



CRUSADER RESOURCES LIMITED
ACN 106 641 963

PROSPECTUS

This Prospectus is being issued for the following offers:

- a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 2 new Shares for every 3 Shares held on the Record Date at an issue price of \$0.01 each, to raise up to approximately \$4.1 million, with 1 attaching option (exercisable at \$0.02 each on or before 30 June 2022) for every 3 new Shares subscribed for ("**Entitlement Offer**"); and
- any Shortfall under the Entitlement Offer at an issue price of \$0.01 per new Share ("**Shortfall Offer**"), with 1 attaching option (exercisable at \$0.02 each on or before 30 June 2022) for every 3 new Shares subscribed for,

(collectively, the "**Offers**").

The Entitlement Offer and the Shortfall Offer are conditionally partially and severally underwritten by Eyeon Investments Pty Ltd (ACN 096 482 781) (as to \$2.5 million) and Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543) (as to \$1 million) for an aggregate of \$3.5 million. Refer to Section 5 for details of the conditional underwriting.

THE ENTITLEMENT OFFER AND SHORTFALL OFFER CLOSE AT 5PM WST ON THURSDAY, 20 JUNE 2019*

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

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

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

* The Company reserves the right, subject to the Corporations Act, Listing Rules, Underwriting Agreements and other applicable laws to extend the Closing Date without prior notice.

IMPORTANT INFORMATION

This Prospectus is dated 23 May 2019 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 Securities 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).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 29, 221 St Georges Terrace, Perth, Western Australia, during normal business hours.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's 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.

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

No person is authorised to give any information or to make any representation in connection with the 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.

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 Securities 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 needs of any particular Applicant.

The Securities offered by this Prospectus should be considered speculative. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by Shareholders and potential investors are outlined in Section 4.

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.

Definitions of certain terms used in this Prospectus are contained in Section 8. 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 Stephen Copulos	Chairman
Mr Andrew Richards	Executive Director
Mr John Evans	Non-Executive Director

Company Secretary & Chief Financial Officer

Mr Andrew Beigel

Registered Office

Level 29
221 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9320 7500
Email: admin@crusaderresources.com
Website: www.crusaderresources.com

ASX Code: CAS (Proposed: BRV)*

Share Registry**

Security Transfer Australia Pty Ltd
770 Canning Highway
Applecross WA 6959
Telephone: 1300 992 916

Lawyers

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

Auditor**

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000

Underwriters

Eyeon Investments Pty Ltd
3/461 Wyndham Street
Shepparton VIC 3630

Pinnacle Corporate Finance Pty Ltd
Level 28, 140 St Georges Terrace
Perth WA 6000
AFSL 403684

*The Company is proposing to change its name to 'Big River Gold Limited' at its Annual General Meeting to be held on 12 June 2019.

**These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX Notice of Entitlement Offer sent to Optionholders	Thursday, 23 May 2019
Notice of Entitlement Offer sent to Shareholders	Friday, 24 May 2019
Shares quoted on an “Ex” basis*	Monday, 27 May 2019
Record Date for determining Entitlements	Tuesday, 28 May 2019
Prospectus and Application Form despatched to Eligible Shareholders	Friday, 31 May 2019
Annual General Meeting	Wednesday, 12 June 2019
Last day to extend the Entitlement Offer closing date	Monday, 17 June 2019
Closing Date (5pm WST)	Thursday, 20 June 2019
Notification of Shortfall	Tuesday, 25 June 2019
Anticipated date for issue of new Shares and Attaching Options	Thursday, 27 June 2019
Name and code change on ASX to 'Big River Gold Limited' ASX Code: BRV	Wednesday, 10 July 2019
Commencement of new Shares and Attaching Options trading on an ordinary settlement basis	Wednesday, 10 July 2019

*As the Company’s securities are presently suspended from trading on ASX there will be no trading of Shares on an ex basis

Note: All dates, other than the date of the Prospectus and the date of lodgement of the Prospectus with ASIC and ASX, are indicative only. The Company reserves the right, subject to the Corporations Act, Listing Rules, Underwriting Agreement and other applicable laws, to vary the above dates, including extending the Closing Date or accepting late Applications, either generally or in particular cases, without notice.

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LETTER FROM THE CHAIRMAN

Dear Shareholder

As you are aware 2018 was a difficult year for Crusader Resources but I am pleased to say that subsequent to the year's end changes were made that will place the Company on a sound footing and allow us to take advantage of the significant potential that lies with the Borborema Gold project.

With the Company's renewed focus on this flagship asset we agreed to a sale of the Juruena gold project for up to \$3 million in cash and shares, which will enable us to retain some of the exploration upside of the project. This not only provides a cash injection of \$1 million but would reduce our operating and holding costs while we improve Crusader's overall financial position.

As part of that process I am pleased to advise details of a non-renounceable entitlement offer to shareholders to raise approximately \$4.1 million before costs and which has been partially conditionally underwritten to \$3.5 million (**Entitlement Offer**).

The Entitlement Offer, the details of which are outlined in the attached Prospectus, is offered on the basis of two new shares for every three shares held on the record date, at an issue price of \$0.01 per share to raise approximately \$4.11 million before costs. Eligible shareholders will also be entitled to subscribe for shortfall shares in addition to their entitlement.

Subscribers in the Entitlement Offer will also be issued one free-attaching option for every three new shares subscribed for, exercisable at \$0.02 each and expiring on 30 June 2022. The options will be listed subject to meeting ASX requirements.

As detailed in announcements to the ASX on 22 February and 20 March 2019, conditional underwriting agreements have been entered into for \$3.5 million comprising \$2.5 million from Eyeon Investments Pty Ltd (**Eyeon**), a company related to myself and \$1.0 million from Pinnacle Corporate Finance Pty Ltd (**Pinnacle**). The issue of underwritten securities to Eyeon is subject to Shareholder approval being sought at the Company's upcoming Annual General Meeting being held on 12 June 2019.

I am delighted to support this fundraising along with major shareholders and stakeholders as it will facilitate the completion of the Definitive Feasibility Study for Borborema with the aim of transitioning into production subject to a successful outcome and project financing.

Borborema has seen several positive advances recently including the granting of its Installation Permit. This permit, along with the previously acquired Environmental Permit from IDEMA, are the main two permits required for commencing production at the Borborema Project. The mine and processing plan for the project envisages the use of dry stacking for tailings rather than a tailings dam facility which is a sensitive topic in Brazil currently.

Additionally, following a review of the work to date, the scope of works for the completion of the Definitive Feasibility Study was amended and issued for tender resulting in a significant cost saving and is targeted for completion during the fourth quarter 2019.

The Prospectus includes further details of the Entitlement Offer and the effect of the Entitlement Offer on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker,

accountant, solicitor or other independent professional advisor to evaluate whether or not to participate.

Please read in full the details on how to submit your application, which are set out in this Prospectus. Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9320 7500.

We have a clear strategy to develop Borborema into a major gold mine in Brazil. We believe the signs are good and the objectives moving forward are clear. I would like to thank all our shareholders for their ongoing support and hope you continue with us as we strive to deliver value. We expect the remainder of 2019 to be a significant for the Company as we advance Borborema Gold project towards production and I endorse your contribution to this Entitlement Offer.

Yours sincerely,

Stephen Copulos
Chairman

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 Shares.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 6.3
<p>Purpose of the Offers</p> <p>The purpose of the Offers is to raise up to approximately \$4.1 million (before costs). The funds raised from the Offers are intended to be used primarily for:</p> <ul style="list-style-type: none"> • the Borborema Project DFS; • exploration and holding costs for the Borborema Project and other projects; • Repayment of short term loans to entities associated with Chairman, Mr Stephen Copulos; and • costs of the Offers and general working capital. 	Section 1.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Future funding: The Group's exploration and development strategy, principally at the Company's Borborema Project, is dependent on raising additional funds in the near future. Further, the Group's capital requirements may vary materially from its current plans, and the Company may require significant further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Company will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Company. If the Company is unable to obtain additional financing as needed, the Company may not be able to pursue its stated strategy in the short-term and be required to reduce the scope of its operations or to cease trading. <p>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.</p> <p>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.</p>	Section 4

Key Information	Further Information
<p>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.</p> <p>Any additional equity financing will dilute Shareholders and debt financing, if available, may restrict the Company's financing and operating activities.</p> <ul style="list-style-type: none"> <p>Copulos Group Notes: As at the date of this Prospectus, \$1,500,000 has been advanced to the Company pursuant to the Copulos Group Notes.</p> <p>Conversion of the Copulos Group Notes into Shares is subject to the receipt of Shareholder approval, which is intended to be sought at the upcoming Annual General Meeting. In the event that the requisite Shareholder approval is not obtained by 30 June 2019, the Convertible Notes and the accrued interest will be repayable in cash within 5 business days of receipt of notice from the note holder.</p> <p>Subject to the Company obtaining the requisite Shareholder approval for the conversion of the Copulos Group Notes into Shares, conversion is at the election of the noteholder. In the event that the Copulos Group Notes are not converted before the period ending 10 business days before the relevant maturity date, the Copulos Group Notes will be repayable in cash on the maturity date. The maturity date is 12 months after the date of issue of the respective Copulos Group Notes, as set out in Section 5.3.</p> <p>In the event the requisite Shareholder approval is not obtained, or the Copulos Group elect not to convert the notes in full, or an event of default occurs, the Company will need to repay the Copulos Group Notes.</p> <p>If the Company is required to repay the Copulos Group Notes in cash and the Company does not have sufficient funding available, it will be required to raise funding to satisfy its obligations. There is no certainty that such funding would be available, or available on acceptable terms.</p> <p>The Company's obligations under the Copulos Group Notes are presently unsecured (though approval for them to become secured is also being sought at the Annual General Meeting). Accordingly, if the notes become secured and the Company is unable to satisfy its obligations, the Copulos Group may seek to enforce the security over the Company and its assets, and the Company may become an externally-administered body corporate.</p> <p>Control and dilution risk: The Company currently has 616,870,802 Shares on issue. Subject to Shareholder approval at the Annual General Meeting, the Company proposes to issue Shares and Underwriter Options to Copulos Group (entities associated with Mr Stephen Copulos, Non-Executive Chairman) (for further details see Section 1.10(b)). Following the issue of various Securities to Copulos Group and making various assumptions as set out in Section 1.10(b), Copulos Group's interest in the Company's Shares could potentially be up to approximately 56.39%, diluting existing Shareholders' interests and giving Mr Copulos a substantial controlling interest in the Company. There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company's projects.</p> <p>Risks associated with operating in foreign jurisdictions: The Group's exploration and mining projects are located in Brazil. The Group is therefore subject to the socio-economic conditions, as well as the laws and regulations governing the mining industry in Brazil. Although this jurisdiction is generally perceived as being stable, inherent risks with conducting operations in foreign jurisdictions can include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest;</p> 	

Key Information	Further Information
<p>organised crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalisation; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Group to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, the legal systems operating in foreign jurisdictions may be less developed than those in more established countries, which may result in risks such as: political difficulties in obtaining effective legal redress in the courts; a higher degree of discretion on the part of governmental agencies; a lack of political or administrative guidance on implementing applicable rules and regulations; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or relative inexperience of the judiciary and courts in such matters.</p> <ul style="list-style-type: none"> Litigation: Legal proceedings may arise from time to time in the course of the Group's activities. Other than as set out in Section 6.5, the Group is not currently involved, either directly or indirectly, as claimant or defendant, in any material litigation, claim, arbitration or dispute, that has or could have a material effect on its financial position, and save as set out in Section 6.5, the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the Group's position or business. There can be no assurance that there will be no such further proceedings in the future that could affect the reputation, business or performance of the Group. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding or any adverse publicity surrounding such claim will not have a material adverse effect on the Group's business, reputation, prospects, financial condition or results of operations. Development risks: Future development of a mining operation at any of the Company's projects, is dependent on a number of factors including, but not limited to, favourable geological conditions, receiving and retaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding, and contracting risk from third parties providing essential services. <p>The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents.</p> <p>The Company intends to progress the development of the Borborema Project through the undertaking of a definitive feasibility study. There is a risk that the outcomes of the study may not be economic, or if they are, that the Company will not achieve the outcomes of the definitive feasibility study. However, having taken the Posse iron ore project through feasibility, the Company has significant Brazilian permitting experience. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p>	

Key Information	Further Information
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 2 new Shares for every 3 Shares held on the Record Date at an issue price of \$0.01 each, with 1 Attaching Option for every 3 new Shares subscribed for (exercisable at \$0.02 each on or before 30 June 2022), to raise up to approximately \$4.1 million.</p>	Section 1.1
<p>Shortfall Offer</p> <p>Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Prospectus is also being issued for the Shortfall Offer.</p> <p>Eligible Shareholders may apply for Shares under the Shortfall Offer subject to such Applications being received by the Closing Date.</p> <p>The issue price for each new Share to be issued under the Shortfall Offer shall be \$0.01, being the price at which new Shares have been offered under the Entitlement Offer.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.2. There is no guarantee that Eligible Shareholders will receive new Shares applied for under the Shortfall Offer.</p>	Section 1.2
<p>Conditional Underwriting</p> <p>The Entitlement Offer is conditionally partially underwritten, severally, by Eyeon Investments Pty Ltd (ACN 096 482 781), an entity associated with Director Mr Stephen Copulos (as to \$2.5 million) and Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543) (as to \$1 million) for an aggregate of \$3.5 million.</p> <p>Prior Shareholder approval for the issue of securities to Eyeon pursuant to its underwriting obligations and for the issue of 12,000,000 Underwriter Options to Pinnacle is being sought at the Company's Annual General Meeting to be held on 12 June 2019.</p> <p>Further details are set out in Sections 1.6, 5.1 and 5.2.</p>	Sections 1.6, 5.1 and 5.2
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or, subject to the offer restrictions in Section 1.18, New Zealand and the UK. 	Sections 1.17, 1.18 and 1.20
<p>Effect on control of the Company</p> <p>Shareholders should note that if they do not participate in the Offers, their holdings will be diluted.</p> <p>The Company's largest Shareholder is Copulos Group, entities controlled by Mr Stephen Copulos and his associates. As at the date of this Prospectus, Mr Copulos and his associates have a voting power of 17.97%. Copulos Group also hold 15 Copulos Group Notes, the conversion of which is subject to the receipt of Shareholder approval being sought at the Annual General Meeting, together with the issue of Securities pursuant to the underwriting obligations of Eyeon, an entity associated with Mr Copulos. In the event that:</p> <ul style="list-style-type: none"> • no Entitlements are taken up by Eligible Shareholders; • no Shortfall Shares are placed; • Shareholder approval for the conversion of the Copulos Group Notes held by Mr Copulos is obtained at the Annual General Meeting, and these are converted; and 	Section 1.10

