



ACN 123 102 974

## PROSPECTUS

This Prospectus is being issued for the offer of:

- up to 22,524,999 Options to SPP Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the SPP (**SPP Options Offer**);
- up to 51,343,333 Options to Placement Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Placement (**Placement Options Offer**);
- up to 56,403,672 Options to be issued to future investors at the discretion of the Directors representing shortfall from the SPP (**SPP Shortfall Offer**);
- up to 4,404,662 Options to Additional Placement Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Additional Placement (**Additional Placement Options Offer**); and
- 50,000,000 Options to various parties as set out in Section 1.2,

(together, the **Offers**).

### Timing

Each of the Offers are currently scheduled to close at 5.00pm WST on 15 November 2018, with exception to the SPP Shortfall Offer, which will close at 5.00pm WST on 1 February 2019. Valid Application Forms must be received before the respective time.

### Conditional Offers

The issue of Options under each of the Offers, with exception to the Additional Placement Options Offer, is subject to Shareholder approval at the Company's Meeting to be held on 9 November 2018. Please refer to Section 1.3 for further information.

The Offers are not underwritten.

### Important Notice

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.

An investment in the Options offered in connection with this Prospectus should be considered of a speculative nature.

## IMPORTANT INFORMATION

This Prospectus is dated 7 November 2018 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 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 Options offered pursuant to the SPP Options Offer, Placement Options Offer, SPP Shortfall Offer and the Additional Placement Options Offer, as well as all Class A Options offered pursuant to the Zenix Offer, Director Offer and Employee Offer.

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

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 2, Level 2, 20 King Park Road, West Perth, during normal business hours. The Prospectus will also 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 registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or New Zealand.

Applications for Options under the Offers will only be accepted on an original Application Form which accompanies this Prospectus. 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 Offers 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 Offers.

No action has been taken to permit the offer of Options under this Prospectus in any jurisdiction other than Australia and New Zealand. 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 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 Offers. 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 their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements. The Directors cannot and do 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 Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

This Prospectus is a transaction specific prospectus for an offer of options to acquire 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.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## CORPORATE DIRECTORY

### Directors

Mr Phillip Jackson	Non-Executive Chairman
Mr Jon Dugdale	Managing Director
Mr Daniel Noonan	Executive Director
Mr Martin Pyle	Non-Executive Director

### Share Registry\*

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 850 505

### Company Secretaries

Mr Eric Moore  
Mr Bruce Waddell

### Auditor\*

RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
PERTH WA 6000

### Registered Office

Suite 2, Level 2  
20 King Park Road  
West Perth WA 6005

### Solicitors

Bellanhouse  
Level 19, Alluvion  
58 Mounts Bay Road  
PERTH WA 6000

Telephone: (08) 6143 1840  
Fax: (08) 9321 4692  
Email: [contact@peninsulamines.com.au](mailto:contact@peninsulamines.com.au)  
Website: [www.peninsulamines.com.au](http://www.peninsulamines.com.au)

### ASX Codes

PSM (Shares)  
PSMO (Options - proposed)

\* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

## PROPOSED TIMETABLE FOR OFFERS

Event	Date
SPP Record Date	5pm WST, 24 August 2018
Announcement of Placement and SPP	27 August 2018
Lodgement of Prospectus and Appendix 3B with ASX	7 November 2018
Despatch of Prospectus to SPP Participants	7 November 2018
Opening Date of the Offers	7 November 2018
Annual General Meeting	9 November 2018
Closing Date of SPP Options Offer, Placement Options Offer, Additional Placement Options Offer, Zenix Offer, Director Offer and Employee Offer (5pm WST)	15 November 2018
Anticipated date for issue of the Options and dispatch of holding statements	16 November 2018
Anticipated date for Options to begin trading	19 November 2018
Closing Date of SPP Shortfall Offer (5pm WST)	1 February 2019
Anticipated date for issue of SPP Shortfall Options and dispatch of holding statements	4 February 2019
Anticipated date for SPP Shortfall Options to begin trading	5 February 2019

\* These dates are indicative only and subject to change. Subject to the Corporations Act, the Listing Rules and the terms and conditions of the SPP, the Directors reserve the right to vary these dates, including the Closing Date, or withdraw the Offers without prior notice. Accordingly, Applicants are encouraged to submit their Application Form as early as possible.

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Options.

Key Information	Further Information
<p><b>What are the Offers being made under the Prospectus?</b></p> <p>By this Prospectus, the Company is offering:</p> <ul style="list-style-type: none"> <li>• up to 22,524,999 SPP Options to SPP Participants on the basis of one free-attaching Option for every two Shares subscribed for by SPP Participants under the SPP (<b>SPP Options Offer</b>);</li> <li>• up to 51,343,333 Placement Options to Placement Participants on the basis of one free-attaching Option for every two Shares subscribed for by the Placement Participants under the Placement (<b>Placement Options Offer</b>);</li> <li>• up to 56,403,672 Options to be issued to future sophisticated or professional investors at the discretion of the Directors, representing shortfall from the SPP (<b>SPP Shortfall Offer</b>);</li> <li>• up to 4,404,662 Options to Additional Placement Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Additional Placement (<b>Additional Placement Options Offer</b>);</li> <li>• 18,000,000 Options (comprising 5,000,000 Class A Options, 6,000,000 Class B Options and 7,000,000 Class C Options) to Zenix Nominees Pty Ltd (or its nominees) in part consideration for services provided to the Company in relation to the Placement (<b>Zenix Offer</b>);</li> <li>• 9,000,000 Options (comprising 3,000,000 Class A Options, 3,000,000 Class B Options and 3,000,000 Class C Options) to each of Directors Jon Dugdale and Daniel Noonan (or their nominees) as part of their remuneration package (<b>Director Offer</b>); and</li> <li>• 14,000,000 Options (comprising 6,000,000 Class A Options, 4,000,000 Class B Options and 4,000,000 Class C Options) to senior staff and other employees of the Company (or their nominees) in part consideration for services provided to the Company (<b>Employee Offer</b>),</li> </ul> <p>(together, the <b>Offers</b>).</p>	<p>Sections 1.1 and 1.2</p>
<p><b>What is the purpose of the Offers?</b></p> <p>The purpose of this Prospectus is to make the offers of Options to the SPP Participants, Placement Participants, SPP Shortfall Participants, Additional Placement Participants, Zenix, Directors Jon Dugdale and Daniel Noonan and the Employees.</p> <p>This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the Options to be issued under the Offers.</p>	<p>Sections 1.1 and 1.4</p>

