4.13 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Securities issued is less than the number applied for, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date or the issue of Securities under the Shortfall Offer, as the context requires.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.14 Jurisdictions in which Offer will be made

This document is only intended to be distributed and made available to existing Shareholders and is personal to each Shareholder to whom it has been delivered. The Offers do not, and are not intended to, constitute an offer 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.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered, and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand 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. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise to permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand.

If you are outside Australia and New Zealand it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form or paying any Application Monies by BPAY® will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any person resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law

restrictions. Return of a duly completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.15 Enquiries

Any questions concerning the Offer should be directed to the Company on (08) 9481 0389.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$614,480 (before costs).

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Corporate compliance and administration costs	180,000	29.29
2.	Staff costs and wages	120,000	19.53
3.	Expenses of the Offer ¹	92,000	14.97
4.	New project generation / evaluation	120,000	19.53
5.	Working capital	102,480	16.68
	Total	614,480	100

Notes:

1. Refer to Section 9.7 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. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offers, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$522,480 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 460,859,758 as at the date of this Prospectus to 768,099,597; and
- (c) increase the number of Options on issue from 89,500,000 as at the date of this Prospectus to 243,119,919 Options following completion of the Offer (not including Options to be issued pursuant to the Underwriting Offer)

5.3 Pro-forma balance sheet

The audited balance sheet as at 31 December 2017 and the unaudited pro-forma balance sheet as at 31 December 2017 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, and after deducting expenses of the Offer.

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

	UNAUDITED 31/12/2017	TRANSACTIONS ^{1,2}	PROFORMA 31/12/2017
CURRENT ASSETS			
Cash	174,066	522,480	696,545
Trade and other receivables	18,758	-	18,758
Investment in listed securities	393,751	-	393,751
TOTAL CURRENT ASSETS	586,575	522,480	1,109,054
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS	-	-	-
TOTAL ASSETS	586,575	522,480	1,109,054
CURRENT LIABILITIES			
Trade and other payables	918,767	(730,531)	188,235
TOTAL CURRENT LIABILITIES	918,767	(730,531)	188,235
TOTAL LIABILITIES	918,767	(730,531)	188,235
NET ASSETS (LIABILITIES)	(332,192)	1,253,011	920,819
EQUITY			
Share capital	48,247,687	522,480	48,770,167
Reserves	643,945	-	643,945
Accumulated loss	(49,223,824)	730,531	(48,493,293)
TOTAL EQUITY	(332,192)	1,253,011	920,819

Notes:

1. Assumes full subscription funds of \$614,480 received and expenses of the Offer of \$92,000 paid (refer to section 9.7).
2. Assumes Jacka Tunisia Bargou Pty Ltd (placed in liquidation 6 July 2016) has completed the formal liquidation process, and the Consolidated Entity is not required to fund the outstanding cash calls of \$730,531.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	460,859,758
Shares to be issued under to the Offer	307,239,839
Total Shares on issue after completion of the Offer	768,099,597

Options

	Number
Options currently on issue:	
Unlisted Options (exercisable at \$0.02 on or before 8 June 2018)	65,500,000
Unlisted Options (exercisable at \$0.02 on or before 30 November 2019)	24,000,000
New Options to be issued under the Underwriter Offer ¹	20,000,000
New Options to be issued under the Offer	153,619,919
Total Options on issue after completion of the Offers	263,119,919

Notes:

1. Refer to Section 8.1 for further details.

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

5.5 Potential dilution from the Offer

The capital structure of the Company on a fully diluted basis as at the date of this Prospectus would be 550,359,758 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 1,011,219,516 Shares.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 40% (as compared to their holdings and total number of Shares on issue as at the date of the Prospectus) if all the Securities offered under this Prospectus are issued.

5.6 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, no person (together with his associates) has a relevant interest in 5% or more of the Shares on issue.

In the event all Entitlements are accepted by Shareholders, there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

6.1 Shares

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

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

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

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit for cash dividends paid by the Company in respect of shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for shares in the Company.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

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

(f) **Transfer of shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being

wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.006 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 30 June 2021 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in

the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a New Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Quotation**

The Company will seek to have the New Options quoted by ASX.