Key Information					Further Information																									
<ul style="list-style-type: none">no other Shares are issued, <p>Mr Copulos and his associates' voting power in the Company would increase to a maximum of 50.82%. Further information is set out in the Company's Notice of AGM, where approval will be sought for Mr Copulos and his associates' voting power to increase to a maximum of 56.39%. The Notice of AGM is accompanied by an independent's expert report which Eligible Shareholders and prospective investors are encouraged to read in full prior to making an investment decision.</p> <p>No other investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers.</p>																														
Indicative capital structure and pro-forma balance sheet <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table><tr><th></th><th>Partially Underwritten (\$3.5m) Shares</th><th>Partially Underwritten (\$3.5m) Options</th><th>Fully subscribed Shares</th><th>Fully subscribed Options</th></tr><tr><td>Balance at the date of this Prospectus</td><td>616,870,802</td><td>85,377,144²</td><td>616,870,802</td><td>85,377,144</td></tr><tr><td>Maximum number of Securities to be issued under the Offers¹</td><td>350,000,000</td><td>116,666,667</td><td>411,247,201</td><td>137,082,400</td></tr><tr><td>Underwriter Options³</td><td>-</td><td>42,000,000</td><td>-</td><td>42,000,000</td></tr><tr><td>TOTAL⁴</td><td>966,870,802</td><td>244,043,811</td><td>1,028,118,003</td><td>264,459,544</td></tr></table> <p>Notes:</p> <ol style="list-style-type: none">The actual number of Shares and Attaching Options to be issued will be subject to rounding. Attaching Options are exercisable at \$0.02 each on or before 30 June 2022. Full terms are set out in Section 6.2.Existing unquoted Options on issue comprise:<ol style="list-style-type: none">5,000,000 exercisable at \$0.195 each and expiring 23 December 2019;5,000,000 exercisable at \$0.26 each and expiring 23 December 2019; and75,377,144 exercisable at \$0.055 each and expiring 31 May 2020.The Company has agreed to issue the Underwriters an aggregate of 42,000,000 Underwriter Options exercisable at \$0.02 each on or before 30 June 2022, as partial consideration for the services provided in connection with the Offers. Full terms are set out in Section 6.2. The issue of the Underwriter Options is subject to Shareholder approval, being sought at the Annual General Meeting.In addition to the Shares and Options, subject to Shareholder approval at the Annual General Meeting, the Company will have on issue 15 Copulos Group Notes (which can convert to a maximum of 150,000,000 Shares, together with the issue of 12,000,000 Interest Shares). A summary of the material terms of the Copulos Group Notes is set out in Section 5.3.						Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options	Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144	Maximum number of Securities to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400	Underwriter Options ³	-	42,000,000	-	42,000,000	TOTAL⁴	966,870,802	244,043,811	1,028,118,003	264,459,544	Sections 3.1 and 3.2
	Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options																										
Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144																										
Maximum number of Securities to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400																										
Underwriter Options ³	-	42,000,000	-	42,000,000																										
TOTAL⁴	966,870,802	244,043,811	1,028,118,003	264,459,544																										

Key Information				Further Information
At the Annual General Meeting Shareholders are being asked to approve various other issues of Securities. In the event all of those issues are made, the indicative capital structure of the Company will be as follows:				
	Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options
Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144
Maximum number of Shares to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400
Underwriter Options ³	-	42,000,000	-	42,000,000
Shares to Directors Andrew Richards and John Evans per Notice of AGM (resolutions 6 and 7)	6,200,000	-	6,200,000	-
Conversion of Copulos Group Notes ⁴	150,000,000	-	150,000,000	-
Copulos Group Notes Interest Shares ⁴	12,000,000	-	12,000,000	-
TOTAL	1,135,070,802	244,043,811	1,196,318,003	264,459,544
Notes: <ol style="list-style-type: none"> The actual number of Shares and Attaching Options to be issued will be subject to rounding. Attaching Options are exercisable at \$0.02 each on or before 30 June 2022. Full terms are set out in Section 6.2. Existing unquoted Options on issue comprise: <ol style="list-style-type: none"> 5,000,000 exercisable at \$0.195 each and expiring 23 December 2019; 5,000,000 exercisable at \$0.26 each and expiring 23 December 2019; and 75,377,144 exercisable at \$0.055 each and expiring 31 May 2020. 				

Key Information	Further Information												
<p>3. The Company has agreed to issue the Underwriters an aggregate of 42,000,000 Underwriter Options exercisable at \$0.02 each on or before 30 June 2022, as partial consideration for the services provided in connection with the Offers. Full terms are set out in Section 6.2. The issue of the Underwriter Options is subject to Shareholder approval, being sought at the Annual General Meeting.</p> <p>4. Copulos Group currently hold 15 Copulos Group Notes. A summary of the material terms of the Copulos Group Notes is set out in Section 5.3. The conversion of the Copulos Group Notes, and the issue of Interest Shares in lieu of interest payments, is subject to receipt of Shareholder approval at the Annual General Meeting. Subject to the receipt of this Shareholder approval, the maximum number of Shares that may be issued on conversion of the Copulos Group Notes (including Interest Shares) is 162,000,000. Refer to Section 1.10 for details regarding the effect of the Offers on the voting power of Mr Copulos.</p> <p>Refer to Section 3.1 for further information regarding the Company’s capital structure.</p> <p>The indicative pro-forma balance sheet showing the effect of the Entitlement Offer is in Section 3.2.</p>													
<p>Directors' interests in Shares and Entitlements</p> <p>The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:</p> <table><tr><th>Name</th><th>Existing Shares</th><th>Entitlement</th></tr><tr><td>Mr Stephen Copulos*</td><td>110,871,102</td><td>73,914,068</td></tr><tr><td>Mr Andrew Richards</td><td>Nil</td><td>Nil</td></tr><tr><td>Mr John Evans</td><td>Nil</td><td>Nil</td></tr></table> <p>Mr Copulos has agreed to partially underwrite the Entitlement Offer to \$2.5 million. Mr Copulos has notified the Company that neither he or his associates intend to take up their entitlements other than pursuant to Mr Copulos’ obligations pursuant to the Eyeon Underwriting Agreement.</p> <p>The maximum interests of Mr Copulos following completion of the Offers are set out in Section 1.10.</p>	Name	Existing Shares	Entitlement	Mr Stephen Copulos*	110,871,102	73,914,068	Mr Andrew Richards	Nil	Nil	Mr John Evans	Nil	Nil	<p>Section 6.8(b) and 1.10</p>
Name	Existing Shares	Entitlement											
Mr Stephen Copulos*	110,871,102	73,914,068											
Mr Andrew Richards	Nil	Nil											
Mr John Evans	Nil	Nil											
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>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</p>	<p>Important Information and Section 4</p>												

Key Information	Further Information
<p>Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>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.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

1. Details of the Offer

1.1 Entitlement Offer

The Company is making a non-renounceable pro-rata offer to Eligible Shareholders on the basis of two new Shares for every three Shares held at 5:00pm (WST) on the Record Date, with one Attaching Option (exercisable at \$0.02 each on or before 30 June 2022) for every three new Shares subscribed for (**Entitlement Offer**).

The Company has as at the date of this Prospectus 616,870,802 Shares and 85,377,144 Options on issue. On the assumption that:

- (a) no Options are exercised before the Record Date, the Company anticipates issuing up to approximately 411,247,201 Shares pursuant to the Entitlement Offer; and
- (b) all the Options are exercised before the Record Date, the Company anticipates issuing up to approximately 468,165,297 Shares pursuant to the Entitlement Offer,

in each case, subject to rounding. Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded up to the nearest whole Share.

Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing ordinary shares on issue. Further details on the rights and liabilities attaching to the Shares under the Entitlement Offer are contained in Section 6.1.

Attaching Options issued under the Entitlement Offer will have the terms and conditions set out in Section 6.2.

1.2 Shortfall Offer

Any Entitlements not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Entitlement Offer Closing Date.

The issue price of any Shortfall Shares will be \$0.01 each, which is the issue price at which Shares have been offered to Eligible Shareholders under the Entitlement Offer. For every three Shortfall Shares issued, subscribers will also receive one Attaching Option. Shortfall Shares and Attaching Options will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall Shares will be as follows:

- (a) Eligible Shareholders who wish to subscribe for Shares above their Entitlement may apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Application Form or by making payment for such Shortfall Shares using BPAY® (refer to Section 2.4);

- (b) if there is insufficient Shortfall to satisfy the Applications made in accordance with paragraph (a) above, the Applications will be scaled back on a pro rata basis;
- (c) if any Shortfall is remaining after the Applications made in accordance with paragraph (a) above are satisfied, Applications from the general public will be considered with allocations made at the discretion of the Directors in conjunction with the Underwriters;
- (d) if any Shortfall is remaining after the Applications made in accordance with paragraph (a) and (c) above are satisfied, the Shortfall is intended to be subscribed for pursuant to the terms of the Underwriting Agreements (**Remaining Shortfall Shares**) (see Sections 5.1 and 5.2);
- (e) no Shares or Attaching Options will be issued under the Shortfall Offer if their issue would contravene the takeover prohibition in section 606 of the Corporations Act or any other law or Listing Rule.

Subject to the above, the Shortfall Shares and Attaching Options are to be issued at the discretion of the Company in conjunction with the Underwriters and as such there is no guarantee that any Shortfall Shares and Attaching Options will be issued to Eligible Shareholders or other third parties. Excess Application Monies for the Shortfall Offer will be refunded without interest. It is a term of the Shortfall Offer that, should the Company scale back Applications for Shortfall, the Applicant will be bound to accept such lesser number of Shortfall Shares and Attaching Options allocated to them.

Shares issued under the Shortfall Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing ordinary shares on issue. Further details on the rights and liabilities attaching to the Shares under the Shortfall Offer are contained in Section 6.1.

Attaching Options issued under the Shortfall Offer will have the terms and conditions set out in Section 6.2.

1.3 Underwriter Options Offer

Pursuant to the Underwriting Agreements (see Sections 5.1 and 5.2), the Company has agreed to issue 30,000,000 Underwriter Options to Eyeon and 12,000,000 Underwriter Options to Pinnacle (or nominees).

To the extent necessary and in the event the Company is required to issue the Underwriter Options, under this Prospectus the Company offers to the Underwriters (or their nominees) 42,000,000 Underwriter Options.

This offer is only made to the Underwriters (or their nominees) and may only be accepted by them completing a personalised application form which will be accompanied by this Prospectus. The Underwriter Options offer will remain open for the same period as the Shortfall Offer, and both issues are subject to receiving Shareholder approval per resolutions 10 and 14 of the Company's Notice of AGM.

1.4 Use of funds

Completion of the Offers will result in an increase in cash at hand of up to approximately \$4.11 million (before payment of costs).

The Company intends to apply the funds raised from the Offers together with existing funds as at 10 May 2019, in the 10 months following completion of the Offers on a partially underwritten basis and in the 10 months following completion of the Offers on a full subscription basis, as detailed below.

Source of funds	\$000s Partially underwritten (\$3.5m)	\$000s Full subscription (\$4.1m)
Funds currently available	315	315
Funds to be raised under the Offers	3,500	4,112
TOTAL	3,815	4,427

Allocation of funds	\$000s Partially underwritten (\$3.5m)	%	\$000s Full subscription (\$4.1m)	%
Borborema DFS	1,124	29	1,124	25
Exploration, evaluation and tenement holding costs	255	7	691	16
Repayment of short term related party loan ¹	750	20	750	17
Costs of Offers	271	7	308	7
General working capital ²	1,415	37	1,554	35
TOTAL	3,815	100	4,427	100

Notes:

1. Refer to ASX announcement dated 4 April 2019. See also Section 5.4.
2. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
3. In the event the Company raises an amount between the partially underwritten amount and full subscription, exploration and evaluation costs, costs of the Offers and working capital will be reduced on a pro-rata basis.
4. The source and use of funds do not include \$1m in cash due to the Company at completion from Meteoric Resources Limited pursuant to the Juruena sale agreement (see Section 5.5). On the basis completion of that agreement occurs, funds from Meteoric will be used for general working capital.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the success of exploration activities, access conditions, weather and any changes in the business and economic environment.

1.5 Closing Date

The Closing Date for the Entitlement Offer is Thursday, 20 June 2019.

All Applications by Eligible Shareholders under the Entitlement Offer must be received by the Company by no later than the Closing Date.