Key Information	Further Information
<p><b>What is the issue price of the Offers?</b></p> <p>The Options are being issued under the SPP Options Offer, Placement Options Offer, SPP Shortfall Offer and Additional Placement Options Offer for no additional consideration as they are being issued on a free-attaching basis to the SPP Participants, Placement Participants, SPP Shortfall Participants and Additional Placement Participants respectively.</p> <p>The Options are being issued to:</p> <ul style="list-style-type: none"> <li>• Zenix (or its nominees) as part consideration for services provided to the Company in relation to the Placement;</li> <li>• Directors Jon Dugdale and Daniel Noonan (or their nominees) as part of their remuneration package and will be issued for nil consideration; and</li> <li>• the Employees (or their nominees) in part consideration for services provided to the Company and will be issued for nil cash consideration.</li> </ul>	<p>Section 1.2</p>
<p><b>Who is eligible to subscribe under the Offers?</b></p> <p>Applications pursuant to the SPP Options Offer must only be made by SPP Participants. The Company will advise SPP Participants of their entitlement to Options.</p> <p>Applications pursuant to the Placement Options Offer must only be made by Placement Participants.</p> <p>Applications pursuant to the SPP Shortfall Offer must only be made by SPP Shortfall Participants.</p> <p>Applications pursuant to the Additional Placement Options Offer must only be made by Additional Placement Participants.</p> <p>Applications pursuant to the Zenix Offer, Director Offer and Employee Offer must only be made by Zenix (or its nominees), Directors Jon Dugdale and Daniel Noonan (or their nominees) and the Employees (or their nominees) respectively.</p> <p>The Company will send personalised application forms to each of the applicants.</p>	<p>Sections 1.1 and 1.2</p>
<p><b>What are the terms of the Options?</b></p> <p>The SPP Options, Placement Options, SPP Shortfall Options and Additional Placement Options will be exercisable at \$0.01 each on or before 30 April 2020. Application will be made for those Options to be quoted on ASX. The full terms of those Options are set out in Section 4.2.</p> <p>The Zenix Offer, Director Offer and Employee Offer comprise of the offer of Class A Options, Class B Options and Class C Options as set out in Section 1.1.</p> <p>The Class A Options will be exercisable at \$0.01 each on or before 30 April 2020. The Class B Options will be exercisable at \$0.015 each on or before 9 November 2020. The Class C Options will be exercisable at \$0.024 each on or before 9 November 2021.</p> <p>Application will be made for the Class A Options to be quoted on ASX.</p>	<p>Sections 1.1, 1.2, 4.2 and 4.3</p>

Key Information	Further Information																																								
The full terms of the Class A Options, Class B Options and Class C Options are set out in Sections 4.2 and 4.3.																																									
<p><b>Are the Offers conditional?</b></p> <p>The SPP Options Offer, Placement Options Offer, SPP Shortfall Offer, Zenix Offer, Director Offer and Employee Offer are conditional on Shareholder approval at the Meeting to be held on 9 November 2018.</p>	Section 1.3																																								
<p><b>Are the Offers underwritten?</b></p> <p>The Offers are not underwritten.</p>	Section 1.8																																								
<p><b>What is the effect of the Offers?</b></p> <p>The effect of the Offers on the capital structure of the Company, assuming all of the Options offered under this Prospectus are issued (subject to Shareholder approval at the Meeting on 9 November 2018 and assuming no other Securities are issued and no other existing convertible Securities are exercised), is set out below:</p> <table><tr><th></th><th>Shares</th><th>Quoted Options</th><th>Unquoted Options</th></tr><tr><td>Balance at the date of this Prospectus</td><td>852,038,754</td><td></td><td>137,700,002</td></tr><tr><td>Maximum to be issued under SPP Options Offer</td><td></td><td>22,524,999</td><td></td></tr><tr><td>Maximum to be issued under Placement and Placement Options Offer</td><td>10,833,333</td><td>51,343,333</td><td></td></tr><tr><td>Maximum to be issued under SPP Shortfall Offer</td><td></td><td>56,403,672</td><td></td></tr><tr><td>Maximum to be issued under Additional Placement Options Offer</td><td></td><td>4,404,662</td><td></td></tr><tr><td>Zenix Offer</td><td></td><td>5,000,000</td><td>13,000,000</td></tr><tr><td>Director Offer</td><td></td><td>6,000,000</td><td>12,000,000</td></tr><tr><td>Employee Offer</td><td></td><td>6,000,000</td><td>8,000,000</td></tr><tr><td><b>TOTAL</b></td><td><b>862,872,087</b></td><td><b>151,676,666</b></td><td><b>170,700,002</b></td></tr></table> <p>It is not expected that the Offers will have any effect on the control of the Company.</p>		Shares	Quoted Options	Unquoted Options	Balance at the date of this Prospectus	852,038,754		137,700,002	Maximum to be issued under SPP Options Offer		22,524,999		Maximum to be issued under Placement and Placement Options Offer	10,833,333	51,343,333		Maximum to be issued under SPP Shortfall Offer		56,403,672		Maximum to be issued under Additional Placement Options Offer		4,404,662		Zenix Offer		5,000,000	13,000,000	Director Offer		6,000,000	12,000,000	Employee Offer		6,000,000	8,000,000	<b>TOTAL</b>	<b>862,872,087</b>	<b>151,676,666</b>	<b>170,700,002</b>	Section 2.1
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Key Information	Further Information																				
<p><b>What are the risks of a further investment in the Company?</b></p> <p>Potential investors should be aware that subscribing for Options (and the underlying Shares upon exercise) in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"><li>• <b>Future capital needs:</b> Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.</li><li>• <b>Sovereign risks:</b> Material adverse changes in the government policies or legislation of the Republic of Korea (<b>South Korea</b>) may affect the level and practicality of the Company’s exploration activities. There can be no assurance that the systems of government and the political systems in South Korea will remain stable. There can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in South Korea will not be amended or replaced in the future to the detriment of the Company's business and/or projects.</li><li>• <b>Tenement risks:</b> Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants.</li></ul>	Section 3																				
<p><b>How do I apply under the Offers?</b></p> <p>The Offers are not open to the general public.</p> <p>The SPP Participants, Placement Participants, SPP Shortfall Participants, Additional Placement Participants, Zenix, Directors Jon Dugdale and Daniel Noonan and the Employees may apply for Options by completing the appropriate Application Form in respect of the relevant Offer.</p> <p>Personalised application forms will be sent to each applicant.</p>	Section 1.9																				
<p><b>Are the Directors participating in the Offers?</b></p> <p>The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below:</p> <table><tr><th>Director</th><th>Shares</th><th>Voting Power</th><th>Options</th></tr><tr><td>Phillip Jackson</td><td>11,485,344</td><td>1.35%</td><td>2,250,000</td></tr><tr><td>Jon Dugdale</td><td>2,300,000</td><td>0.27%</td><td>9,000,000</td></tr><tr><td>Daniel Noonan</td><td>16,500,000</td><td>1.94%</td><td>9,000,000</td></tr><tr><td>Martin Pyle</td><td>14,783,837</td><td>1.74%</td><td>2,250,000</td></tr></table>	Director	Shares	Voting Power	Options	Phillip Jackson	11,485,344	1.35%	2,250,000	Jon Dugdale	2,300,000	0.27%	9,000,000	Daniel Noonan	16,500,000	1.94%	9,000,000	Martin Pyle	14,783,837	1.74%	2,250,000	Section 5.8
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Martin Pyle	14,783,837	1.74%	2,250,000																		

Key Information	Further Information																				
<p>Subject to Shareholder approval at the Meeting, the Company proposes to issue Placement Shares, Placement Options, SPP Options and Director Options to the Directors as set out in Section 5.8.</p> <p>The expected maximum relevant interest of each of the Directors (together with their associates) in Securities following completion of the Offers is set out below:</p> <table><tr><th>Director</th><th>Shares</th><th>Voting Power</th><th>Options</th></tr><tr><td>Phillip Jackson</td><td>14,818,677</td><td>1.72%</td><td>3,916,666</td></tr><tr><td>Jon Dugdale</td><td>5,300,000</td><td>0.61%</td><td>19,500,000</td></tr><tr><td>Daniel Noonan</td><td>18,500,000</td><td>2.14%</td><td>19,200,000</td></tr><tr><td>Martin Pyle</td><td>17,283,837</td><td>2.00%</td><td>3,500,000</td></tr></table> <p><b>Note:</b></p> <p>This table assumes Shareholder approval is obtained at the Meeting for the issues of Options under this Prospectus, all of the issues are made and no other Securities are issued or converted into Shares.</p>	Director	Shares	Voting Power	Options	Phillip Jackson	14,818,677	1.72%	3,916,666	Jon Dugdale	5,300,000	0.61%	19,500,000	Daniel Noonan	18,500,000	2.14%	19,200,000	Martin Pyle	17,283,837	2.00%	3,500,000	
Director	Shares	Voting Power	Options																		
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Martin Pyle	17,283,837	2.00%	3,500,000																		
<p><b>What is the SPP Shortfall Offer?</b></p> <p>The SPP Shortfall Offer comprises all free-attaching Options not taken up pursuant to the SPP and will be offered by the Company to any sophisticated or professional investors as free-attaching Options who participate in a separate placement at the discretion of the Directors. The offer of Options under the SPP Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open until 1 February 2019. The SPP Shortfall Offer is conditional on Shareholder approval the Meeting on 9 November 2018.</p>	Section 1.14																				