7. RISK FACTORS

7.1 Introduction

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

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

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

7.2 Company specific

(a) Going concern risk

While completing the audit review of the Company's half yearly financial report for the half-year ended 31 December 2017, the Company's auditor, Bentleys included a 'going concern' material uncertainty in the financial report.

Notwithstanding the 'going concern' material uncertainty included in the half yearly financial report, the Directors believe that upon the successful completion of the Offer the Company will have sufficient funds to adequately meet the Company's short term working capital requirements.

However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to Section 7.2(b) below for further details.

(b) Inability to meet ASX listing requirements with respect to level of operations

In accordance with ASX Listing Rule 12.1, the Company is required to maintain a level of operations sufficient to warrant the continued quotation of the Company's securities and its continued listing.

As announced on 21 March 2018, ASX advised the Company will be afforded a period of six months to demonstrate to the ASX that it is in compliance with ASX Listing Rule 12.1. Accordingly, if the Company is unable to demonstrate compliance with this rule by 20 September 2018, ASX may suspend the Company's securities from official quotation.

The Directors have been actively reviewing a number of proposals and investments (**Investment Opportunities**). However, as at the date of this Prospectus none of these has reached a stage where disclosure would be required under ASX Listing Rule 3.1 or would constitute information of the type described in section 713(5) of the Corporations Act.

There is a risk the Company will be unable to meet the requirements of ASX Listing Rule 12.1 by 20 September 2018. If this were to occur, the Company's securities would be suspended from official quotation.

(c) **Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares will increase from 460,859,758 currently on issue to 768,099,597. This means that each Share will represent a significantly lower proportion of the ownership of the Company. However, it is noted that if a Shareholder accepts his Entitlement in full there will be no change to his percentage ownership in the Company if all other Shares under the Offer are issued.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the date of this Prospectus is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(d) **Future funding requirements**

It is necessary for the Company to undertake the Offer to ensure that it has sufficient capital to meet anticipated compliance and administrative costs, as well as costs necessary to advance the Company to the stage of identifying, investigating and undertaking an Investment Opportunity to reinvigorate its activity profile.

Even if the Offer is completed successfully, the Company will require additional funding in the future in order to develop its business (assuming that an Investment Opportunity is identified). In addition, it is highly likely that regardless of the successful completion of the Offer, the Company will also need to undertake an additional capital raising to raise additional funds to meet its administration and working capital costs in the medium to long term.

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.

Further, there can be no assurance that any such equity or debt funding will be available for the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, there is significant uncertainty as to whether the Company can continue as a going concern. Accordingly, 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.

(e) **Risks associated with investment**

Prospective investors should be aware that the market price of the Shares may be influenced by many unpredictable factors and that subscribing for Shares involves various risks. The value of the Company's securities on the ASX may rise and fall depending on a range of factors, some of which are beyond the control of the Company.

The Securities being offered under this Prospectus are considered highly speculative due to the present stage of the Company's operations. This Prospectus carries no guarantee with respect to the return of capital or price at which the Securities will trade.

(f) **Investment strategy**

Currently and following completion of the Offer, the Directors intend to continue to seek out new opportunities as well as explore opportunities that expand upon the Company's existing business activities. As these opportunities are still being assessed at the date of this Prospectus, significant risks exist in relation to the Directors' ability to identify suitable opportunities and then successfully exploit those opportunities. There may also be additional risks which the Company is exposed to as a result of these acquisitions, which are unknown at the date of this Prospectus and accordingly, are unable to be disclosed.

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or assets. Any such transactions would be accompanied by the risks inherent in making acquisitions of companies and assets. For example, there may be liabilities in connection with such acquisitions which are not identified in the Company's due diligence or the acquisitions may not prove to be successful.

(g) **Risks associated with development of a project**

Development of any project will likely require substantial capital expenditure, experienced personnel and regulatory approvals. While members of the Board have experience in exploration and development projects, the Company is still presently evaluating possible proposals and investments.