Eligible Shareholders are encouraged to submit their Applications as soon as possible.

The Company reserves the right, subject to the Corporations Act, Listing Rules, Underwriting Agreements and all other laws to vary the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

The Shortfall Offer will remain open after the Entitlement Offer Closing Date for up to three months, unless closed earlier at the discretion of the Directors.

1.6 Conditional Underwriting

Eyeon (an entity associated with Chairman Mr Stephen Copulos) and Pinnacle (together, the **Underwriters**) have been appointed as the underwriters to severally underwrite the Offers to \$3.5 million, with Eyeon underwriting as to \$2.5 million and Pinnacle underwriting as to \$1 million.

Pinnacle intends to enter into sub-underwriting arrangements with a number of third parties. None of these sub-underwriting arrangements are with related parties of the Company.

The obligations of the Eyeon are conditional on the following outstanding conditions precedent:

- (a) ASX re-listing - the Company engaging with the ASX and having obtained in writing the requirements to have its Shares reinstated to quotation on ASX;
- (b) Shareholder Approvals - the members of the Company in general meeting providing the approval by the necessary majority for the issue of Securities to Eyeon as set out in resolution 10 of the Company's Notice of AGM;
- (c) Prospectus - the Company lodging the Prospectus with the ASIC and the Entitlement Offer not being withdrawn by the Company;
- (d) Event of Insolvency- no event of insolvency has occurred in respect of the Company.

The obligations of the Pinnacle are conditional on the following outstanding conditions precedent:

- (a) ASX re-listing - the Company engaging with the ASX and having obtained in writing the requirements to have its Shares reinstated to quotation on ASX;
- (b) Shareholder Approvals - the members of the Company in general meeting providing the Shareholder approvals by the necessary majorities for the issue of Securities to Eyeon as set out in resolution 10 of the Company's Notice of AGM and the issue of 12,000,000 Underwriting Options to Pinnacle pursuant to resolution 14 of the Company's Notice of AGM;
- (c) Prospectus - the Company lodging the Prospectus with the ASIC and the Entitlement Offer not being withdrawn by the Company; and
- (d) Priority Underwriting - subject to sufficient Shortfall, Eyeon lodging applications for up to 250,000,000 Shares (\$2.5 million) in accordance with the Eyeon Underwriting Agreement.

If the conditions to the Underwriting Agreements are not satisfied or waived then the Underwriting Agreements will automatically terminate. In those circumstances the Company will be required to issue a supplementary prospectus which will also provide disclosure on whether the Company proceeds with the Offers.

A summary of the material terms of the Underwriting Agreements is in Section 5.

1.7 Minimum subscription

There is no minimum subscription for the Offers. The Offers are, however, conditionally partially underwritten to \$3.5 million. Refer to Section 5 for a summary of the Underwriting Agreements.

1.8 ASX Suspension

The Company's securities have been suspended from trading on ASX since 1 October 2018. The reinstatement of the Company's securities to trading on ASX is dependent on the Company satisfying ASX that the Company's financial condition at completion of the Offers is adequate to warrant quotation pursuant to Listing Rule 12.2. The Company will liaise with ASX following the Closing Date to obtain the conditions to reinstatement.

Accordingly, no Securities will be issued pursuant to this Prospectus until ASX has confirmed the Company's securities will be reinstated to trading on terms satisfactory to the Directors.

1.9 Substantial Shareholders

Based on information from the Company's share register and shareholder notices lodged at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	Number of Shares	Voting power
Copulos Group	110,871,102	17.97%
Chris Retzos	82,304,909	13.34%
Parkwise Corporation Pty Ltd	32,076,923	5.20%
William Richard Brown, Vitor Pty Ltd, Chinetti Investments Pty Ltd, Parkwise Corporation Pty Ltd*	50,065,886	8.12%

*These shareholders lodged a substantial shareholder notice with ASX on 29 January 2019, with the nature of association disclosed as being pursuant to section 12(2)(b) of the Corporations Act by reasons of a proposal to move resolutions pursuant to section 249D of the Corporations Act. These parties withdrew the section 249D notice on 21 March 2019.

Copulos Group is associated with Chairman Mr Stephen Copulos. Copulos Group also hold 15 convertible notes with a principal amount of \$100,000 each (**Copulos Group Notes**). Funds provided from the issue of the Copulos Group Notes are to be used by the Company for general working capital purposes. A summary of the material terms of the Copulos Group Notes is set out in Section 5.3.

The conversion of the Copulos Group Notes, and the issue of Interest Shares in lieu of interest payments, is subject to receipt of Shareholder approval at the Annual General Meeting. Subject to the receipt of this Shareholder approval, the maximum number of Shares that may be issued on conversion of the Copulos Group Notes (including Interest Shares) is 162,000,000. Refer to Section 1.10 for details regarding the effect of the Offers on the voting power of Mr Copulos.

1.10 Effect on control of the Company

(a) General

The Company has not appointed a party pursuant to section 615 of the Corporations Act to act as nominee to sell the new Shares that might have otherwise been issued to Ineligible Foreign Shareholders, had they subscribed for their Entitlements.

Accordingly, Applicants under the Entitlement Offer will not be able to rely on the exception allowed by item 10 of section 611 of the Corporations Act which would otherwise permit an Applicant to increase their voting power:

- (i) from 20% or below 20% to above 20%; or
- (ii) from a starting point of above 20% and below 90%,

as a result of accepting their Entitlement under the Entitlement Offer without breaching section 606(1) of the Corporations Act.

As a consequence, other than in relation to the issue of Securities to the Copulos Group pursuant to the Eyeon Underwriting Agreement (such issue subject to Shareholder approval at the Annual General Meeting), the

Company will not issue new Securities under the Offers to any Applicant or other person if the result of any such issue would result in any person (and that person's associates) acquiring a relevant interest contrary to section 606 of the Corporations Act. This may result in the Company scaling back Applications from Eligible Shareholders to ensure that no breach of section 606 of the Corporations Act occurs.

Without limiting the above, it is the responsibility of Eligible Shareholders to ensure that their participation under the Offers does not result in them breaching section 606 of the Corporations Act. Eligible Shareholders, by lodging Applications for new Shares under the Offers, acknowledge and accept the right and obligation of the Company to not allot or issue new Shares to them which would result in any breach by them of section 606 of the Corporations Act and direct the Company to so act.

(b) Major Shareholder and partial Underwriter

Details of the Copulos Group's interest in Shares in the Company are set out above in Section 1.9. In addition, Copulos Group also holds the Copulos Group Notes and 18,134,472 unlisted Options with an exercise price of \$0.055 each expiring 31 May 2020.

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (i) from 20% or below to above 20%; or
- (ii) from a starting point of above 20% and below 90%.

Item 7 of section 611 of the Corporations Act provides a mechanism by which shareholders of a public company may approve an issue of shares to a person which would otherwise be prohibited pursuant to section 606 of the Corporations Act. The Company is of the view that the Offers will fall within this exception in relation to the Copulos Group and is seeking Shareholder approval, among other things, for the issue of Securities to Copulos Group pursuant to the Eyeon Underwriting Agreement, for the conversion of the Copulos Group Notes and for the issue of Interest Shares at the Annual General Meeting. It is noted that Copulos Group has advised the Company that it will not be seeking to take up any of its Entitlements and intends only to take up any Shortfall under the Eyeon Underwriting Agreement.

Copulos Group's relevant interest and its maximum potential relevant interest under several scenarios are set out in the tables below and are based on the assumption that no further securities are issued by the Company (including on exercise of Options). Further information is also set out in section 13 and schedule 4 of the Notice of AGM.

	Copulos Group	Other existing and new Shareholders	TOTAL
Shares currently on issue	110,871,102	505,999,700	616,870,802
% holdings	17.97%	82.03%	100%
Following completion of the Offers⁽¹⁾			
Scenario One - Fully subscribed⁽²⁾ (\$4.1m)			
Shares on issue	184,785,170	843,332,833	1,028,118,003
<i>% holdings (undiluted basis)</i>	17.97%	82.03%	100%
Scenario Two - Partial underwriting⁽³⁾ (\$3.5m)			
Shares on issue	360,871,102	605,999,700	966,870,802
<i>% holdings (undiluted basis)</i>	37.32%	62.68%	100%
Scenario Three - Copulos Group underwriting only; all Copulos Group Options exercised			
Shares on issue ⁽⁴⁾	510,871,102	505,999,700	1,016,870,802
<i>% holdings (undiluted basis)</i>	50.24%	49.76%	100%
Following exercise of all Options ⁽⁵⁾	654,338,908	505,999,700	1,160,338,608
<i>% holdings (fully diluted basis)</i>	56.39%	43.61%	100%

Notes:

1. Assumes that no further Securities are issued by the Company other than those under the Offers and no Options are exercised.
2. Assumes the Offers are fully subscribed, and that Copulos Group subscribes for Shortfall equal to its Entitlement pursuant to the Eyeon Underwriting Agreement.
3. Assumes no applications under the Offers are received and the Underwriters are both fully called upon.
4. See description in paragraph below.
5. See description in paragraph below.

As set out in the Notice of AGM and scenario 3 above, in the unlikely event that no other Eligible Shareholders or investors subscribe for Securities under this Prospectus (including Pinnacle pursuant to the Pinnacle Underwriting Agreement), and assuming:

- (i) Copulos Group converts the Copulos Group Notes and is issued the Interest Shares (maximum 162,000,000 Shares);
- (ii) Copulos Group complies with its underwriting obligations pursuant to the Eyeon Underwriting Agreement and subscribes for a maximum of 250,000,000 Shares and 83,333,334 Attaching Options (which are subsequently exercised into Shares);

- (iii) Copulos Group receives 30,000,000 Underwriter Options and subsequently exercises them into Shares;
- (iv) all existing Options held by Copulos Group are exercised into a maximum of 18,134,472 Shares,

Copulos Group will be issued with a maximum of 543,467,806 Shares and have a maximum voting power in the Company of 56.39%.

However, it is highly unlikely that no other existing or new investors will subscribe for Shares under this Prospectus. The underwriting obligation and therefore voting power of Copulos Group will reduce by a corresponding amount for the amount of Shares subscribed for by the other Shareholders and investors. As noted in Section 1.2, any Shortfall Shares will be allocated firstly to the Eligible Shareholders and other investors, and lastly to the Underwriters, with issues to Eyeon in priority to Pinnacle.

(c) **Pinnacle**

Pinnacle and its associates presently hold no Securities, and Pinnacle have indicated that they have no intention of acquiring Securities prior to the Record Date. Pinnacle have agreed to partially underwrite the Offers for the amount of \$1,000,000. Pinnacle are not a related party of the Company for the purpose of the Corporations Act.

Pinnacle have advised the Company that they intend to enter into binding sub-underwriting agreements for the total of their underwriting obligations of \$1,000,000. Accordingly, it is unlikely that Pinnacle will be obliged to subscribe for Shortfall Shares, if any, as these obligations are intended to be passed on to the sub-underwriters, subject to there being no breach of the sub-underwriting agreements and Pinnacle successfully procuring sub-underwriters for its entire \$1,000,000 underwritten amount.

The table below sets out Pinnacle's potential relevant interest in Shares in several scenarios in the unlikely event that the sub-underwriting agreements are breached. If Pinnacle does not procure sub-underwriters for the \$1,000,000 underwritten amount, Pinnacle is required to subscribe for Shortfall Shares.

	Shares issued to Pinnacle	Total Shares on issue	Pinnacle's voting power
Date of Prospectus	0	616,870,802	0.00%
<i>Participation in Entitlement Offer by Eligible Shareholders:</i>			
• Fully subscribed	0	1,028,118,003	0.00%
• 75% subscribed	0	1,028,118,003 ¹	0.00%
• 50% subscribed	0	1,028,118,003 ¹	0.00%
• 25% subscribed	58,435,401	1,028,118,003 ²	5.68%

	Shares issued to Pinnacle	Total Shares on issue	Pinnacle's voting power
• 10% subscribed	100,000,000	1,007,995,522 ²	9.92%

Notes:

1. As Shortfall is less than 250,000,000 Shares, all Shortfall will be taken up by Eyeon pursuant to the Eyeon Underwriting Agreement.
2. First 250,000,000 Shares of Shortfall to be taken up by Eyeon pursuant to the Eyeon Underwriting Agreement, leaving residual to be taken up by Pinnacle.

The number of Shares held by Pinnacle and their voting power in the table above show the potential effect of the Pinnacle partial underwriting of the Offers. However, it is unlikely that no Eligible Shareholders will take up Entitlements under the Entitlement Offer.

The underwriting obligation and therefore voting power of Pinnacle will reduce by a corresponding amount for the amount of Entitlements taken up by Eligible Shareholders and sub-underwriters.

1.11 Potential dilution

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

Holder	Holding as at Record Date	% at Record Date	Entitlement	Holdings if Entitlement Offer not taken up	% post Entitlement Offer only
Shareholder 1	50,000,000	8.1	33,333,333	50,000,000	4.9
Shareholder 2	30,000,000	4.9	20,000,000	30,000,000	2.9
Shareholder 3	15,000,000	2.4	10,000,000	15,000,000	1.5
Shareholder 4	5,000,000	0.8	3,333,333	5,000,000	0.5
Shareholder 5	1,000,000	0.2	666,667	1,000,000	0.1

Notes:

1. The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer or the Underwriting Agreements.
2. Shareholders may also be diluted by the proposed issue of various Securities in the Notice of Annual General Meeting. Further examples are set out below.