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# 1. Details of the Offers

## 1.1 Background

On 27 August 2018, the Company announced a two-stage capital raising comprising:

- (a) an offer to Eligible Shareholders under a share purchase plan (**SPP**) of up to 166,666,667 fully paid ordinary shares (**Shares**) at \$0.006 per Share (**SPP Shares**) to raise up to approximately \$1,000,000 (before costs); and
- (b) a placement to sophisticated and professional investors and the Directors of the Company (**Placement Participants**) of approximately 100,000,000 Shares at an issue price of \$0.006 per Share (**Placement Shares**), to raise up to approximately \$600,000 (before costs) (**Placement**).

On 4 September 2018 the Company issued 36,150,000 Placement Shares and on 11 September 2018, the Company issued 55,703,333 Placement Shares, using its 15% placement capacity under Listing Rule 7.1 on both occasions. The Company proposes to issue a further 10,833,333 Placement Shares to the Directors to raise a total of \$616,120 (before costs) under the Placement, subject to shareholder approval at the Company's Annual General Meeting (**Meeting**) on 9 November 2018.

On 5 September 2018, the Company lodged the SPP offer document for the implementation of the SPP and issue of the SPP Shares, in accordance with ASIC Class Order CO 09/425. On 28 September 2018, the Company announced that it had elected to extend the closing date of the SPP to 5.00pm WST on 12 October 2018 and on 19 October 2018, the Company announced that it had issued 45,049,998 SPP Shares to Eligible Shareholders who subscribed for SPP Shares under the SPP (**SPP Participants**).

On 6 November 2018, the Company issued a further 8,809,323 Shares to sophisticated and professional investors (**Additional Placement Participants**), using its 15% placement capacity under Listing Rule 7.1, and on the same terms as the Placement, to raise a further \$52,856 (before costs) (**Additional Placement**).

SPP Participants are also being offered one free-attaching Option, exercisable at \$0.01 each on or before 30 April 2020, for every two SPP Shares subscribed for (**SPP Options**). Similarly, Placement Participants and Additional Placement Participants will also be offered one free-attaching Option on the same terms as the SPP Options for every two Shares subscribed for under the Placement and Additional Placement (**Placement Options** and **Additional Placement Options** respectively). The terms of the SPP Options, Placement Options and Additional Placement Options are set out in Section 4.2.

Subject to Shareholder approval at the Meeting, the Company also proposes to issue:

- (a) up to 56,403,672 Options to future sophisticated or professional investors (**SPP Shortfall Participants**) at the discretion of the Directors (**SPP Shortfall Options**);
- (b) 18,000,000 Options (comprising of 5,000,000 Class A Options, 6,000,000 Class B Options and 7,000,000 Class C Options) to Zenix Nominees Pty Ltd (or its nominees) (**Zenix**) as part consideration for services provided to the Company in relation to the Placement (**Zenix Options**);

- (c) 9,000,000 Options (comprising 3,000,000 Class A Options, 3,000,000 Class B Options and 3,000,000 Class C Options) to each of Directors Jon Dugdale and Daniel Noonan (or their nominees) as part of their remuneration package (**Director Options**); and
- (d) 14,000,000 Options (comprising 6,000,000 Class A Options, 4,000,000 Class B Options and 4,000,000 Class C Options) to senior staff and other employees of the Company (or their nominees) (**Employees**) in consideration for services provided to the Company (**Employee Options**).

## 1.2 Offers

Pursuant to this Prospectus, the Company is offering:

- (a) up to 22,524,999 SPP Options to SPP Participants on the basis of one free-attaching Option for every two Shares subscribed for by SPP Participants under the SPP (**SPP Options Offer**);
- (b) up to 51,343,333 Placement Options to Placement Participants on the basis of one free-attaching Option for every two Shares subscribed for by the Placement Participants under the Placement (**Placement Options Offer**);
- (e) up to 56,403,672 SPP Shortfall Options to SPP Shortfall Participants (**SPP Shortfall Offer**);
- (c) up to 4,404,662 Additional Placement Options to Additional Placement Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Additional Placement (**Additional Placement Options Offer**);
- (d) the Zenix Options to Zenix (**Zenix Offer**);
- (e) the Director Options to Directors Jon Dugdale and Daniel Noonan (**Director Offer**); and
- (f) the Employee Options to the Employees (**Employee Offer**),

(together, the **Offers**).

As the Options to be issued under the SPP Options Offer, Placement Options Offer, SPP Shortfall Offer and Additional Placement Options Offer are free attaching, no cash consideration is payable for the issue of the Options under those respective Offers.

The Options issued pursuant to the Zenix Offer, Director Offer and Employee Offer will be issued in consideration or part consideration for services provided to the Company and no cash consideration is payable under those respective Offers.

Full terms and conditions of the Options proposed to be issued under the Offers are contained in Sections 4.2 and 4.3.

All Shares issued upon the future exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

### 1.3 Conditional Offers

Each Offer, with exception to the Additional Placement Options Offer, is conditional upon the Company obtaining Shareholder approval to issue the relevant Options under the Offers at the Meeting to be held on 9 November 2018. The approvals are not inter-conditional and if Shareholder approval is not obtained in respect of an Offer, it will not preclude the Company from proceeding with the other Offers.

If Shareholder approval is not obtained for the issue of the SPP Options to SPP Participants, the SPP Options Offer will be withdrawn and SPP Participants will still be issued Shares under the SPP but will not be entitled to receive Options or any refund of application monies paid under the SPP.

If Shareholder approval is not obtained for the issue of the Placement Options to the Placement Participants, the Placement Options Offer will be withdrawn and the Placement Participants will not be entitled to receive Options or any refund of subscription monies paid under the Placement.

If Shareholder approval is not obtained for the issue of Options to SPP Shortfall Participants, Zenix or the Employees (or their respective nominees), the Company may still elect to issue the Options under each respective Offer using the Company's 15% placement capacity under Listing Rule 7.1.

### 1.4 Purpose of the Prospectus

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the Options as they are not in a class of securities that were quoted securities at all times in the last 3 months. The Company is also unable to rely on disclosure relief provided by ASIC Class Order [CO 09/425] as it does not extend to the offer of options under a share purchase plan.

Consequently, the Company has issued this Prospectus in respect of the Offers to the SPP Participants, Placement Participants, SPP Shortfall Participants, Additional Placement Participants, Zenix, Directors Jon Dugdale and Daniel Noonan and the Employees.

This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the Options to be issued under the Offers. Issuing the Options under this Prospectus will enable persons who are issued the Options to on-sell the Shares issued on exercise of the 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 offers of Options to the relevant parties under the Offers; and
- (b) ensure that the on-sale of the Shares issued on conversion of the Options does not breach section 707(3) of the Corporations Act.