The acquisition of a new project (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed project will be completed or successful. If a proposed project is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

Any project may not have all the necessary authorisations and approvals for development. Accordingly, and as a result of the additional risks identified below and elsewhere in this Prospectus, the Company may not be able to develop any new projects as planned or at all.

Any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes the Company's capital/funding requirements. Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

7.3 General risks

(a) Economic

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

(b) Market conditions

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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

(c) Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the securities regardless of the Company's performance.

(d) The Company is subject to litigation risks

The Company is subject to litigation risks. All industries, including the mining 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 mining and project development operations.

(e) Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each

investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.4 Speculative 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

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

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

8. MATERIAL CONTRACTS

8.1 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer in respect of 307,239,839 Shares and 153,619,919 attaching New Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement the Company has agreed to pay the Underwriter:

- (a) a management fee of 2% of the total gross amount raised under the Offer (being approximately \$12,290); and
- (b) an underwriting fee of 4% of the total dollar amount underwritten by the Underwriter under the Offer (approximately \$24,580). All sub-underwriting fees will be paid by the Underwriter from this underwriting fee.

In addition, the Company has agreed to issue the Underwriter (or its nominee(s)) 20,000,000 quoted Options (with the same terms and conditions as the New Options) in lieu of corporate advisory fees provided.

The Underwriter is also entitled to be reimbursed for out-of-pocket expenses directly related to the Offer. The Underwriter must obtain the Company's consent prior to incurring any single expense greater than \$2,000.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): any of the All Ordinaries Index or the S&P / ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement 7.5% or more below its level for two consecutive business days prior to the issue of Shares under the Offer; or
- (b) (**Share Price**): the issue price under the Offer is lower than the closing price for Shares in the Company as quoted by the ASX for two consecutive trading days prior to the issue of Shares under the Offer; or
- (c) (**Prospectus**): the Offer is withdrawn by the Company; or
- (d) (**No Official Quotation**): Official Quotation has not been granted for all Securities by 21 May 2018 (or such other date agreed in writing between the parties) or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (e) (**Supplementary prospectus**):
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (p)(vi) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (f) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by the Corporations Act; or
- (g) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or
- (h) **(Restriction on issue):** the Company is prevented from issuing the Shares under the Offer within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (i) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or
- (j) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, by 21 May 2018 (or such other date agreed in writing between the parties) has arrived, and that application has not been dismissed or withdrawn; or
- (k) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act; or
- (l) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act or an application for such a declaration is made to the Takeovers Panel; or
- (m) **(Hostilities):** there is an outbreak of material hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Japan, the United Kingdom, the United States of America, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (n) **(Authorisation)** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or

- (o) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (p) **(Termination Events):** subject always to the Material Adverse Effect qualification described below, any of the following events occurs:
 - (i) **(Default):** default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of Constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive in any material respect or that there was a material omission from them;
 - (vi) **(Significant change):** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the issue of Shares under the Offer or the Prospectus;
 - (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ix) **(Official Quotation qualified):** the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (x) **(Change in Act or policy):** there is introduced into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;

- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an event of insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: except as disclosed to the Underwriter prior to the date of the Prospectus, material litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offer without the prior written consent of the Underwriter;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable set out in the Underwriting Agreement which is greater than 3 Business Days, without the prior written consent of the Underwriter;
- (xix) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by this Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company;
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America, the European Union or other international financial markets; or

- (xxiv) **(Suspension)**: the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriter may not exercise its rights under termination event (p) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

8.2 **Mandate letter**

The Company and the Underwriter entered into a mandate agreement on 16 April 2018, whereby the Underwriter was appointed to act as Lead Manager and Underwriter to the Offer (**Mandate**).

The Underwriter will receive those fees set out in section 8.1 above for services provided pursuant to the Mandate which, for the avoidance of doubt, will not be duplicated.

The Company has agreed not to offer, sell or market, contract to sell, otherwise dispose of or announce the sale, directly or indirectly, of any Shares or other securities which are convertible into or exchangeable or contain the right to acquire Shares, without the prior written consent of the Underwriter for a period of six months commencing on the closing date of the Offer.