The below table shows the maximum dilution to Shareholders on an undiluted basis should only the Offers occur:

Shares	Partial Underwriting (\$3.5m)	Full subscription
Existing Shares on issue	616,870,802	616,870,802
% <i>holdings (post Offers)</i>	63.80%	60.00%
Entitlement Offer Shares	350,000,000	411,247,201
% <i>holdings (post Offers)</i>	36.20%	40.00%
Shares on issue immediately post Offers	966,870,802	1,028,118,003
% <i>holdings (post Offers)</i>	100%	100%

The below table shows the maximum dilution to Shareholders on an undiluted basis should:

- (a) the Offers occur;
- (b) the following resolutions be passed at the Annual General Meeting, with relevant Securities subsequently being issued:
 - (i) approval for conversion of the Copulos Group Notes and the notes are subsequently converted to 150,000,000 Shares;
 - (ii) approval for the issue of 12,000,000 Interest Shares; and
 - (iii) approval for the issue to Directors Mr Andrew Richards and Mr John Evans of 6,200,000 Shares.

Shares	Partial Underwriting (\$3.5m)	Full subscription
Existing Shares on issue	616,870,802	616,870,802
% <i>holdings</i>	54.35%	51.56%
Entitlement Offer Shares	350,000,000	411,247,201
% <i>holdings</i>	30.84%	34.38%
Annual General Meeting proposed Share issues	168,200,000	168,200,000
% <i>holdings</i>	14.82%	14.06%
Shares on issue post Offers other issues noted above	1,135,070,802	1,196,318,003
% <i>holdings</i>	100%	100%

Finally, the below table shows the maximum dilution to Shareholders on a fully diluted basis should:

- (a) all existing 85,377,144 Options be exercised;
- (b) the Offers occur and all 137,082,400 Attaching Options are exercised;
- (c) the following resolutions be passed at the Annual General Meeting, with relevant Securities subsequently being issued and where applicable, converted or exercised into Shares:
 - (i) approval for conversion of the Copulos Group Notes to 150,000,000 Shares;
 - (ii) approval for the issue of 12,000,000 Interest Shares;
 - (iii) approval for the issue to Directors Mr Andrew Richards and Mr John Evans of 6,200,000 Shares; and
 - (iv) approval for the issue of 42,000,000 Underwriter Options.

Shares	Partial Underwriting (\$3.5m)	Full subscription
Existing Shares on issue	616,870,802	616,870,802
% holdings (post Offers)	44.08%	42.23%
Entitlement Offer Shares	350,000,000	411,247,201
% holdings (post Offers)	25.01%	28.15%
Annual General Meeting proposed Share issues	168,200,000	168,200,000
% holdings (post Offers)	12.02%	11.51%
All Annual General Meeting resolutions approved and all Options converted to Shares	264,459,544	264,459,544
% holdings (post Offers)	18.90%	18.10%
Shares on issue immediately post Offers ⁽¹⁾	1,399,530,346	1,460,777,548
% holdings (post Offers)	100%	100%

1.12 No rights trading

The rights to Shares under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement to Shares under the Entitlement Offer by the Closing Date, the Entitlement Offer to you will lapse.

1.13 Issue Date and dispatch

All Securities under the Offer are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Offers.

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

1.14 Application Monies held on trust

All Application Monies received for the Shares under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

1.15 ASX quotation

Application has been or will be made for the official quotation of the Shares and Options offered by this Prospectus. If permission is not granted by ASX for the official quotation of the Shares and Options offered by this Prospectus within three months after the date of this Prospectus, the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.16 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 Shares.

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

The CHESS statement will specify the number of Shares 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 Shares, including a notice to exercise the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by Computershare Investor Services Pty Limited and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

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

1.17 Ineligible Foreign Shareholders

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

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and the United Kingdom 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.

The Company believes that it is unreasonable to extend the Entitlement Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

1.18 New Zealand offer restrictions

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

1.19 United Kingdom offer restrictions

Neither the information in this Prospectus nor any other document relating to the Offers has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares and options.

This Prospectus is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Securities under this Prospectus may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Securities under this Prospectus has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

1.20 Notice to nominees and custodians

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

1.21 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, all Application Monies will be returned without interest in accordance with the Corporations Act.

1.22 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.23 Taxation implications

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

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

1.24 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 December 2018, can be found in the Company's Annual Report announced on ASX on 4 April 2019 and, for the half-year ended 30 June 2018, the Half Year Accounts announced on ASX on 14 September 2018. Copies of the Company's continuous disclosure notices (i.e. ASX announcements) since 4 April 2019 are available free of charge from the Company and are available on the Company's website at www.crusaderresources.com. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.25 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding 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 Acceptance or Application (as applicable).

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

1.26 Enquiries concerning Prospectus

All enquiries concerning the Application Form and the Prospectus, please contact Crusader Resources Limited on +61 8 9320 7500.

For general shareholder enquiries, please contact Security Transfer Australia on 1300 992 916 (within Australia) or +61 3 9628 2200 (outside Australia).

2. Action required by Shareholders

2.1 Action in relation to the Offer

Should you wish to acquire Securities as part of the Entitlement Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying personalised Application Form.

If you take up all of your Entitlement, you may also apply for Shortfall Securities under the Shortfall Offer (refer to Section 2.4).

If you do not wish to take up any of your Entitlement to Shares, you may allow your Entitlement to lapse (refer to Section 2.5).

2.2 Acceptance of Entitlement

Should you wish to accept all of your Entitlement to Shares under the Entitlement Offer and you are not paying by BPAY, then Applications for Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Application Form.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Crusader Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

Security Transfer Australia
PO Box 52
Collins Street West VIC 8007

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that cleared funds are received by the Company by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form. Applicants are encouraged to pay via BPAY.

2.3 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then Applications for Shares under the Entitlement Offer must be made on the Application Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the amount payable (calculated at \$0.01 per Share accepted), and attach a cheque, bank draft or money order for the appropriate Application Monies.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Crusader Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that cleared funds are received by the Company by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

2.4 If you wish to apply for Shortfall Securities

If you wish to apply for Shares in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Securities you may do so by completing the relevant separate section of the Application Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.2.

Completed Application Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Crusader Resources Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at the address indicated at Section 2.2.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that cleared funds are received by the Company by the Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your entitlement, however your Shareholding will likely be diluted.

2.6 Application Form

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares.

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.

The Company will send this Prospectus, together with an Application Form, to all Eligible Shareholders.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via BPAY, you will be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that:

- (a) the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (b) you agree to be bound by the terms of the Offers;
- (c) you declare that all details and statements in the Application Form are complete and accurate;
- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (e) you authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Shares and Attaching Options to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (f) if you are applying for Shares under the Entitlement Offer, you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the offer restrictions in Section 1.18, New Zealand and the United Kingdom;
- (g) you acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares and Attaching Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) you acknowledge that the Shares have not been, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.7 Enquiries concerning your Entitlement

For all enquiries concerning the Prospectus, please contact Crusader Resources Limited on +61 8 9320 7500.

For general shareholder enquiries, please contact Security Transfer Australia on 1300 992 916 (within Australia) or +61 3 9628 2200 (outside Australia).

3. Effect of the Offer

3.1 Capital structure on completion of the Offers

The indicative capital structure of the Company on completion of the Offers, assuming only the Securities pursuant to the Offers are issued, is set out below:

	Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options
Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144
Maximum number of Securities to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400
Underwriter Options ³	-	42,000,000	-	42,000,000
TOTAL⁴	966,870,802	244,043,811	1,028,118,003	264,459,544

Notes:

1. The actual number of Shares and Attaching Options to be issued will be subject to rounding. Attaching Options are exercisable at \$0.02 each on or before 30 June 2022. Full terms are set out in Section 6.2.
2. Existing unquoted Options on issue comprise:
 - (a) 5,000,000 exercisable at \$0.195 each and expiring 23 December 2019;
 - (b) 5,000,000 exercisable at \$0.26 each and expiring 23 December 2019; and
 - (c) 75,377,144 exercisable at \$0.055 each and expiring 31 May 2020.
3. The Company has agreed to issue the Underwriters an aggregate of 42,000,000 Underwriter Options exercisable at \$0.02 each on or before 30 June 2022, as partial consideration for the services provided in connection with the Offers. Full terms are set out in Section 6.2. The issue of the Underwriter Options is subject to Shareholder approval, being sought at the Annual General Meeting.
4. In addition to the Shares and Options, subject to Shareholder approval at the Annual General Meeting, the Company will have on issue 15 Copulos Group Notes (which can convert to a maximum of 150,000,000 Shares, together with the issue of 12,000,000 Interest Shares). A summary of the material terms of the Copulos Group Notes is set out in Section 5.3.

At the Annual General Meeting Shareholders are being asked to approve various other issues of Securities. In the event all of those issues are made, the indicative capital structure of the Company will be as follows:

	Partially Underwritten (\$3.5m) Shares	Partially Underwritten (\$3.5m) Options	Fully subscribed Shares	Fully subscribed Options
Balance at the date of this Prospectus	616,870,802	85,377,144 ²	616,870,802	85,377,144
Maximum number of Shares to be issued under the Offers ¹	350,000,000	116,666,667	411,247,201	137,082,400
Underwriter Options ³	-	42,000,000	-	42,000,000
Shares to Directors Andrew Richards and John Evans per Notice of AGM (resolutions 6 and 7)	6,200,000	-	6,200,000	-
Conversion of Copulos Group Notes ⁴	150,000,000	-	150,000,000	-
Copulos Group Notes Interest Shares ⁴	12,000,000	-	12,000,000	-
TOTAL	1,135,070,802	244,043,811	1,196,318,003	264,459,544

Notes:

1. The actual number of Shares and Attaching Options to be issued will be subject to rounding. Attaching Options are exercisable at \$0.02 each on or before 30 June 2022. Full terms are set out in Section 6.2.
2. Existing unquoted Options on issue comprise:
 - (a) 5,000,000 exercisable at \$0.195 each and expiring 23 December 2019;
 - (b) 5,000,000 exercisable at \$0.26 each and expiring 23 December 2019; and
 - (c) 75,377,144 exercisable at \$0.055 each and expiring 31 May 2020.
3. The Company has agreed to issue the Underwriters an aggregate of 42,000,000 Underwriter Options exercisable at \$0.02 each on or before 30 June 2022, as partial consideration for the services provided in connection with the Offers. Full terms are set out in Section 6.2. The issue of the Underwriter Options is subject to Shareholder approval, being sought at the Annual General Meeting.
4. Copulos Group currently hold 15 Copulos Group Notes. A summary of the material terms of the Copulos Group Notes is set out in Section 5.3. The conversion of the Copulos Group Notes, and the issue of Interest Shares in lieu of interest payments, is

subject to receipt of Shareholder approval at the Annual General Meeting. Subject to the receipt of this Shareholder approval, the maximum number of Shares that may be issued on conversion of the Copulos Group Notes (including Interest Shares) is 162,000,000. Refer to Section 1.10 for details regarding the effect of the Offers on the voting power of Mr Copulos.

3.2 Pro forma consolidated statement of financial position

Set out below is:

- (a) the audited consolidated statement of financial position of the Company as at 31 December 2018 (**Balance Date**);
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offers (on a partially underwritten and full subscription basis); and
- (d) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs 3.2(b) and 3.2(c).

The statements of financial position have been prepared to provide Shareholders with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted below. The historical and pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	Audited Balance Sheet as at 31/12/18 \$	Significant changes since 31/12/18 \$	Effect of Offer (fully subscribed \$	Unaudited pro forma balance sheet post significant changes and Offer \$	Effect of Offer (assuming \$3.5m raised) \$	Unaudited pro forma balance sheet post significant changes and Offer \$
CURRENT ASSETS						
Cash and cash equivalents	432,228	746,402	3,804,690	4,983,320	3,228,966	4,407,596
Trade and other receivables	88,428	-	-	88,428	-	88,428
Other current assets	239,798	-	-	239,798	-	239,798
Assets available for sale	1,535,587	-	-	1,535,587	-	1,535,587
Total Current Assets	2,296,041	746,402	3,804,690	6,847,133	3,228,966	6,271,409
NON-CURRENT ASSETS						
Exploration and evaluation	19,325,779	-	-	19,325,779	-	19,325,779
Property, plant and equipment	113,713	-	-	113,713	-	113,713
Total Non-Current Assets	19,439,492	-	-	19,439,492	-	19,439,492
TOTAL ASSETS	21,735,533	746,402	3,804,690	26,286,625	3,228,966	25,710,901
CURRENT LIABILITIES						
Trade and other payables	1,850,411	(197,074)	-	1,653,337	-	1,653,337
Borrowings	1,247,859	868,033	-	2,115,892	-	2,115,892
Liabilities related to assets available for sale	35,587	-	-	35,587	-	35,587
Total Current Liabilities	3,133,857	670,959	-	3,804,816	-	3,804,816

	Audited Balance Sheet as at 31/12/18 \$	Significant changes since 31/12/18 \$	Effect of Offer (fully subscribed \$	Unaudited pro forma balance sheet post significant changes and Offer \$	Effect of Offer (assuming \$3.5m raised) \$	Unaudited pro forma balance sheet post significant changes and Offer \$
NON-CURRENT LIABILITIES						
Trade and other payables	660,775	-	-	660,775	-	660,775
Total Non-Current Liabilities	660,775	-	-	660,775	-	660,775
TOTAL LIABILITIES	3,794,632	670,959	-	4,465,591	-	4,465,591
NET ASSETS	17,940,901	75,443	3,804,690	21,821,034	3,228,966	21,245,310
EQUITY						
Issued capital	86,352,264	1,134,663	3,603,090	91,090,017	3,027,366	90,514,293
Reserves	9,547,701	33,669	859,596	10,440,966	761,600	10,342,970
Retained earnings	(77,959,064)	(1,092,889)	(657,996)	(79,709,949)	(560,000)	(79,611,953)
TOTAL EQUITY	17,940,901	75,443	3,804,690	21,821,034	3,228,966	21,245,310

The pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 31 December 2018 and the completion of the Offers except for:

- the receipt of \$1,000,000 pursuant to the issue of convertible notes as announced on 29 January 2019;
- the receipt of subscription funds of \$225,000 for the issue of 22,500,000 Shares as announced on 29 January 2019;
- the issue of 90,220,281 shares for the conversion convertible notes and accrued interest 15 March 2019;
- the receipt of \$750,000 in short term loan funds as announced on 4 April 2019; and
- movements in working capital from transactions incurred in the normal course of business including corporate costs, employee entitlements and exploration activities.