## 1.5 Opening and Closing Date

As set out in the indicative timetable, each of the Offers will open on 7 November 2018 (**Opening Date**) and are anticipated to close on 15 November 2018 (**Closing Date**), with exception to the SPP Shortfall Offer, which will close on 1 February 2019. The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may elect to vary these dates, including to close the Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue of the Options. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

The Company will accept Application Forms for the Offers from the Opening Date until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

## 1.6 Minimum and maximum subscriptions

There is no minimum subscription under the Offers.

A total of 45,049,998 SPP Shares were issued under the SPP. Accordingly, the SPP Options Offer is capped at a total of 22,524,999 SPP Options and the SPP Shortfall Offer is capped at 56,403,672 SPP Shortfall Options.

As at the date of the Prospectus, 91,853,333 Placement Shares have been issued under the Placement, with a further 10,833,333 Placement Shares to be issued to Directors subject to shareholder approval at the Company's Meeting on 9 November 2018. The total number of Placement Shares to be issued under the Placement is 102,686,666 Placement Shares. Accordingly, the Placement Options Offer is capped at a total of 51,343,333 Placement Options.

A total of 8,809,323 Additional Placement Shares were issued under the Additional Placement. Accordingly, the Additional Placement Options Offer is capped at a total of 4,404,662 Additional Placement Options.

## 1.7 Proposed use of funds

No funds will be raised from the issue of the Options pursuant to this Prospectus as the Options are issued under the SPP Options Offer, Placement Options Offer and Additional Placement Options Offer as free attaching to the SPP Shares, Placement Shares and Additional Placement Shares respectively, and under the Zenix Offer, Director Offer and Employee Offer in consideration or part consideration for services provided to the Company.

Any funds raised from exercise of the Options offered under this Prospectus will be used for general working capital.

The estimated expenses of the Offers are set out below:

Estimated expenses of the Offers	\$
ASIC lodgement fee	3,206
ASX quotation fee	7,322
Legal fees and expenses	10,000

<b>Estimated expenses of the Offers</b>	<b>\$</b>
Share Registry fees including printing and mailing	6,000
<b>TOTAL</b>	<b>26,528</b>

**Note:**

1. All amounts and the total are shown exclusive of any applicable GST. Any GST paid will be reclaimed by the Company from the Australian Taxation office.

## **1.8 No underwriting**

The Offers are not underwritten.

## **1.9 Application Forms**

Personalised Application Forms will be sent to the SPP Participants, Placement Participants, SPP Shortfall Participants, Additional Placement Participants, Zenix, Directors Jon Dugdale and Daniel Noonan and the Employees, with a copy of this Prospectus.

Applications must be made using the relevant Application Form provided with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

If the number of Options subscribed for under each Offer is more than the number of Options to which the Applicant is entitled under that respective Offer, the Company reserves the right to return the Application Form and not issue any Options to the Applicant or to accept it in respect of a lesser number of Options.

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 Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Options under an 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.

By completing and returning an Application Form, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting, that the law in their place of residence and/or where they have been given the Prospectus does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the relevant Offer;



- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Options to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Options are suitable for them given their investment objectives, financial situation or particular needs; and
- (f) acknowledge that the Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

#### **1.10 Issue date and dispatch**

Subject to Shareholder approval, all Options under the Offers are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements in relation to each of the Options, with exception to the SPP Shortfall Offer, are expected to be dispatched by 14 November 2018.

It is the responsibility of Applicants to determine their allocation prior to trading in the Options. Applicants who sell Options before they receive their holding statements do so at their own risk.

#### **1.11 ASX quotation**

Application will be made to the ASX for Official Quotation of the Options offered pursuant to the SPP Options Offer, Placement Options Offer, SPP Shortfall Offer and Additional Placement Options Offer, as well as all Class A Options offered pursuant to the Zenix Offer, Director Offer and Employee Offer.

Those 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 Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

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

If Official Quotation of those Options is not granted by ASX within three months of the date of this Prospectus, any issue or transfer of the Options (or Shares issued on exercise of those Options) will be void.

#### **1.12 CHESS**

The Company participates in the Clearing House Electronic Sub-register System known as CHESS. ASX Settlement Pty Limited, 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 Options pursuant to their acceptance of an Offer.

Shareholders who are broker sponsored will receive a CHESS statement from ASX Settlement Pty Limited.

The CHESS statement will specify the number of Options 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 Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Share Registry and will contain the number of Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Security holders 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.

### **1.13 Residents outside Australia**

This Prospectus, and any accompanying Application Form, do not, and are not intended to, constitute an offer of Options 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. 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.

### **1.14 SPP Shortfall Offer**

SPP Shares not subscribed for by Eligible Shareholders under the SPP comprise the shortfall and may be offered to sophisticated or professional investors as a separate placement at the discretion of the Directors pursuant to the SPP Shortfall Offer.

The offer of Options under the SPP Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open after the closing date of the other Offers. Subscribers under the SPP Shortfall Offer will be offered Shares at the same issue price at which the Eligible Shareholders were offered Shares under the SPP, together with a free attaching Option on the same terms as the SPP Options. The issue of Securities under the SPP Shortfall Offer is conditional upon the Company obtaining Shareholder approval at the General Meeting.

The Directors do not represent that any application to participate in the SPP Shortfall Offer will be successful. The Company reserves the right to issue to an applicant for Securities under the SPP Shortfall Offer a lesser number of Securities than the number applied for or reject an application or not proceed with the issuing of the Securities pursuant to the SPP Shortfall Offer or part thereof. If the number of Securities issued to an applicant is less than the number applied for by the applicant, surplus application monies will be refunded to the applicant in full. Interest will not be paid on any application monies refunded.

### **1.15 Taxation implications**

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

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

#### **1.16 Major activities and financial information**

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2018 can be found in the Company's Annual Financial Report lodged with ASX on 28 September 2018. A summary of activities relating to the Company is also set out in the quarterly activity reports lodged with ASX on 31 January 2018, 30 April 2018, 31 July 2018 and 31 October 2018. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 28 September 2018 are listed in Section 5.2.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in an Offer.

#### **1.17 Privacy**

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

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

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

An Applicant has an entitlement to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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.

#### **1.18 Enquiries concerning this Prospectus**

For enquiries relating to this Prospectus and general shareholder enquiries, please contact the Company Secretaries by telephone on (08) 6143 1840 between 8.30am and 5.00pm (WST) on Monday to Friday.

## 2. Effect of the Offers

### 2.1 Capital structure on completion of the Offers

The principal effect of the Offers, assuming all Options offered under this Prospectus are issued, will be to increase the number of Options currently on issue by a maximum of 184,676,666.

If all of these 184,676,666 Options are exercised, the Company will be paid exercise proceeds of approximately \$2,165,000 (before costs) and an additional 184,676,666 Shares will be issued to Optionholders. The exercise proceeds will be applied towards the Company's general operational and working capital expenditure.