Further, the Company has agreed to offer the Underwriter the lead manager role in any further equity capital raisings undertaken in connection with the Company within 12 months of completion of the Offer, subject to competitive terms in respect of pricing, fees and timing relative to market practices at that time.

The Mandate is otherwise made on standard terms and conditions.

9. ADDITIONAL INFORMATION

9.1 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.

9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

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 enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

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

Date	Description of Announcement
26/04/2018	Fully Underwritten Entitlement Issue to Raise \$0.6M
23/04/2018	Trading Halt
21/03/2018	Listing Rule Chapter 12.1
1/03/2018	Half Year Accounts
31/01/2018	Quarterly Activities and Cashflow Reports
28/11/2017	Results of Meeting
27/10/2017	Notice of Annual General Meeting/Proxy Form
20/10/2017	Quarterly Activities and Cashflow Reports
28/09/2017	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.jackaresources.com.au.

9.3 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

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

- (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlements (or those of their respective nominees), are set out in the table below.

Director	Shares	Options	Entitlement	\$
James Robinson	1,500,000	8,000,000	1,000,000	2,000
Max Cozijn	4,000,000	8,000,000	2,666,667	5,333
Neil Fearis	6,000,000	8,000,000	4,000,000	8,000

Notes:

- Each of Mr James Robinson and Mr Neil Fearis (or their respective nominees) have agreed to sub-underwrite the Offer and as such, may be issued additional Securities in excess of their respective Entitlements. Refer to Sections 4.9 and 4.10 above for further details.

The Board recommends all Shareholders take up their Entitlements, and the Directors intend to procure that their respective nominees take up their Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Year ended 30 June 2018 (estimated)	Year ended 30 June 2017	Year ended 30 June 2016
Max Cozijn	\$120,000	\$121,359	\$147,813
James Robinson	\$50,000	\$59,680	\$50,000
Neil Fearis	\$50,000	\$59,680	\$50,000

9.4 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) 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;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Patersons Securities Limited will act as lead manager and underwriter to the Offer. The fees payable by the Company to Patersons Securities Limited for these services are set out above at Sections 8.1 and 8.2.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid

fees totalling \$16,532 (excluding GST and disbursements) for legal services provided to the Company.

9.5 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) 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.

Patersons Securities Limited has given its written consent to being named as lead manager and underwriter to the Offer in this Prospectus. Patersons Securities Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. Patersons Securities Limited (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

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

9.6 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$92,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,400
ASX fees	10,000
Lead Manager / Underwriting fees	36,870
Legal fees	15,000
Printing and distribution	10,000
Miscellaneous	17,730
Total	92,000

9.7 Electronic prospectus

The Corporations Act allows distribution of an electronic copy of this prospectus and an electronic application form on the basis of a paper prospectus lodged with the ASIC.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 0389 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.jackaresources.com.au.

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

any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

9.8 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9.9 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

9.10 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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


You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

10. 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.



Max Cozijn
Chairman
For and on behalf of
Jacka Resources Limited

11. **GLOSSARY**

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Securities pursuant to the Offer or a Shareholder or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form, as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except 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 the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Jacka Resources Limited (ACN 140 110 130).

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.

Eligible Shareholder means a Shareholder who has a registered address at the Record Date that is in Australia or New Zealand.

Entitlement means the entitlement of an Eligible Shareholder to participate in the Offer.

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

JRT means Jacka Resources (Tanzania) Limited

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares issued under the Offer (including,

without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Shares under the Offer); or

- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
 - (i) the Company and its Subsidiaries either individually or taken as a whole; or
 - (ii) an Australian resident shareholder in the Company.

New Option means an Option issued on the terms set out in section 6.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Offers means the Offer and Underwriter Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy back agreement; or
 - (ii) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of the Underwriting Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;

- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Company means the Company and each of its subsidiaries at the date of execution of the Underwriting Agreement.

Section means a section of this Prospectus.

Securities means Shares and/or New Options offered pursuant to an Entitlement.

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

Shareholder means a registered holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.11.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Underwriter Offer has the meaning given in Section 4.2.

WST means Western Standard Time as observed in Perth, Western Australia.