The pro-forma statement of financial position has not been subject to an audit or review.

3.3 Market price of Shares

The Company's Shares have been suspended from official quotation on ASX and AIM since 1 October 2018.

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding 1 October 2018 and the respective dates of those sales were:

Lowest: \$0.02 (on various days in September 2018)

Highest: \$0.035 (on 15 August 2018)

The latest closing sale price of the Shares on ASX prior to 1 October 2018 was \$0.02 on Friday 28 September 2018.

3.4 Dividend Policy

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

4. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have 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 Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Eligible Shareholders and prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

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

4.1 Risks specific to the Company

(a) Future funding

The Group's exploration and development strategy, principally at the Company's Borborema Project, is dependent on raising additional funds in the near future. Further, the Group's capital requirements may vary materially from its current plans, and the Company may require significant further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Company will be able to raise additional funds when needed or that such funds will be available on terms favourable to the Company. If the Company is unable to obtain additional financing as needed, the Company may not be able to pursue its stated strategy in the short-term and be required to reduce the scope of its operations or to cease trading.

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.

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) Budget risks

The Company's operating budget and proposed use of funds is based on the assumption that certain cost reductions implemented earlier in the year remain in place.

The Board considers that these cost reductions can continue without restricting the Company's abilities to continue with its present operations. However, there is no guarantee that the Company will be able to implement these cost reductions in the manner intended, or that there will not be any unexpected adverse consequences resulting from the cost reductions.

(c) Copulos Group Notes

As at the date of this Prospectus, \$1,500,000 has been advanced to the Company pursuant to the Copulos Group Notes.

Conversion of the Copulos Group Notes into Shares is subject to the receipt of Shareholder approval, which is intended to be sought at the upcoming Annual General Meeting. In the event that the requisite Shareholder approval is not obtained by 30 June 2019, the Convertible Notes and the accrued interest will be repayable in cash within 5 business days of receipt of notice from the note holder.

Subject to the Company obtaining the requisite Shareholder approval for the conversion of the Copulos Group Notes into Shares, conversion is at the election of the noteholder. In the event that the Copulos Group Notes are not converted before the period ending 10 business days before the relevant maturity date, the Copulos Group Notes will be repayable in cash on the maturity date. The maturity date is 12 months after the date of issue of the respective Copulos Group Notes, as set out in Section 5.3.

In the event the requisite Shareholder approval is not obtained, or the Copulos Group elect not to convert the notes in full, or an event of default occurs, the Company will need to repay the Copulos Group Notes.

If the Company is required to repay the Copulos Group Notes in cash and the Company does not have sufficient funding available, it will be required to raise funding to satisfy its obligations. There is no certainty that such funding would be available, or available on acceptable terms.

The Company's obligations under the Copulos Group Notes are presently unsecured (though approval for them to become secured is also being sought at the Annual General Meeting). Accordingly, if the notes become secured and the Company is unable to satisfy its obligations, the Copulos Group may seek to enforce the security over the Company and its assets, and the Company may become an externally-administered body corporate.

(d) Control and dilution risk

The Company currently has 616,870,802 Shares on issue. Subject to Shareholder approval at the Annual General Meeting, the Company proposes to issue Shares and Underwriter Options to Copulos Group

(entities associated with Mr Stephen Copulos, Non-Executive Chairman) (for further details see Section 1.10(b)).

Following the issue of various Securities to Copulos Group and making various assumptions as set out in Section 1.10(b), Copulos Group's interest in the Company's Shares could potentially be up to approximately 56.39%, diluting existing Shareholders' interests and giving Mr Copulos a substantial controlling interest in the Company.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company's projects.

(e) Risks associated with operating in foreign jurisdictions

The Group's exploration and mining projects are located in Brazil. The Group is therefore subject to the socio-economic conditions, as well as the laws and regulations governing the mining industry in Brazil. Although this jurisdiction is generally perceived as being stable, inherent risks with conducting operations in foreign jurisdictions can include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organised crime; hostage taking; terrorism; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalisation; renegotiation or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Group to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, the legal systems operating in foreign jurisdictions may be less developed than those in more established countries, which may result in risks such as: political difficulties in obtaining effective legal redress in the courts; a higher degree of discretion on the part of governmental agencies; a lack of political or administrative guidance on implementing applicable rules and regulations; inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or relative inexperience of the judiciary and courts in such matters.

Changes in mining or investment policies or legislation or shifts in political attitude in any of the jurisdictions in which the Group operates may adversely affect the Group's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws and regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological

compliance, expropriation of property and shifts in the political stability of the country, could adversely affect the Group's exploration, development and production initiatives in these countries.

The Brazilian mining legal and regulatory regime has recently been amended with changes having been made to the royalty rates for mining companies and the appointment of a new mining regulator; the National Mining Agency (Agência Nacional de Mineração) (**ANM**) in place of Departamento Nacional de Produção Mineral (**DNPM**) on 1 January 2018. The replacement of the DNPM with the ANM is intended to increase the independence, transparency and economic resources available to the Brazilian mining regulator. The ANM also has increased powers of oversight, including the ability to require biannual reports on the progress of exploration activities and increased supervision over the environmental licensing procedure preceding the grant of a mining concession. The reform has also increased the amounts of previously existing penalties for the breach of mining laws and regulations. Fines now vary from R\$2,000 to R\$30 million. Additional enforcement powers include: (i) the imposition of daily fines of R\$100 to R\$50,000; (ii) temporary suspension, in whole or in part, of mining activities; and (iii) the seizure of minerals, assets and equipment, in addition to the cancellation of mining rights.

The Group continues to monitor developments and policies and the impact thereof to its operations; however they cannot be accurately predicted over time and could have an adverse effect on the Group's operations or profitability.

(f) Risks related to the sale of the Posse iron ore project

The Group entered into an agreement to dispose of the Posse iron ore assets and related contracts to Inter Invest B.P. S/A in July 2017, which was conditional on approval of the transfer of the Posse mineral tenement being granted by the relevant Brazilian regulatory authorities. The agreement was subsequently amended on 1 August 2017 and 20 December 2017, amongst other things, to include a further entity, CNS Empreendimentos Em Transportes E Minerios Eireli (**CNS**), as the buyer, which is jointly liable with Inter Invest (together, the **Posse Buyer**). The approval of the relevant Brazilian authorities was granted in February 2018, such that title transferred to CNS. Since 13 March 2018, the Company has not been legally responsible for the Posse mine.

Under the original agreement, the consideration of R\$8,005,000 to be paid to the Company was to be paid by an initial payment of R\$1 million, with the balance being paid in 15 equal monthly instalments and the final instalment due to be paid in November 2018.

As at the date of this Prospectus, R\$2,270,000 has been paid to the Company.

As a result of the failure by the Posse Buyer to pay the instalments, the Company and the Posse Buyer undertook negotiations with a view to bringing forward the payment of the total consideration. Although the negotiations were positive, they did not ultimately result in an agreement. Accordingly, the Company commenced legal proceedings on 19 June 2018 regarding the payment of the amounts owed and the obligations of the

Posse Buyer (amounting to a claim of R\$14,466,379 in aggregate). These requests include an injunction for the suspension of activities at Posse until payment is made in full of the amount agreed upon, as well as the payment of a daily fine if there is no suspension of activities.

As part of the conciliation process required under Brazilian law, the parties reached an agreement for an aggregate settlement amount of \$R9,500,000 on the following key terms:

- (i) sign-on payment of R\$200,000 (which has been paid);
- (ii) a R\$200,000 instalment paid in November 2018;
- (iii) a R\$250,000 instalment payable in each of December 2018 and February 2019;
- (iv) a R\$200,000 instalment payable in March 2019;
- (v) eight monthly instalments of R\$1,018,750 from April 2019 to November 2019; and
- (vi) R\$190,000 in consideration of legal fees incurred to be paid in stages beginning at sign-on and ending on the last instalment.

As announced on 30 October 2018, this agreement has been confirmed by a judgement of the Brazilian courts.

On 28 March 2019 the Company executed an agreement with the Posse Buyer varying the schedule of instalments to the following:

- (i) immediate payment of R\$450,000 (which has been paid); and
- (ii) 50 monthly instalments of R\$175,000 from April 2019 to May 2023.

Based on an exchange rate of R\$1:AUD\$0.36, AUD\$3.1m remains outstanding.

The Company cautions that there can be no certainty that the Posse Buyer will make payments in accordance with schedule of instalments. In that event, the Company would be required to take further action. Such action would incur further costs and diversion of management attention. The loss of incoming funding would also require the Board to take mitigating action in seeking to defer elements of the Company's current operational plan.

In addition to the above matter, the Company has the benefit of indemnities from the Posse Buyer in respect of certain liabilities relating to the project, including (amongst other things) liabilities related to termination arrangements for existing employees, employment matters (such as the outsourcing of activities which are considered to be within the core business of the company), product liability, use of intellectual property, civil and criminal proceedings, as well as environmental proceedings. There is a risk that the Posse Buyer will be unable to meet its payment obligations in respect of all or any of the consideration payable under the agreement as amended, or as may be amended in future by agreement between the parties. In addition the Posse Buyer may be unable

or unwilling to meet its obligations to indemnify the Company under the sale agreement. In the latter circumstance, the Company may face legal proceedings in respect of the underlying claim or liability which was the subject of the indemnity, which may have an adverse effect on the Group's financial position.

Similarly, in the event that claims or liabilities arise which relate to the Company's period of operation and are not the subject of an indemnity nor assumed by the Posse Buyer by operation of law, they may also have an adverse effect on the Group's financial position.

(g) Title

All of the permits or licences in which the Group holds interests will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each permit or licence is usually at the discretion of the relevant government authority. For example, the Group is currently appealing against the rejection of its mineral exploration report by ANM in respect of 5 exploration licences for the Jurueña project (which Meteoric Resources has agreed to purchase from the Company - see Section 5.5). In the event the agreement does not complete (which the Company considers unlikely), unless and until the Group's appeal in respect of these licences is successful, the Group will not be entitled to perform exploration activities in these licence areas. Although these licence areas are deemed by the Company to be non-core, it is possible that applications or reports in respect of licences which are material to the Group's activities may similarly be rejected which may have a material adverse effect on the Company and its ability to implement its overall strategy.

There may be divergences between the practices adopted by any such government authority and the strict requirements of law. Additionally, permits are subject to a number of government specific legislative conditions. The inability to meet these conditions, or a government authority having acted outside of its powers, could affect the standing of a permit or restrict its ability to be renewed. If a permit or licence is not renewed or granted, or is made subject to additional limitations the Group may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that permit or licence.

The Group holds certain of its interests through a trust or similar arrangement. In the event that any third-party trustee is unwilling to recognise the terms of such trust arrangement, or becomes insolvent or bankrupt, the Group may experience difficulty in securing absolute title to such interests, may incur costs in enforcing its rights and ultimately may be unable to exploit such interests (in whole or in part).

(h) Payment obligations

Under the exploration permits and licences and certain other contractual agreements to which the Group is, or may in the future become party, the Group is or may become subject to payment and other obligations. In particular, the permit holders are required to expend the funds necessary to meet the minimum work commitments attaching to the permits and licences. Failure to meet these work commitments will render the permit liable to be cancelled. Further, if any contractual obligations are not

complied with when due to be performed, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Group and have a material adverse effect on its business, financial condition and prospects.

(i) Resource and reserve estimates

The Company has previously announced ore reserve and mineral resource estimates for Borborema, and a mineral resource estimate for Juruena.

Reserve and resource estimates involve subjective judgements and determinations and are based on available geological, technical, contractual and economic information and are based on knowledge, experience and industry practice. These are not exact determinations. Estimates that were valid when originally made may alter significantly when new information or techniques become available.

In addition, by their very nature, reserve and resource estimates are imprecise and depend on interpretations which may prove to be inaccurate, and whilst the Company employs industry-standard techniques including compliance with the JORC Code 2012 to reduce the reserve and resource estimation risk, there is no assurance that this approach will alter the risk. As further information becomes available through additional fieldwork and analysis, reserve and resource estimates may change. This may result in alterations to mining and development plans which may in turn adversely affect the Group's business, reputation, prospects, financial condition and results of operations.

(j) Completion of Juruena sale agreement

The Company has entered into a sale agreement with ASX listed Meteoric Resources Limited for the disposal of the Company's Juruena Gold Project and Nova Astro Project (located in Brazil).

Pursuant to the agreement, at completion the Company will receive \$1,000,000 in cash and 50,000,000 shares upon completion in Meteoric Resources Limited and up to a further A\$1.5m subject to various conditions (refer to ASX announcement dated 20 March 2019).