The effect of the Offers on the capital structure of the Company, assuming all of the Options offered under this Prospectus are issued (subject to Shareholder approval at the Meeting on 9 November 2018 and assuming no other Securities are issued and no other existing Securities are exercised), is set out below:

	Shares	Quoted Options	Unquoted Options
Balance at the date of this Prospectus	852,038,754 <sup>1</sup>		137,700,002 <sup>2</sup>
Maximum to be issued under SPP Options Offer		22,524,999 <sup>3</sup>	
Maximum to be issued under Placement and Placement Options Offer	10,833,333 <sup>4</sup>	51,343,333 <sup>5</sup>	
Maximum to be issued under SPP Shortfall Offer		56,403,672 <sup>6</sup>	
Maximum to be issued under Additional Placement Options Offer		4,404,662 <sup>7</sup>	
Zenix Offer <sup>8</sup>		5,000,000	13,000,000
Director Offer <sup>9</sup>		6,000,000	12,000,000
Employee Offer <sup>10</sup>		6,000,000	8,000,000
<b>TOTAL</b>	<b>862,872,087</b>	<b>151,676,666</b>	<b>170,700,002</b>

**Notes:**

- 852,038,754 Shares, including:
  - 91,853,333 Placement Shares issued to Placement Participants under the Placement;
  - 45,049,998 SPP Shares issued to SPP Participants under the SPP; and
  - 8,809,323 Additional Placement Shares issued to Additional Placement Participants under the Additional Placement.
- 137,700,002 unquoted Options comprising:

- (a) 700,000 Options exercisable at \$0.014 each on or before 30 November 2018.
  - (b) 6,300,000 Options exercisable at \$0.0265 each on or before 29 November 2018.
  - (c) 6,300,000 Options exercisable at \$0.0379 each on or before 29 November 2019.
  - (d) 6,300,000 Options exercisable at \$0.0568 each on or before 29 November 2020.
  - (e) 3,000,000 Options exercisable at \$0.0389 each on or before 29 November 2018.
  - (f) 3,000,000 Options exercisable at \$0.0556 each on or before 29 November 2019.
  - (g) 3,000,000 Options exercisable at \$0.0834 each on or before 29 November 2020.
  - (h) 25,000,000 Options exercisable at \$0.03 each on or before 4 May 2020.
  - (i) 80,975,002 Options exercisable at \$0.02 each on or before 19 June 2019.
  - (j) 3,125,000 Options exercisable at \$0.02 each on or before 24 July 2019.
3. SPP Options exercisable at \$0.01 each on or before 30 April 2020 and otherwise on the terms and conditions set out in Section 4.2.
  4. Placement Shares to be issued to the Directors subject to shareholder approval at the Company's Meeting on 9 November 2018.
  5. Placement Options exercisable at \$0.01 each on or before 30 April 2020 and otherwise on the terms and conditions set out in Section 4.2.
  6. SPP Shortfall Options exercisable at \$0.01 each on or before 30 April 2020 and otherwise on the terms and conditions set out in Section 4.2.
  7. Additional Placement Options exercisable at \$0.01 each on or before 30 April 2020 and otherwise on the terms and conditions set out in Section 4.2.
  8. The Zenix Offer comprises of the offer of 5,000,000 Class A Options, 6,000,000 Class B Options and 7,000,000 Class C Options, on the terms and conditions set out in Sections 4.2 and 4.3.
  9. The Director Offer comprises of the offer of 6,000,000 Class A Options, 6,000,000 Class B Options and 6,000,000 Class C Options, on the terms and conditions set out in Sections 4.2 and 4.3.
  10. The Employee Offer comprises of the offer of 6,000,000 Class A Options, 4,000,000 Class B Options and 4,000,000 Class C Options, on the terms and conditions set out in Sections 4.2 and 4.3.

## 2.2 Effect on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

The maximum number of Options proposed to be issued under the Offers is 184,676,666 Options. If all of these Options are exercised, the Shares issued on exercise will constitute approximately 21.40% of the Shares on issue following completion of the Offers (assuming no other Securities are issued or converted to Shares).

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### 3. Risk Factors

An investment in Options offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

#### 3.1 Risks Specific to the Company

##### (a) Future capital needs

Further funding will be required by the Company in addition to the amounts raised under the Placement and the SPP to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.

The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, share market and industry conditions and the price of relevant commodities and exchange rates.

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

Any additional equity financing will dilute Shareholders and debt financing, if available, may restrict the Company's financing and operating activities.

##### (b) Sovereign risk

Operations and exploration activities outside Australia involve various risks for Australian companies. Material adverse changes in the government policies or legislation of South Korea may affect the level and practicality of the Company's exploration activities.

Despite the relative stability of government and political systems in South Korea there can be no assurance that these systems will remain stable. There can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in South Korea will not be amended or replaced in the future to the detriment of the Company's business and/or projects.

(c) **Reliance on key management**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriate skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

(d) **Tenement title**

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate authorisations or there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions, then the Company's ability to conduct its exploration or development operations may be adversely affected.

(e) **Exploration Right Application and the subsequent grant of a Mining Right:**

The approval of an exploration right application (**EA**) is subject to the successful lodgement of a mineral deposit survey (**MDS**). An MDS requires an applicant to provide geochemical proof that the minerals applied for are present in the applied area and meet specific criteria in terms of the physical dimensions of the mineralised zone and the grade of the mineralisation. These criteria are fully explained in the Korean Mining Industry Act and its subordinate legislation and vary depending on the commodity being applied for. Upon approval of an EA the applicant must submit a Prospecting Plan (**PP**) within 1 year of the approval date.

The applicant then has a 3-year prospecting period (**Prospecting Period**) to complete its proposed exploration programme, which can be extended for an additional 3 years provided certain exploration work commitments have been met. At the end of the 3 to 6 year Prospecting Period the applicant must file a Prospecting Report (**PR**) with the Ministry. The PR should include details of work completed as per details outlined in the original PP. In addition, the PR should include details of the mineral resource (not necessarily JORC compliant) defined during the prospecting period.

Applications may not be approved across some areas such as National Parks or areas considered militarily sensitive. Each application is examined and a decision is made by the approving officer(s) as to whether the approval of the application is in the national interest. While conflicts arise from time to time in forested areas, most conflicts occur where planned exploration/mining activity is likely to interfere with residential, industrial or agricultural

activities or where a major infrastructure programme such as motorway or railway is proposed.

**(f) Mine Plan Approval Application:**

The filing of a PR is deemed to be an application for a Mining Right (**MR**). Within 3 years after grant of an MR, a tenement applicant must file a Mine Plan Approval Application (**MPA**). The MPA is lodged and approved at a local provincial level.

The MPA process includes a practical but not strictly regulatory requirement for the applicant to secure the approval of the majority of the local residents and this requires a substantial consultative process. If the MPA is on private land then land holders' approval is also required and this generally means providing suitable financial compensation or land rent payments. If the land is public land then the approval of the relevant Government agency is required. In the majority of cases this is the Korean Forest Service.

Upon the successful grant of an MPA the applicant then has 3 years in which to file a production report or show evidence of expenditure of KRW100,000,000 (approximately A\$124,403 as at the date of this Prospectus based on a rate of A\$1/KRW803.84) principally on plant equipment for the purpose of mining. The Korean Mining Industry Act and its subordinate legislations clearly sets out what constitutes acceptable expenditure. Mining Rights are granted for 20-year periods and these can be extended provided the applicant has met all statutory production reporting requirements during the life of the operation.

**(g) Maintenance of Exploration Right Application and Mining Rights:**

The requirements to meet the conditions of the initial 3 to 6 year Prospecting Period include completing the programmes of exploration works as set out in the prospecting plan and the successful filing of a Report of Prospecting Activity which must include details of the Mineral Resource (Non-JORC compliant) defined during the Prospecting Period. The risk associated with meeting the requirements of the MPA includes filing a Production Report within the specified time frame in the event of the grant of the MPA.

**(h) Exploration stage and success**

The mineral tenements of the Company are at the exploration stage only. The Company is not at the development stage. There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company, will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.

Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

**(i) Liquidity and volatility**



The Company is a relatively small company in terms of market capitalisation. An investment in Securities should be regarded as speculative. The Company also has a relatively small Shareholder base. As a consequence, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down.

## **3.2 Mining Industry Risks**

### **(a) Exploration risks**

Exploration is a high-risk activity that requires significant amounts of expenditure over extended periods of time to present a reasonable probability of success. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations.

Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

No assurance can be given that during the exploration process Mineral Resources will be defined with preferred or desirable tonnages and/or grades that would result in feasible economic extraction. Substantial expense may be incurred without the requisite or expected degree of reward.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of the Company's shares.

### **(b) Operating and project risks**

Even if commercial quantities of Mineral Resources are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formations, pit failures, changes in the regulatory environment, contractual disputes with offtakers, removal of access rights to the property(s) and adverse weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

(c) **Environmental**

The Company's operations and activities are subject to the environmental laws and regulations of South Korea and any other places the Company may conduct business. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences may lead to penalties and/or revocation of the licence, and significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.

Further, 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 which could have a material adverse effect on the Company's operations, financial position and performance.

(d) **Commodity price volatility and exchange rates risks**

In the event that the Company achieves exploration success, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities and some services are denominated in United States dollars or Korean Won, whereas the income and expenditure of the Company are and will be taken into account in Australian dollars. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United States dollar, the Australian dollar and the Korean Won, as determined by international markets.

(e) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

(f) **Resource and reserve estimates**

Mineral Resource and Mineral Reserve estimates must comply with the JORC Code, 2012 Edition, and are expressions of judgements based on knowledge,

experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, JORC compliant Mineral Resource and Mineral Reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should the Company encounter mineralisation or formations different from those predicted, Mineral Resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

### **3.3 General Risks**

#### **(a) Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

#### **(b) Litigation and counterparty risks**

Like any corporation operating in a commercial setting, the Company is exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on the financial performance of the Company.

In addition, there is a 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 or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and contractors or others suppliers. In particular, the successful exploration of the Company's projects in South Korea are dependent on the services to be provided by the Company's drilling services contractors. Any of the above outcomes, particularly in respect of drilling services contracts, could result in an adverse effect on the Company's ability to explore its projects, as well as its operations, financial position and performance.

#### **(c) Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

#### **(d) Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

### **3.4 Investment Speculative**

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 its Securities. Investors should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for Options pursuant to this Prospectus.

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## **4. Rights attaching to Securities**

### **4.1 Rights and liabilities attaching to Shares**

A summary of the rights attaching to Shares in the Company is 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 Shares in any specific circumstances, the Shareholder should seek legal advice.

**(a) Issue of Shares**

The power to issue Shares and other securities in the capital of the Company lies with the Board subject to the restrictions contained otherwise in the Constitution, the Listing Rules and the Corporations Act.

**(b) Voting**

Every Shareholder present in person or by proxy at a meeting of Shareholders has one vote on a vote taken by a show of hands, and on a poll, every Shareholder who is present in person or by proxy has one vote for every fully paid Share held. A poll may be demanded at a meeting in the manner permitted by the Corporations Act.

**(c) Dividends**

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

**(d) Transfer of Shares**

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, a Shareholder may transfer Shares by an instrument in writing in a form approved by the Directors. Except as otherwise provided for in the Listing Rules or the ASX Settlement Operating Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASX Settlement or the Share Registry to apply a holding lock to prevent a proper transfer of Shares.

**(e) Meetings and notice**

Each Shareholder is entitled to receive notice of, and to attend, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules. A Director may call a meeting of Shareholders and Shareholders may also requisition or convene general meetings in accordance with the procedures for Shareholder-initiated meetings set out in the Corporations Act. Shareholders must be given at least 28 days' written notice of any general meeting unless otherwise permitted by the Corporations Act.

(f) **Rights on winding up**

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of the Company are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of the Company's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

(g) **Variation of rights**

If the Share capital is divided into different classes of Shares, the rights attached to any class may be varied or cancelled by a special resolution passed at a general meeting of the Shareholders in that class or with the written consent of three quarters of the Shareholders in that class.

**4.2 Terms and conditions of the SPP Options, Placement Options, SPP Shortfall Options, Additional Placement Options and Class A Options**

- (a) **(Entitlement):** Subject to and conditional upon any adjustment in accordance with these conditions, each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price):** Subject to and conditional upon any adjustment in accordance with these conditions, the amount payable upon exercise of each Option will be \$0.01 per Option **(Exercise Price)**.
- (c) **(Expiry Date):** Each Option will expire at 5.00pm (WST) on 30 April 2020 **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Expiry Period):** The Options are exercisable at any time from the date of their issue until the Expiry Date **(Exercise Period)**.
- (e) **(Quotation):** The Company will apply for official quotation on ASX of the Options.
- (f) **(Transferability):** The Options will be transferable subject to compliance with the Corporations Act and Listing Rules.
- (g) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

- (h) **(Lodgement Instructions):** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Registry.
- (i) **(Ranking of Shares):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.

- (j) **(Timing of Issue of Shares):** Within 15 Business Days after the later of the following:
- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and
  - (ii) where the Options were issued without disclosure and no notice under 708A(5)(e) of the Corporations Act was provided at the time of issue, when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (i) issue the Shares pursuant to the exercise of the Options;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (iii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under paragraph (j)(ii) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing 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. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

- (k) **(Participation rights):** There are no participation rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be the minimum number of business days after the issue is announced as permitted by the Listing Rules. This will give the Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (l) **(Adjustment for Bonus Issue):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.
- (m) **(Adjustment for Entitlements Issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which

paragraph (l) will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.

- (n) **(Reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

#### 4.3 Terms and conditions of the Class B Options and Class C Options

- (a) **(Entitlement):** Each Option gives the Optionholder the right to subscribe for one Share.
- (b) **(Expiry Date):**
  - (i) The Class B Options will expire at 5.00pm (WST) on 9 November 2020; and
  - (ii) the Class C Options will expire at 5.00pm (WST) on 9 November 2021, (each of the above being the **Expiry Date**).
  - (iii) Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price):** Subject to paragraph (e) below:
  - (i) the amount payable upon exercise of the Class B Options will be \$0.015 per Option; and
  - (ii) the amount payable upon exercise of the Class C Options will be \$0.024 per Option, (each of the above being the **Exercise Price**)
- (d) **(Exercise):** The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (e) **(Notice of Exercise):** An Optionholder may exercise Options by lodging with the Company, before the Expiry Date either:
  - (i) a written notice of exercise of Options specifying the number of Options being exercised together with a cheque or electronic funds transfer for the Exercise Price for the Options being exercised; or
  - (ii) a written election signed by the Optionholder electing to use the Cashless Exercise Facility in respect of the number of Options set out in the written election, (either of the above being an **Exercise Notice**).

For the purpose of the above “Cashless Exercise Facility” means to exercise a number of Options and not pay an Exercise Price, and thereby receive a lesser number of Shares on exercise of the Options such that the Optionholder is allotted a number of Shares with an aggregate value equivalent to the net value of the Shares the Optionholder would have otherwise acquired if the



Optionholder had paid an Exercise Price, after that Exercise Price is deducted from the value of those Shares.