As at the date of this Prospectus the Company has no reason to believe the agreement will not complete. However, if the agreement does not complete, the loss of incoming funding would require the Board to take mitigating action in seeking to defer elements of the Company's current operational plan in order to preserve and manage the Company's cash balances until such time as alternative funding becomes available to the Group.

(k) Capital expenditure estimates may not be accurate

Estimated capital expenditure requirements are estimates based on anticipated costs and are made on certain assumptions. Should the Group's capital expenditure requirements turn out to be higher than currently anticipated (for example, if there are unanticipated difficulties in drilling or price rises) the Group or its partners may need to seek additional funds which it may not be able to secure on reasonable commercial terms to

satisfy the increased capital expenditure requirements. If this happens, the Group's business plan, financial condition and operations may be materially adversely affected.

(l) Foreign exchange risk

Currency fluctuations may affect the Group's capital and operating expenses and the cash flow that the Group hopes to realise from its operations. The Company currently reports its financial results in Australian dollars and its operating and capital expenses are largely incurred in Brazilian reals, while the market for gold and other base metals is predominately denominated in US dollars. The Group's assets and liabilities will be subject to exchange rate fluctuations which could have a material adverse effect on the Group. Fluctuations in exchange rates between currencies in which the Group is exposed to relative to Australian dollars may cause fluctuations in its financial results. In addition, once the Group has commenced production, the appreciation of the Brazilian real, against the United States dollar would increase the costs of gold production at such mining operations, which could materially and adversely affect the Group's earnings and financial condition. The Group may also be exposed to foreign currency risk from investments, costs, revenues and borrowings in a variety of international currencies. The Group does not currently hedge against foreign currency risk. As the Group cannot predict the effect of exchange rate fluctuations upon future operating results, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on its business, operating results or financial condition.

(m) Litigation

Legal proceedings may arise from time to time in the course of the Group's activities. Other than as set out in Section 6.5, the Group is not currently involved, either directly or indirectly, as claimant or defendant, in any material litigation, claim, arbitration or dispute, that has or could have a material effect on its financial position, and save as set out in Section 6.5, the Directors do not know of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the Group's position or business. There can be no assurance that there will be no such further proceedings in the future that could affect the reputation, business or performance of the Group. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding or any adverse publicity surrounding such claim will not have a material adverse effect on the Group's business, reputation, prospects, financial condition or results of operations.

(n) Remote operations

Certain project interests of the Group may be located in remote parts of Brazil which subjects the Group to risks, including unexpected transportation logistics and other unexpected delays that each could singly or collectively materially negatively impact upon the Group's financial performance and position. Whilst the Group's primary asset at Borborema is not located in a remote location, any future assets that are may be susceptible to limitations associated with costs and availability of

transportation, availability of personnel, specialist services, parts, equipment and supplies on a timely basis.

(o) Joint venture risks

The Company may in the future become a party to joint venture agreements governing the exploration and development of its projects.

There are risks that a joint venture partner may:

- (i) have economic or business interests or targets that are inconsistent with those of the Group;
- (ii) take action contrary to the Group's policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations;
- (iii) be unable or unwilling to fulfil their obligations under the joint venture or other agreements; or
- (iv) experience financial or other difficulties.

Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Group. In addition, the termination of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Group.

In addition, in certain circumstances, the Group may be liable for the acts or omissions of its partners. If a third party pursues claims against the Group or against a joint venture vehicle in which the Group has an interest as a result of the acts or omissions of the Group's partners, the Group's ability to recover from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Group's financial performance and condition.

(p) Dividends are not anticipated in the near future

The Company has never paid cash dividends on its Shares. The Company may choose to retain some or all of its future earnings, if any, to fund the development and growth of its business, thus reducing or eliminating the payment of cash dividends on Shares for the foreseeable future. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the Board considers appropriate. As a result, Shareholders may have to rely on capital appreciation, if any, to earn a return on investment in Shares in the foreseeable future. The declaration, payment and amount of any future dividends of the Company are subject, in the case of a final dividend, to the approval of the Shareholders and, in the case of an interim dividend, to the decision of the Board, and will depend upon, among other things, the Company's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. Furthermore, the Company may in the future become subject to

contractual restrictions on, or prohibitions against, the payment of dividends.

4.2 General mining industry risks

(a) Exploration success

While extensive exploration activities have been conducted over Borborema, resulting in the declaration of an ore reserve estimate, exploration activities continue to be taken over the remainder of the Company's projects.

Whilst the Company is of the view that exploration to date over the Company's projects have yielded results that justify further exploration, the Company is subject to exploration risk.

Mineral exploration and project development are high risk undertakings. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) Drilling and exploration programs

There are operational risks associated with the Company's planned drilling and exploration programs. Any planned surface sampling, drilling and exploration programs may be affected by a range of factors, including (but not limited to): geological and ground access conditions; unanticipated operational and technical difficulties encountered in sampling and drilling activities; adverse weather conditions, environmental accidents; unexpected shortages or increases in the costs of consumables, spare parts, and labour; mechanical failure of operating plant and equipment; prevention of access by reason of political or civil unrest, outbreak of hostilities, outbreak of disease, inability to obtain regulatory consents or approvals; terms imposed by government bodies on the development of mining projects, including conditions such as equity participation, royalty rates and taxes; and risks of default or non-performance by third parties providing essential services.

No assurance can be given that planned and future exploration will be successful or that a commercial mining operation will eventuate at any of the Group's projects.

(c) Development risks

Future development of a mining operation at any of the Company's projects, is dependent on a number of factors including, but not limited to, favourable geological conditions, receiving and retaining the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required

level of funding, and contracting risk from third parties providing essential services.

The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents.

The Company intends to progress the development of the Borborema Project through the undertaking of a definitive feasibility study. There is a risk that the outcomes of the study may not be economic, or if they are, that the Company will not achieve the outcomes of the definitive feasibility study. However, having taken the Posse iron ore project through feasibility, the Company has significant Brazilian permitting experience.

No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(d) Operational and technical risks

The operations of the Company may be affected by various factors, including failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulty encountered in mining and extraction, difficulties in re-commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables spare parts, plant and equipment.

(e) Commercial risks of mineral exploration and extraction

Even if the Group recovers quantities of minerals, there is a risk the Group will not achieve a commercial return. The Group may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

The Group may be subject to all the risks inherent in the establishment of a new mining operation with respect to the Group's mineral assets that in the future move to the development phase. No assurances can be given to the level of viability that the Group's operations may achieve.

(f) Environmental

The exploration for minerals, development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Group is responsible for any environmental damage, the Group may incur substantial remediation costs or liabilities to third parties.

All phases of the Group's operations are subject to some form of environmental and safety regulation. These regulations mandate, among

other things, air and water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, labour regulations and worker safety.

Environmental and safety legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that the Group has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Group from proceeding with the development, operation or further development of a project, and any non-compliance therewith may adversely affect the Group's business, financial condition and results of operations.

Environmental hazards may also exist on the properties on which the Group holds interests that are unknown to the Group at present and that have been caused by previous or existing owners or operators of the properties. Government environmental approvals and permits are currently, and may in the future be, required in connection with the Group's operations. To the extent such approvals are required and not obtained, the Group may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Group, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Group and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

The Group will be required to submit, for government approval, a reclamation plan for its mining projects prior to being granted an installation licence and the commencement of construction. The reclamation plan establishes the Group's obligation to reclaim property after minerals have been mined from the sites. The Group may incur significant reclamation costs which may materially exceed the provisions the Group has made for such reclamation. The Group may also be required to provide or procure financial assurances as security to ensure performance of the required reclamation activities. In addition, the potential for additional regulatory requirements relating to reclamation or additional reclamation activities may have a material adverse effect on the Group's financial condition, liquidity or results of operations.

The mineral exploration activities of the Group are subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Group believes that its exploration activities are currently carried out in accordance with all applicable rules and regulations, new rules and regulations may be enacted or existing rules and regulations may be applied in a manner that could limit or curtail production or development of the Group's properties. Amendments to current laws and regulations governing the operations and activities of the Group or more stringent implementation thereof could have a material adverse effect on the Group's business, financial condition and results of operations.

(g) Commodity price volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any offtake agreements which it enters into. Metal prices fluctuate and are affected by numerous factors beyond the control of the Group. These factors include world demand for minerals and metals, forward selling by producers, and production cost levels in major mineral producing regions. Moreover, metal prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the metal as well as general global economic conditions. These factors may have an adverse effect on the Group's exploration, development and production activities, as well as on its ability to fund those activities. The market price of gold, in particular, can be volatile and, in addition to the factors above, purchases and sale of bullion holdings by central banks or other large holders or dealers may also have an impact on the market and price. Consequently, price forecasting can be difficult to predict or be imprecise. Sustained downward movements in gold market prices and/or the adverse effect of currency exchange rates or controls could render less economic, or uneconomic, some or all of the gold exploration and/or extraction activities to be undertaken by the Group. Adverse commodity price movement could have a material adverse effect on its business, financial condition and prospects.

(h) Competition

The mining industry is intensely competitive in all of its phases and the Group will compete with many companies possessing greater financial and technical resources than the Group. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Group being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Group's prospects for mineral exploration and success in the future.

4.3 General risks

(a) Market conditions and other economic risks

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

The price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

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

(b) 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.

(c) Insurance

While the Group may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Group cannot insure against or which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Group's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Group's operating results, competitive position and potentially, its financial condition.

(d) Security risk

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorized access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

4.4 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 the Shares. Shareholders should consider that the investment in the Company is high

risk and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

5. Material contracts

5.1 Eyeon Underwriting Agreement

The Company has entered into a partial underwriting agreement with Eyeon (**Eyeon Underwriting Agreement**), under which Eyeon has agreed to partially underwrite the Offer up to an amount of \$2.5 million, comprising 250 million Shares and approximately 83 million Options (**Priority Underwritten Securities**).

The obligation of Eyeon to subscribe for the Priority Underwritten Securities is conditional on the following outstanding conditions precedent:

- (a) ASX re-listing - the Company engaging with the ASX and having obtained in writing the requirements to have its Shares reinstated to quotation on ASX;
- (b) Shareholder Approvals - the members of the Company in general meeting providing the Shareholder approvals by the necessary majorities;
- (c) Prospectus - the Company lodging the Prospectus with the ASIC and the Offer not being withdrawn by the Company; and
- (d) Event of Insolvency- no event of insolvency has occurred in respect of the Company.

Pursuant to the Eyeon Underwriting Agreement, the Company will provide the following to Eyeon (or its nominees) as consideration:

- (a) a cash payment of \$150,000, equal to 6% of the underwritten amount; and
- (b) 30 million Options.

The Company will also pay and indemnify Eyeon for all costs and expenses of and incidental to the Offer including legal expenses, marketing and promotional materials and expenditure, travel and accommodation costs and all communication costs and couriers.

Either party may terminate the Eyeon Underwriting Agreement before completion by providing written notice to the other party if:

- (a) the conditions are not satisfied or waived by the cut off date (22 July 2019); or
- (b) the conditions become incapable of satisfaction or the Parties agree that any of the conditions are unable to be satisfied.

The Company may also terminate the Eyeon Underwriting Agreement before completion by the provision of written notice to Eyeon following receipt of a competing proposal which:

- (a) is bona fide and made by or on behalf of a person the Board reasonably consider is of sufficient commercial standing to implement the competing proposal; and

- (b) the Board, acting in good faith and after having obtained advice from its external legal and financial advisors has determined;
 - (i) is a superior proposal; or
 - (ii) completing the Eyeon Underwriting Agreement would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Board.

Each party retains the rights it has against the other party in respect of any breach of the Eyeon Underwriting Agreement occurring before termination.

The Eyeon Underwriting Agreement also contains a number of warranties and obligations on behalf of Eyeon and the Company, that the Company considers standard for an agreement of this nature.

5.2 Pinnacle Underwriting Agreement

The Company has entered into a partial underwriting agreement with Pinnacle (**Pinnacle Underwriting Agreement**), under which Pinnacle has agreed to partially underwrite the Offer up to an amount of \$1 million, comprising 100 million Shares and approximately 33 million Options (**Underwritten Securities**).

The obligation of Pinnacle to subscribe for the Underwritten Securities is conditional on the following outstanding conditions precedent:

- (a) ASX re-listing - the Company engaging with the ASX and having obtained in writing the requirements to have its shares reinstated to quotation on ASX;
- (b) Shareholder Approvals - the members of the Company in general meeting providing the Shareholder approvals by the necessary majorities;
- (c) Prospectus - the Company lodging the Prospectus with ASIC and the Offer not being withdrawn by the Company; and
- (d) Priority Underwriting Agreement - subject to sufficient shortfall, Eyeon lodging applications for the Priority Underwritten Securities.

The Pinnacle Underwriting Agreement provides that Shortfall Securities will be allocated in the following priority:

- (a) Eligible Shareholders who have subscribed for additional securities in excess of their full pro rate entitlement;
- (b) Eyeon pursuant to the Eyeon Underwriting Agreement; and
- (c) Pinnacle pursuant to the Pinnacle Underwriting Agreement.

Pursuant to the Pinnacle Underwriting Agreement, the Company will provide the following to Pinnacle (or its nominees) as consideration:

- (a) a cash payment of \$60,000, being equal to 6% of the underwritten amount; and
- (b) 12 million Options.

The Company will also pay and indemnify Pinnacle for all costs and expenses of and incidental to the Offer including legal expenses, marketing and promotional materials and expenditure, travel and accommodation costs and all communication costs and couriers.

Either party may terminate the Pinnacle Underwriting Agreement at any time before completion by providing written notice to the other party if:

- (a) the conditions are not satisfied or waived by the cut off date (19 July 2019); or
- (b) the conditions become incapable of satisfaction or the parties agree that any of the conditions cannot be satisfied.

The Company may terminate the Pinnacle Underwriting Agreement before completion by providing written notice to Pinnacle following receipt of a competing proposal which:

- (a) is bona fide and is made by or on behalf of a person that the Board reasonably consider is of a sufficient commercial standing to implement the competing proposal; and
- (b) the Board, acting in good faith and after having obtained advice from its external legal and financial advisers, has determined;
 - (i) is a superior proposal; or
 - (ii) completing the Pinnacle Underwriting Agreement would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Board.

The Pinnacle Underwriting Agreement also contains a number of warranties on behalf of Pinnacle and the Company, that the Company considers standard for an agreement of this nature.

5.3 Copulos Group Convertible Notes

The Company has entered into convertible note agreements with three entities associated with Company director Mr Stephen Copulos (**Copulos Group Entities**), pursuant to which the Copulos Group Entities has provided loans totalling \$1,500,000 to the Company by way of a convertible note facility (**Copulos Group Note Agreements**).

The terms of the Copulos Group Note Agreements (referred to as 'Notes' below) provide that:

- (a) the Notes have a face value of \$100,000 per Note;
- (b) the Notes have various maturity dates as follows:
 - (i) Notes with a Face Value of \$300,000 mature on 15 November 2019;
 - (ii) Notes with a Face Value of \$200,000 mature on 20 December 2019; and

- (iii) Notes with a Face Value of \$1,000,000 mature on 8 February 2020;
- (c) interest is payable by the Company to the Copulos Group Entities in respect of the Copulos Group Note Agreements at 8% per annum calculated daily until the Note is redeemed by the Company or converted to Shares;
- (d) subject to Shareholder approval (being sought at the Annual General Meeting), the Notes will be secured over the assets of the Company;
- (e) the application money paid for the Notes will be used by the Company for general working capital purposes;
- (f) each Note confers rights on the Copulos Group Entities as a creditor of the Company but does not confer any right to attend or vote at general meetings of the Company;
- (g) the conversion of the Notes and the issue of Shares is subject to the receipt of prior Shareholder approval (being sought at the Annual General Meeting);
- (h) the Company must convene a general meeting to seek Shareholder approval by no later than 30 June 2019;
- (i) subject to the receipt of Shareholder approval, a Noteholder may convert their Shares at any time during the period commencing on the date of the Shareholder approval, and ending 10 business days before the maturity date; and
- (j) unconverted Notes will be redeemed by the Company on the maturity date. If an event of default occurs, the Noteholder may require the immediate redemption of the Notes. Further, if the shareholder approval is not received by 30 June 2019, the Noteholder may require the Notes to be redeemed within 5 business days of the provision of written notice.

The Copulos Group Notes include typical events of default, including, amongst other things, the following (in summary):

- (a) **(failure to pay)** the Company fails to pay or repay any part of the outstanding moneys under the relevant Note Agreement when due and payable by it and the amount remains unpaid for 5 business days (or such longer period agreed) after the failure to pay;
- (b) **(failure to perform)** the Company fails to perform any other material undertaking or obligation of it under the relevant Note Agreement and, if the failure is capable of remedy, it continues unremedied for 5 business days (or such longer period agreed) after the failure to comply;
- (c) **(misrepresentation)** any representation or warranty of the Company is or becomes incorrect or misleading in any material respect and, if the circumstances causing it to be incorrect or misleading are capable of remedy, it remains incorrect or misleading in any respect 5 business days (or such longer period agreed) after being or becoming incorrect or misleading;

- (d) **(security interest)** any security interest is enforced, or becomes capable of being enforced, against an asset of the Company group;
- (e) **(judgment)** a judgment in an amount exceeding \$500,000 (or its equivalent in any other currency or currencies) is obtained against a member of the Company group and is not set aside or satisfied within 10 business days;
- (f) **(execution)** a distress, attachment, execution or other process of a Government Agency is issued against, levied or entered upon an asset of the Company group in an amount exceeding \$500,000 (or its equivalent in any other currency or currencies) and is not set aside or satisfied within 10 business days;
- (g) **(controller)** any of the following occur:
 - (i) a controller (as defined in the Corporations Act) is appointed, or any steps are taken to appoint a controller; or
 - (ii) a resolution to appoint a controller is passed, or any steps are taken to pass a resolution to appoint a controller,
 to a material member of the Company group or over a material asset of the Company group;
- (h) **(winding up)** any of the following occur:
 - (i) any shareholder or director either calls or threatens to call any meeting for the purpose of considering or passing any resolution;
 - (ii) an application is made;
 - (iii) an order is made; or
 - (iv) a resolution is passed or any steps are taken to pass a resolution,
 for the winding up of a material member of the Company group;
- (i) **(administration)** any of the following occur:
 - (i) an administrator is appointed, or any steps are taken to appoint an administrator; or
 - (ii) a resolution to appoint an administrator is passed, or any steps are taken to pass a resolution to appoint an administrator,
 - (iii) to a material member of the Company group;
- (j) **(insolvency)** a material member of the Company group is:
 - (i) unable to pay its debts when they are due; or
 - (ii) presumed to be insolvent under the Corporations Act;

- (k) **(arrangements)** a material member of the Company group enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors; or
- (l) **(unenforceability)**
 - (i) a provision of this document is illegal, void, voidable or unenforceable;
 - (ii) any person becomes entitled to terminate, repudiate, rescind or avoid any provision of this document; or
 - (iii) the execution, delivery or performance of this document by the Issuer breaches or results in a contravention of any law.

The Copulos Group Note Agreements also contain a number of representations and warranties on behalf of each party that the Company considers standard for agreements of this nature.

5.4 Copulos Group unsecured loan

The Company and Eyeon are party to an agreement dated on or about 29 March 2019 whereby Eyeon agreed to loan A\$750,000 (**Loan Amount**) to the Company on the following terms (**Loan**):

- (a) the Company may use the Loan Amount for general working capital and as it sees fit for the operations of its business;
- (b) the Loan is provided on an unsecured basis;
- (c) interest on the Loan Amount accrues daily, on and from the date of receipt of the Loan Amount at the interest rate of 5% per 30 day period;
- (d) the Company must repay the Loan Amount and interest within 2 days of completion of the Company's Entitlement Offer, however may repay all or any of the Loan Amount at any time without penalty;
- (e) all interest payable under the agreement will be paid upon the final instalment repayment, except upon an event of default; and
- (f) the Company will pay any costs and duty in respect of the Loan.

The Loan agreement includes several other provisions that are considered standard for an agreement of this nature.

5.5 Juruena Sale Agreement

The Company and Meteoric Resources Limited are party to an agreement providing for the sale and purchase of 100% of the issued capital of Batman (**Share Sale Agreement**).

Subject to certain conditions precedent including the restructure of the Company and obtaining regulatory approval (the latter of which has been received), the Company will transfer 100% of the issued capital in Batman to Meteoric Resources.

Through the sale of the issued capital in Batman, the transfer of minerals rights in the Juruena Gold Project and Nova Astro Project as well as geological information relating to these rights and related infrastructure assets, vehicles and equipment will occur from the Company to Meteoric Resources.

As consideration for the share transfer, the Company will receive:

- (a) at completion:
 - (i) \$1 million in cash; and
 - (ii) 50 million Meteoric Resources Shares at a deemed issue price of \$0.01 per Share (subject to voluntary escrow for 12 months from the date of issue);
- (b) subject to Meteoric Resources shareholder approval:
 - (i) \$750,000 worth of Meteoric Resources Shares upon delineation of a JORC resource of not less than 400,000 oz Au at the Juruena and/or Nova Astro Projects; and
 - (ii) \$750,000 worth of Meteoric Resources Shares upon a decision to mine by Meteoric Resources at the Juruena and/or Nova Astro Projects,

within 50 days of the relevant milestone being achieved.

The Share Sale Agreement includes various warranties between the parties which are considered standard for a transaction of this nature.

6. Additional information

6.1 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.

At the Annual General Meeting, the Company is proposing to replace the current Constitution (which contains various references and articles that were specific to the Company's previous AIM listing). If the Constitution is replaced, the summary below remains the same.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those Shares.

(d) Variation of rights

At present, the Company has on issue one class of Shares only, namely ordinary Shares. Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the

holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

(f) Dividends

Subject to the Corporations Act, the Listing Rules and the rights attaching to Shares issued on special conditions (at present there are none), the Directors may from time to time declare that a dividend is payable to the holders of ordinary Shares in proportion to the number of Shares held by them respectively and are paid proportionately to the amounts paid or credited as paid on Shares.

(g) Winding up

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set the value the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between members or different classes of members.

(h) Dividend reinvestment and share plans

The Directors may grant to Shareholders or any class of Shareholders the right to elect that dividends payable by the Company be reinvested, including by way of subscription for fully paid Shares in the Company or by foregoing any dividends that may be payable on all or some of the Shares held by that member and to receive instead some other entitlement, including the issue of Shares.

(i) Directors

The Constitution states that the minimum number of Directors is three.

(j) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise all powers of the Company as are not required by the Corporations Act, Listing Rules or Constitution, required to be exercised by the Company at general meeting.

(k) Unmarketable parcels

The Constitution permits the Company to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules.

If a Shareholder does not want its Shares sold, that Shareholder may notify the Company accordingly.

(l) **Capitalisation of profits**

The Company may capitalise profits, reserves or other amounts available for distribution to members. Subject to the Constitution and the terms of issue of Shares, members are entitled to participate in a capital distribution in proportion to the number of Shares held by them.

(m) **Preference Shares**

The Company may issue preference Shares including preference Shares that are liable to be redeemed. The rights attaching to preference Shares include, without limitation, those in the Constitution.

6.2 **Terms and Conditions of Options**

The terms and conditions of the options proposed to be issued pursuant to the Entitlement Offer and under the Eyeon Underwriting Agreement and Pinnacle Underwriting Agreement are set out below:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.02 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 30 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Quotation

Provided the Company can meet the minimum requirements pursuant to the Listing Rules, the Company will apply for quotation of the Options on ASX.

(h) Quotation of Shares issued on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) Timing of issue of Shares on exercise

After an Option is validly exercised, the Company must, within, 15 Business Days of receipt of the Notice of Exercise and receipt of cleared funds equal to the Exercise Price of the exercised Option:

- (i) issue the Share; and
- (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 10 Business Days after issuing the Share.

(j) Shares issued on exercise

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

(k) Reconstruction of capital

In the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date, all rights of the Option holder will be varied in accordance with the Listing Rules.

(l) Participation in new issues

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

(m) Change in exercise price

The Company may change the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue) in accordance with Listing Rule 6.22.2A.

(n) **Adjustment for bonus issues**

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 holder would have received if the holder of the Options had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Option exercise price.

(o) **Transferability**

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

6.3 Company is a disclosing entity

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

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.4 below). Copies of all documents announced to the ASX can be found at www.crusaderresources.com.

6.4 Copies of documents

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

- (a) the financial statements of the Company for the financial year ended 31 December 2018 (lodged with ASX on 4 April 2019), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the half year report of the Company for the half year ended 30 June 2018, being the half year financial report of the Company lodged with ASIC before lodgement of the financial statements referred to in paragraph (a) above and before the issue of this Prospectus; and

- (c) the 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 (which can also be viewed at <https://www.asx.com.au/asx/share-price-research/company/CAS>).

The following documents are available for inspection throughout the period of the Entitlement Offer 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 6.12 and the consents provided by the Directors to the issue of this Prospectus.

6.5 Current litigation

Save as set out below, no member of the Group is involved in any governmental, legal or arbitration proceedings which may have a significant effect on the Group's financial position or profitability, nor, so far as the Group is aware, are any such proceedings pending or threatened:

- (a) as at the date of this Prospectus, a small number of labour disputes (less than a dozen) involving entities of the Group are currently at varying stages of litigation or settlement proceedings in Brazil:
 - (i) the Group is dealing with a number of claims from employees or former employees for the payment of overtime or similar additional entitlements, where the amount claimed is less than \$25,000 per claim. The relevant Group entity has agreed settlement amounts and/or is appealing many of these claims;
 - (ii) one of the claims is for approximately \$108,000, which relates to a person seeking to be recognised as an employee. The Group is awaiting a further hearing at which the Group intends to defend against the claim; and
 - (iii) an additional claim, for approximately \$52,000, from a former employee claiming a work bonus and a permanent disability from a lung condition. The applicant did not appear at a hearing scheduled in March 2019 and the Company is awaiting the Judge's decision;
- (b) the Group has also been served with a claim alleging that it has been exploring an area owned by the claimants (being part of the Juruena tenements) without payment for damages and drilling activities. The Company is disputing this claim as it had, and continues to have, agreements with the claimants and several other local land owners, to whom payments for exploration activities have been made. In its preliminary decision, the court ordered the suspension of further exploration activities. The Group has since appealed against that decision and is awaiting the court's judgment. The total amount claimed is approximately \$180,000;

- (c) the Group has also commenced proceedings against three customers of the Posse project for debts which remain unpaid. These claims are for amounts of approximately \$180,000, \$13,000, and \$11,000;
- (d) the Group was added to an inquiry conducted by the attorney general's office of Rio Grande do Norte in May 2017, which originally was opened in 2014, to investigate the circumstances surrounding a potential contamination of a natural water reservoir and spring system which supplies water to the city of Currais Novos. No allegations of water contamination by the Group have been made;
- (e) the Group has also received a notice of violation from FEAM (the Brazilian environmental authority) and the Town Hall of Sabara in relation to the discharge of materials in an unlicensed area, by a contractor of the Group involved in the operation of the Posse mine. The estimated liability is between approximately \$10,000 and \$15,000. In addition, the Group received an infraction notice from the ANM in June 2016 in relation to alleged overproduction and potential safety issues in respect of the Posse mine. The Group lodged an appeal in November 2016. The Group estimates the potential liability in the event of an adverse finding as being approximately \$65,000. Whilst such liabilities are to be assumed by the Posse Buyer, there can be no guarantee that the Posse Buyer will have the means to meet its obligations; and
- (f) whilst not the subject of formal proceedings, the Group has agreed scheduled payment plans with the Brazilian tax authorities in respect of withholding tax to be paid by various of its Brazilian subsidiaries which, in aggregate, amount to approximately \$49,000. These payment plans provide for payments over a period of between 6 months and 60 months.