- (f) **(Timing of Issue of Shares):** Within 10 Business Days of receipt of an Exercise Notice, the Company will allot the number of Shares required under these terms in respect of the number of Options specified in the Exercise Notice.
- (g) **(Transferability):** Subject to the Listing Rules of the ASX and the Corporations Act, the Options can be transferred to a Nominee of the Optionholder, but otherwise are not transferable, without the prior written approval of the Directors. “Nominee” means (a) a spouse or de facto spouse of the Optionholder, or (b) a child, sibling or parent of the Optionholder, or (c) a family trust associated with the Optionholder, or (d) a superannuation fund in which the Optionholder or any of the persons referred to in the foregoing is a member, or any other nominee approved by the Company.
- (h) **(Ranking of Shares):** All Shares allotted upon the exercise of Options will upon allotment rank pari passu with other Shares.
- (i) **(Quotation):** The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares. Shares issued pursuant to the exercise of Options cannot be traded unless the Company has lodged a valid notice under section 708A(5)(e) of the Corporations Act (**Cleansing Notice**) within 5 days of the issue of the Shares or if a Cleansing Notice has not been issued, a prospectus is issued with ASIC under section 708A(11) of the Corporations Act (**Cleansing Prospectus**). Shares issued upon exercise of Options will be subject to a holding lock until a valid Cleansing Notice or Cleansing Prospectus has been issued.
- (j) **(Reorganisation):** If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **(Participation rights):** There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (l) **(Adjustment for Entitlements Issue):** In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced according to the formula set out in ASX Listing Rule 6.22.2. Subject to the foregoing an Option does not otherwise confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (m) **(Death of Optionholder):** In the event of the death of the Optionholder then all of the Options shall remain in full force and effect for the full term up until the Expiry Date and may be exercised at any time up to the Expiry Date by the deceased Option Holder's legal personal representative.
- (n) **(Change of control):** In the event that the person to whom the Options were originally offered to ceases to provide services to, or be employed by, the

Company following the takeover of the Company or following a Change in Control, all of the Options shall remain in full force and effect for the full term up until the Expiry Date. A 'Change in Control' means a change in the composition of the shareholders of the Company whereby a person who does not presently control the Company within the meaning of section 50AA of the Corporations Act gains such control over the Company.

- (o) **(Cessation of employment):** In the event that the person to whom the Options were originally offered to ceases to provide services to, or be employed by, the Company all of the Options shall remain in full force and effect for the full term up until the Expiry Date.
- (p) **(Cessation of employment of Director):** For the avoidance of doubt it is recorded that the terms of the Options will not be affected in the event that in the future if an Optionholder who is a director of the Company ceases to be a director of the Company.

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## 5. Additional Information

### 5.1 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 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 report or review. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.2 below). Copies of all documents announced to the ASX can be found at [www.asx.com.au/asx/share-price-research/company/PSM](http://www.asx.com.au/asx/share-price-research/company/PSM).

### 5.2 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 2018 and half-year ended 31 December 2017, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
6/11/18	Appendix 3B
6/11/18	Cleansing Notice
31/10/18	Quarterly Activities and Cashflow Report
30/10/18	Expiry of Unlisted Options
29/10/18	Change of Director's Interest Notice - Jon Dugdale
24/10/18	Change of Director's Interest Notice - Daniel Noonan
23/10/18	Peninsula Mines Investor Presentation

Date lodged	Subject of Announcement
23/10/18	Change in substantial holding
23/10/18	Gapyeong Drilling Intersections Confirm Exploration Target
19/10/18	Cleansing Notice
19/10/18	Appendix 3B
19/10/18	Company Completes Share Purchase Plan
9/10/18	Gapyeong High-Grade Graphite Drilling Underway
5/10/18	Notice of Annual General Meeting
28/09/18	Appendix 4G and Corporate Governance Statement
28/09/18	Annual Report - 30 June 2018

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

### 5.3 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.

### 5.4 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 the Shares under this Prospectus.

### 5.5 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of the Offers, and the respective dates of those sales were:

Lowest: \$0.005 on 19 September 2018, 17 October 2018, 24-25 October 2018, 1-2 November 2018 and 6 November 2018

Highest: \$0.009 on 6 August 2018

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.005 on 6 November 2018.

## 5.6 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.

## 5.7 Substantial Shareholders

Based on available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Aurora Minerals Limited <sup>1</sup>	171,295,270	20.1%
Perth Select Seafoods Pty Ltd	44,000,000	5.16%

1. Mr Phillip Jackson, a Director, is a director and shareholder of Aurora Minerals Limited.

## 5.8 Interests of Directors

### (a) Current Security Holdings

The relevant interest of each of the Directors (together with their associates) in Securities as at the date of this Prospectus is set out below:

Director	Shares	Voting Power	Options
Phillip Jackson <sup>1</sup>	11,485,344	1.35%	2,250,000
Jon Dugdale <sup>2</sup>	2,300,000	0.27%	9,000,000
Daniel Noonan <sup>3</sup>	16,500,000	1.94%	9,000,000
Martin Pyle <sup>4</sup>	14,783,837	1.74%	2,250,000

#### Notes:

1. Mr Phillip Jackson's Securities are held indirectly through Holihox Pty Ltd. The 2,150,000 Options comprise of:
  - a. 750,000 Options exercisable at \$0.0265 each on or before 29 November 2018;
  - b. 750,000 Options exercisable at \$0.0379 each on or before 29 November 2019; and
  - c. 750,000 Options exercisable at \$0.0568 each on or before 29 November 2020.
2. Mr Jon Dugdale's Securities are held indirectly through LJ and AL Dugdale (Dugdale Super Fund A/C). The 9,000,000 Options comprise of:
  - a. 3,000,000 Options exercisable at \$0.0389 each on or before 29 November 2018;
  - b. 3,000,000 Options exercisable at \$0.0556 each on or before 29 November 2019; and
  - c. 3,000,000 Options exercisable at \$0.0834 each on or before 29 November 2020.
3. Mr Daniel Noonan's Securities are held directly and include 400,000 SPP Shares issued to Mr Noonan pursuant to the SPP. The 10,500,000 Options comprise of:
  - a. 3,000,000 Options exercisable at \$0.0265 each on or before 29 November 2018;

- b. 3,000,000 Options exercisable at \$0.0379 each on or before 29 November 2019; and
  - c. 3,000,000 Options exercisable at \$0.0568 each on or before 29 November 2020.
4. Mr Martin Pyle's Securities are held indirectly through Whitby (2009) Pty Ltd and Mundiby Pty Ltd. The 2,150,000 Options comprise of:
- a. 750,000 Options exercisable at \$0.0265 each on or before 29 November 2018;
  - b. 750,000 Options exercisable at \$0.0379 each on or before 29 November 2019; and
  - c. 750,000 Options exercisable at \$0.0568 each on or before 29 November 2020.

**(b) Director Participation in the Offers**

Subject to Shareholder approval at the Meeting, the Company proposes to issue the following Securities to the Directors pursuant to the Offers:

Director	Shares	Options
Phillip Jackson <sup>1</sup>	3,333,333	1,666,666
Jon Dugdale <sup>2</sup>	3,000,000	10,500,000
Daniel Noonan <sup>3</sup>	2,000,000	10,200,000
Martin Pyle <sup>4</sup>	2,500,000	1,250,000

**Notes:**

- 1. Securities to be issued to Mr Phillip Jackson comprise of 3,333,333 Placement Shares and 1,666,666 Placement Options.
- 2. Securities to be issued to Mr Jon Dugdale comprise of 3,000,000 Placement Shares, 1,500,000 Placement Options and 9,000,000 Director Options.
- 3. Securities to be issued to Mr Daniel Noonan comprise of 2,000,000 Placement Shares, 1,000,000 Placement Options, 200,000 SPP Options and 9,000,000 Director Options.
- 4. Securities to be issued to Mr Martin Pyle comprise of 2,500,000 Placement Shares and 1,250,000 Placement Options.

**(c) Maximum Security Holdings on Completion of the Offers**

The expected maximum relevant interest of each of the Directors (together with their associates) in Securities following completion of the Offers is set out below:

Director	Shares	Voting Power	Options
Phillip Jackson	14,818,677	1.72%	3,916,666
Jon Dugdale	5,300,000	0.61%	19,500,000
Daniel Noonan	18,500,000	2.14%	19,200,000
Martin Pyle	17,283,837	2.00%	3,500,000

**Note:**

This table assumes:

- a. Shareholder approval is given at the Meeting for the issues of Options under this Prospectus and all of the issues are made; and
- b. No other Securities are issued or converted into Shares.

(d) **Remuneration of Directors**

The Constitution provides that the Company may remunerate the non-executive Directors. The maximum total amount of directors' fees for the non-executive Directors shall, subject to any resolution of a general meeting, be fixed by the Directors. The Board may allocate this pool (or part of it) at its discretion.

The remuneration of executive Directors is to be fixed by the Board, without the affected executive Director participating in that decision-making process, and must not be calculated as a commission on, or a percentage of, operating revenue.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY), inclusive of directors fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

Director	FY ended 30 June 2017		FY ended 30 June 2018	
	Cash payments	Non-cash payments	Cash payments	Non-cash payments
Phillip Jackson	23,000	12,361	30,000	-
Jon Dugdale <sup>1</sup>	179,848	30,304	216,000	-
Daniel Noonan	184,750	49,443	189,000	-
Martin Pyle	33,323	12,361	30,000	-
Chris Rashleigh <sup>2</sup>	\$10,500	\$19,889	-	-

**Notes:**

1. Mr Dugdale was appointed as a Director on 20 January 2017.
2. Mr Rashleigh resigned as a Director on 6 February 2017.

Full details are set out in the Audited Remuneration Reports of the Company included in the Annual Reports of the Company for those financial years. Copies of the Annual Reports will be provided free of charge on request.

(e) **Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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:

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

## **5.9 Related party transactions**

There are no related party transactions involved in the Offers that are not otherwise described in this Prospectus.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

## **5.10 Interests of other persons**

Except as disclosed in this Prospectus, no underwriter, 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 2 years prior to the date of this Prospectus in the formation or promotion of the Company, the Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Options 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 Options offered under this Prospectus.

Bellanhuse will be paid approximately \$10,000 (plus GST) in fees for legal services in connection with the Offers.



## 5.11 Cash expenses of Offers

Estimated expenses of the Offers	\$
ASIC lodgement fee	3,206
ASX quotation fee	7,332
Legal fees and expenses	10,000
Share Registry fees including printing and mailing	6,000
<b>TOTAL</b>	<b>26,528</b>

**Note:**

1. All amounts and the total are shown exclusive of any applicable GST. Any GST paid will be reclaimed by the Company from the Australian Taxation office.

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

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

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## 6. 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 'Jon Dugdale', is written over a light grey rectangular background.

**Jon Dugdale**  
**Managing Director**

Dated: 7 November 2018

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## 7. Definitions

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

**\$ or A\$** means Australian dollars.

**Additional Placement** has the meaning given in Section 1.1.

**Additional Placement Option** has the meaning given in Section 1.1.

**Additional Placement Options Offer** means the offer of up to 4,404,662 Options to Additional Placement Participants on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Additional Placement, pursuant to this Prospectus.

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

**Application Form** means a SPP Application Form, Placement Offer Application Form, Zenix Offer Application Form, Director Offer Application Form or the Employee Offer Application Form, as the context requires.

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

**ASX** means the ASX Limited (ABN 98 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited (ACN 008 504 532).

**ASX Settlement Operating Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Board** means the board of Directors.

**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 Sub-register System.

**Class A Options** means the Class A Options to be issued pursuant to the Offers on the terms and conditions set out in Section 4.2.

**Class B Options** means the Class B Options to be issued pursuant to the Offers on the terms and conditions set out in Section 4.3.

**Class C Options** means the Class C Options to be issued pursuant to the Offers on the terms and conditions set out in Section 4.3.

**Closing Date** means 5:00pm (WST) on the closing date identified in the proposed timetable.

**Company** means Peninsula Mines Limited (ACN 123 102 974).

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

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

**Director Offer** means the offer of the Director Options to Directors Jon Dugdale and Daniel Noonan (or their nominees) pursuant to this Prospectus.

**Director Offer Application Form** means the application form in respect of the Director Offer provided by the Company with a copy of this Prospectus.

**Director Options** has the meaning given in Section 1.1.

**Employee Offer** means the offer of the Employee Options to senior staff and other employees of the Company (or their nominees) pursuant to this Prospectus.

**Employee Offer Application Form** means the application form in respect of the Employee Offer provided by the Company with a copy of this Prospectus.

**Employee Options** has the meaning given in Section 1.1.

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

**Eligible Shareholder** means a person registered as the holder of Shares as at 5:00pm (WST) on the SPP Record Date whose registered address is in Australia or New Zealand.

**Expiry Date** means the expiry date of the SPP Options, Placement Options, Class A Options, Class B Options or Class C Options (as applicable).

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

**KRW** means South Korean Won.

**Listing Rules** means the listing rules of ASX.

**Meeting** means the Annual General Meeting of Shareholders to be held on 9 November 2018.

**Offers** has the meaning given in Section 1.2, as the context requires.

**Official Quotation** means the quotation of Securities on the official list of ASX.

**Option** means an option to acquire a Share.

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

**Placement** has the meaning given in Section 1.1.

**Placement Options** has the meaning given in Section 1.1.

**Placement Options Offer** means the offer of up to 51,343,332 Options to Placement Participants, on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the Placement, pursuant to this Prospectus.

**Placement Options Offer Application Form** means the application form in respect of the Placement Options Offer provided by the Company with a copy of this Prospectus.

**Placement Participant** has the meaning given in Section 1.1.

**Placement Shares** has the meaning given in Section 1.1.

**Prospectus** means this prospectus dated 7 November 2018.

**Section** means a section of this Prospectus.

**Securities** means Shares and Options.

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

**Share Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277).

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

**SPP** has the meaning given in Section 1.1.

**SPP Application Form** means the application form in respect of the SPP and the SPP Options Offer, either attached to or accompanying this Prospectus.

**SPP Shortfall Offer** has the meaning given in Section 1.1.

**SPP Shortfall Option** has the meaning given in Section 1.1.

**SPP Offer Document** means the SPP offer letter, the SPP offer booklet and the SPP Application Form.

**SPP Options** has the meaning given in Section 1.1.

**SPP Options Offer** means the offer of up to 22,524,999 Options to SPP Participants, on the basis of 1 free-attaching Option for every 2 Shares subscribed for under the SPP pursuant to this Prospectus.

**SPP Participant** means an Eligible Shareholder who subscribed for SPP Shares under the SPP.

**SPP Record Date** means 5:00pm (WST) on the record date identified in the proposed timetable.

**SPP Shares** has the meaning given in Section 1.1.

**SPP Shortfall Participants** means an investor who subscribes for SPP shortfall.

**WST** means Australian Western Standard Time.

**Zenix** means Zenix Nominees Pty Ltd (ACN 107 391 908).

**Zenix Application Form** means the application form in respect of the Zenix Offer provided by the Company with a copy of this Prospectus.

**Zenix Offer** means the offer of the Zenix Options to Zenix (or its nominees) pursuant to this Prospectus.

**Zenix Options** has the meaning given in Section 1.1.