6.6 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.

6.7 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.

6.8 Interests of Directors

(a) 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:
 - (A) its formation or promotion; or

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

(b) **Security holdings**

The relevant interests of each of the Directors and their associates in Securities as at the date of this Prospectus is set out below.

Director	Shares	Options		
		Number	Exercise price	Expiry date
Stephen Copulos	110,871,102	18,134,472	\$0.055	31 May 2020
Andrew Richards	Nil	Nil	N/A	N/A
John Evans	Nil	Nil	N/A	N/A

(c) **Remuneration**

The Constitution provides that the Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum as may from time to time be determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or, in default of agreement, equally. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company. The aggregate sum available for remuneration of Non-Executive Directors is currently \$460,000 per annum as approved at a general meeting of Shareholders on 19 May 2016.

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.

Directors received the following remuneration for the previous two financial years:

Director	FY	Salary, fees and other benefits	Super-annuation	Share-based payments	TOTAL
John Evans	2018	60,833	2,890	-	63,723
	2017	60,000	2,850	-	62,850
Andrew Richards ¹	2018	-	-	-	-
	2017	-	-	-	-
Stephen Copulos ²	2018	35,667	-	-	35,667
	2017	120,000	-	-	120,000
Andrew Vickerman ³	2018	84,767	-	-	84,767
	2017	-	-	-	-
Marcus Engelbrecht ⁴	2018	481,348	-	20,625	501,973
	2017	52,287	-	-	52,287
Mauricio Ferreira ⁵	2018	21,288	-	-	21,288
	2017	60,000	-	-	60,000
Jim Rodgers ⁶	2018	17,667	-	-	17,667
	2017	60,000	-	-	60,000
Paul Stephen ⁷	2018	350,000	19,657	-	369,657
	2017	350,000	18,783	-	373,732
Robert Smakman ⁸	2018	-	-	-	-
	2017	612,358	-	9,898	622,256

Notes:

1. Andrew Richards was appointed as an Executive Director on 28 February 2019. Pursuant to his agreement with the Company, Mr Richards will be paid a gross annual base salary of \$50,000.
2. Stephen Copulos resigned from his role as Chairman on 17 April 2018 and was re-appointed on 28 February 2019. Mr Copulos will be paid an annual director's fee of \$50,000.
3. Andrew Vickerman was appointed to the role of Chairman on 16 April 2018 and resigned on 28 February 2019. Mr Vickerman was paid entitlements in accordance with his contract.
4. Marcus Engelbrecht resigned from his role as Managing Director on 28 February 2019. Mr Engelbrecht was paid entitlements in accordance with his contract.

5. Mauricio Ferreira resigned from his role as Non-Executive Director on 16 April 2018.
6. Jim Rodgers resigned from his role as Non-Executive Director on 16 April 2018.
7. Paul Stephen resigned from his role as Executive Director on 30 January 2019.
8. Robert Smakman resigned from his role as Managing Director on 20 November 2017.

6.9 Related party transactions

Other than as disclosed in this Prospectus, there are no related party transactions involved in the Entitlement Offer.

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.

6.10 Interests of other persons

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

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares 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 Shares offered under this Prospectus.

6.11 Expenses of Offer

The estimated expenses of the Offers are as follows (excluding GST) and on a full subscription basis:

Item	Amount (\$)
ASIC fees	3,206
ASX quotation fee	12,828
Legal and preparation expenses	35,000
Printing, mailing and other expenses	10,000
Underwriter cash fees and cash costs	246,748
Total	307,782

6.12 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares 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.

Eyeon Investments Pty Ltd has given its written consent to being named as an Underwriter in this Prospectus. Eyeon Investments Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC

Pinnacle Corporate Finance Pty Ltd has given its written consent to being named as an Underwriter in this Prospectus. Pinnacle Corporate Finance Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

7. 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 dark ink, appearing to read 'A Richards', is written over a faint, light-colored rectangular stamp or watermark.

Andrew Richards
Executive Director
Dated: 23 May 2019

8. Glossary of Terms

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

\$ means Australian dollars.

Acceptance means a valid acceptance of Shares made pursuant to this Prospectus on a Form.

ANM means the Brazilian National Mining Agency (Agência Nacional de Mineração).

Annual General Meeting means the Company's annual general meeting to be held on Wednesday, 12 June 2019.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made on an Application Form.

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

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Shares Exchange operated by ASX Limited.

Attaching Option means the Options to be issued under the Offers on the terms set out in Section 6.2.

Board means the Directors meeting as a board.

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

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date has the meaning given to it in Section 1.5.

Company means Crusader Resources Limited (ACN 106 641 963).

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

Copulos Group means the following entities associated with Mr Stephen Copulos: Copulos Superannuation Pty Ltd, Eyeon Investments Pty Ltd, Eyeon No 2 Pty Ltd, Spacetime Pty Ltd, Citywest Corp Pty Ltd, Supermax Pty Ltd and Copulos Foundation Pty Ltd.

Copulos Group Notes has the meaning given in Section 1.9.

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

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

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the number of new Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being two new Shares for every existing three Shares held on the Record Date, together with one Attaching Option for every three new Shares subscribed.

Entitlement Offer means the offer under this Prospectus of up to approximately 411 million new Shares to Eligible Shareholders in the proportion of two new Shares for every three Shares held on the Record Date, together with one Attaching Option for every three new Shares issued.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within seven days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within seven days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent within the meaning of the Corporations Act; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Eyeon means Eyeon Investments Pty Ltd (ACN 096 482 781), an entity associated with Chairman Mr Stephen Copulos and part of the Copulos Group.

Eyeon Underwriting Agreement means the underwriting agreement between the Company and Eyeon, as summarised in Section 5.1.

Group means the Company and its subsidiaries.

Ineligible Foreign Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia or New Zealand.

Interest Shares means the issue of a maximum of 12,000,000 Shares in satisfaction of interest payable under the Copulos Group Notes, subject to Shareholder approval at the Annual General Meeting.

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 CHES.

Listing Rules means the listing rules of ASX.

Notice of AGM means the notice of meeting for the Company's Annual General Meeting, released on ASX on 8 May 2019.

Offer means an offer under this Prospectus to subscribe for Securities.

Option means the right to acquire one Share in the capital of the Company, subject to the terms and conditions attaching to that Option.

Pinnacle means Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543).

Pinnacle Underwriting Agreement means the underwriting agreement between the Company and Pinnacle, as summarised in Section 5.2.

Prospectus means this prospectus dated 23 May 2019.

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

Remaining Shortfall Shares has the meaning given in Section 1.2(d).

Section means a section of this Prospectus.

Securities mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

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

Shareholder means a holder of Shares.

Shortfall Offer means the offer of Shortfall Shares under this Prospectus.

Shortfall Securities means Entitlements not subscribed for under the Entitlement Offer.

Timetable means the proposed timetable set out in this Prospectus.

Underwriter Options means the Options to be issued to the Underwriters pursuant to the Underwriting Agreements with the terms and conditions set out in Section 6.2.

Underwriters means Eyeon and Pinnacle.

Underwritten Amount means \$3,500,000.

Underwritten Shares means 350,000,000 Shares pursuant to the Entitlement Offer.

Underwriting Agreements means the Eyeon Underwriting Agreement and the Pinnacle Underwriting Agreement.

VWAP means volume weighted average price.

WST means Western Standard Time.

ENTITLEMENT AND ACCEPTANCE APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:

LEVEL 29
221 ST GEORGES TERRACE
PERTH WA 6000
AUSTRALIA

CRUSADER RESOURCES LIMITED

ACN: 106 641 963

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO Box 52
Collins Street West VIC 8007



«Post_zone»

«Company_code» «Sequence_number»

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code:

CAS

Holder Number:

«Holder_number»

Eligible Holding as at 5.00pm WST
on 28 May 2019:

«Securities»

Entitlement to Securities 2:3:

«Entitlement»

Amount payable on acceptance
@ \$0.01 per Security:

«Amount_payable»

**NON-RENOUCEABLE SHARE OFFER CLOSING AT 5.00PM WST ON 20 JUNE 2019
AT AN ISSUE PRICE OF \$0.01 CENTS PER SHARE WITH 1 FREE ATTACHING OPTION
(EXPIRING 30 JUNE 2022 @ \$0.02) FOR EVERY 3 SHARES ISSUED.**

(1) I/We the above named being registered at 5.00pm WST on 28 May 2019 as holder(s) of Shares in the Company hereby accept as follows:

	NUMBER OF NEW SHARES ACCEPTED/APPLIED FOR	AMOUNT ENCLOSED @ \$0.01 PER SHARE
Entitlement or Part Thereof	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
Additional new Shares	<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>
TOTAL	<input type="text"/> , <input type="text"/> , <input type="text"/>	TOTAL \$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

(2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).

(3) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted.

Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.

(4) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.

(5) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format.

(6) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

EMAIL ADDRESS

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.



Biller code: 159483

Ref: «EFT_reference_number»

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this
payment from your cheque, savings, debit, or transaction
account. More info: www.bpay.com.au

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be
made payable to **CRUSADER RESOURCES LIMITED** and
crossed "Not Negotiable".

REGISTRY DATE STAMP

E & O.E.

Your BPAY reference number is unique to this offer and is not to be used for any other offer.

BPAY PAYMENT OR THE RETURN OF THIS FORM WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.**You do not need to return this form if you have made payment via BPAY.**

LODGEMENT INSTRUCTIONS

PAYMENT INFORMATION**Billers code: 159483**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.

More info: www.bpay.com.au

Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY® applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

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

Applications must be received by Security Transfer Australia Pty Ltd no later than 5.00pm WST on the closing date.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Securities and the price payable on acceptance of each Security.
 2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
-

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Australia Pty Ltd

PO Box 52, Collins Street West, VIC, 8007

Telephone 1300 992 916

Facsimile +61 8 9315 2233

Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

SHORTFALL APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

All Correspondence to:

Security Transfer Australia Pty Ltd

PO Box 52

Collins Street West VIC 8007

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

CRUSADER RESOURCES LIMITED

ACN: 106 641 963

BROKER STAMP

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM

This application relates to the offer of Fully Paid Ordinary Shares at the price of 0.01 per Share with 1 free attaching Option

Expiring 30/06/2022 @ \$0.02 for every 3 Shares issued.

I / We apply for:

 , , shares at AUD 0.01 per share A \$, , .
Full Name of Applicant / Company

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3

Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (for example: THE SMITH SUPERFUND A/C)< >**Postal Address**

Unit Street Number Street Name or PO BOX

Suburb / Town / City

State

Postcode

Country Name (if not Australia)**CHESS HIN** (where applicable)

If an incorrect CHESS HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored sub-register.

Tax File Number / Australian Business Number**Tax File Number of Security Holder #2 (Joint Holdings Only)****Contact Name****Contact Number**() **Email Address**@ **DECLARATION**

By lodging this Application Form and a cheque for the application money the applicant hereby:

- (1) Applies for the number of Shares specified in the Application Form or such lesser number as may be allocated by the directors;
- (2) Agrees to be bound by the Constitution of the Company;
- (3) Authorises the directors to complete or amend this Application Form where necessary to correct any errors or omissions;
- (4) Authorises the Company to send the applicant a substituted Application Form (if this Application Form ceases to be current) to the applicant's email address set out in this application.

E & O.E.



This Application Form relates to the Offer of Fully Paid Shares in CRUSADER RESOURCES LIMITED.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

All cheques should be made payable to **CRUSADER RESOURCES LIMITED** and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:
CRUSADER RESOURCES LIMITED
C/- Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

OR

Delivered to:
CRUSADER RESOURCES LIMITED
C/- Security Transfer Australia Pty Ltd
Suite 913, 530 Little Collins Street
Melbourne, VIC, 3000

Applications must be received by no later than 5:00pm WST on the Closing Date 20 June 2019 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHES HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold shares allotted to you under this Application on the CHES sub-register, enter your CHES HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to CRUSADER RESOURCES LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

Joint Holdings

Use full and complete names.

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Deceased Estates

Use the executor(s) personal name(s).

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Superannuation Funds

Use the name of the trustee(s) of the super fund.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &
Ms Louise Susan Williams

Mrs Susan Jane Smith
<Sue Smith Family A/C>

Ms Jane Mary Smith &
Mr Frank William Smith
<Estate John Smith A/C>

Mr John Alfred Smith
<Peter Smith A/C>

Mr John Robert Smith &
Mr Michael John Smith
<John Smith and Son A/C>

Jane Smith Pty Ltd
<JSuper Fund A/C>

INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &
Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith
or
John Smith Deceased

Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd
Superannuation Fund

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.