

APHRODITE GOLD LIMITED

ACN 138 879 928

**RENOUNCEABLE RIGHTS ISSUE
OFFER DOCUMENT**

A fully underwritten renounceable pro rata offer of New Shares at an issue price of \$0.007 each on the basis of 3 New Shares for every 7 Shares held on the Record Date.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document.

THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM WST ON 2 APRIL 2015

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Rights Issue Offer Document and on the Entitlement and Acceptance Form regarding the acceptance of Shares under the Offer.

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 SHARES OFFERED BY THIS RIGHTS ISSUE OFFER DOCUMENT SHOULD BE CONSIDERED SPECULATIVE
IN NATURE.**

IMPORTANT INFORMATION

This Rights Issue Offer Document is dated 24 March 2015. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Rights Issue Offer Document. Any information or representation not so contained may not be relied on as having been authorised by Aphrodite in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on the original Entitlement and Acceptance Form, as sent with this Rights Issue Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Privacy

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

By submitting an Entitlement and Acceptance Form, each Applicant agrees that Aphrodite may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the share registry, Aphrodite'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 Entitlement and Acceptance Form, Aphrodite may not be able to accept or process your application.

An Applicant has a right to gain access to the information that Aphrodite 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 Aphrodite's registered office.

Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia, New Zealand and Singapore.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares 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 Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia, New Zealand and Singapore may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares being offered by this document

24 March 2015

Renounceable Rights Issue – March 2015

Chairman's Letter to Shareholders

Dear Shareholder,

Your Company has agreed to conduct a Renounceable Rights Issue to its shareholders on the basis of 3 shares for every 7 shares held. The Rights Issue is fully underwritten by my private company, R.M.S. (Aust) Pty Ltd. This will give Aphrodite certainty of raising approximately \$738,000 before costs. As a result, the short term funding of the Company is assured.

I would like to repeat some of the key milestones which Aphrodite has previously released to the market via ASX, and achieved in the past couple of years:

- Aphrodite now has a JORC 2012 gold resource of approximately 1.4m ounces of gold, situated close to the major gold mining town of Kalgoorlie;
- The Company is run efficiently and is adequately funded to be able to achieve its objectives;
- Recent drilling has helped our understanding of the geology of our orebody;
- Recent drilling has also enhanced an exploration project some 4km north east of the Aphrodite gold resource;
- The nature and size of our gold resource makes it suitable for a range of future options, subject to economics including future gold price and exchange rates, as follows:
 - A full development of the orebody with on site production facilities;
 - Production of a concentrate for sale locally or overseas;
 - Joint venture with owners of similar orebodies in the area;
 - Outright sale of the project;
 - Continued exploration drilling aiming to demonstrate further increased size of the orebody;
 - Joint venture or toll treatment of ore with owners of existing production facilities.

Your Board continues to evaluate all options open to the Company, and I am delighted to be able to support the Company in the ongoing consideration of a range of positive options available to Aphrodite.

Yours sincerely

Peter Buttigieg
Executive Chairman

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info@aphroditegold.com.au www.aphroditegold.com.au ABN 61 138 879 928

ASX Code: AQQ

1. Details of Offer

1.1 Offer

Aphrodite is making a renounceable pro-rata offer of Shares to Eligible Shareholders on the basis of 3 Shares for every 7 Shares, each at an issue price of \$0.007, held at the Record Date (**Offer**). Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share, such fraction will be rounded down to the nearest whole Share. The Offer is fully underwritten by R.M.S. (Aust) Pty Ltd (**Underwriter**).

As at the Record Date, Aphrodite will have on issue approximately 245,975,919 Shares. The Company expects that up to approximately 105,418,251 New Shares will be issued under the Offer to raise approximately \$737,927 (before costs of the Offer).

Aphrodite will accept Entitlement and Acceptance Forms until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the ASX Listing Rules.

Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Rights Issue Offer Document. You may accept the Offer only by applying for Shares on the Entitlement and Acceptance Form.

Acceptances must not exceed your entitlement as shown on the Entitlement and Acceptance Form, although you may accept for all or only part of your Entitlement. If your acceptance exceeds your Entitlement, acceptance will be deemed to be for your maximum Entitlement and any surplus application monies will be returned to you.

Eligible Shareholders who take up their Entitlement in full may also apply for Shortfall Shares on the Entitlement and Acceptance Form enclosed with this Offer Document up to a maximum amount of \$70,000 per Eligible Shareholder. (Refer section 1.8).

Acceptance of a completed Entitlement and Acceptance Form by Aphrodite creates a legally binding contract between the Applicant and Aphrodite for the number of Shares accepted or deemed to be accepted by the Applicant. The Entitlement and Acceptance Form does not need to be signed by the Applicant to be legally binding. The Offer and contract formed on acceptance are governed by the laws of Western Australia.

If the Entitlement and Acceptance 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 Entitlement and Acceptance Form is final.

RIGHTS ISSUE OFFER DOCUMENT

APHRODITE GOLD LIMITED

ACN 138 879 928

Shares offered by this Rights Issue Offer Document are expected to be issued, and security holder statements dispatched, on the date specified in the timetable in Section 1.2.

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

1.2 Timetable

Lodgment of Appendix 3B and s708AA notice	13 March 2015
Notice to Shareholders	16 March 2015
Existing Shares quoted on an "ex" basis	17 March 2015
Record Date	19 March 2015
Rights Issue Offer Document and Entitlement and Acceptance Form sent to Eligible Shareholders	24 March 2015
Rights trading ends	26 March 2015
Shares quoted on a deferred settlement basis	27 March 2015
Closing Date	2 April 2015
Company to notify ASX of under subscriptions (if any)	9 April 2015
Anticipated date for the issue of the Shares	13 April 2015
Deferred settlement trading ends	13 April 2015

Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Shares.

1.3 Use of Funds

It is proposed that the current cash reserves of Aphrodite and the proceeds raised from the Offer be allocated as follows:

	\$
Pre Offer cash available	10,000
Funds raised from the Offer	737,927
Total funds available	747,927
Exploration Activities	200,000
Feasibility analysis	200,000
Miscellaneous	27,927

Expenses of the Offer	20,000
General working capital	300,000
Total funds applied	747,927

1.4 Rights trading

The entitlements to Shares under the Offer are renounceable. Accordingly, there will be trading of Rights on ASX and you may dispose of your Entitlement to subscribe for Shares to another party. If you do not take up your Entitlement or dispose of your Rights to Shares under the Offer by the Closing Date, the Offer to you will lapse.

1.5 ASX quotation

Application will be made to ASX for the Official Quotation of the Shares to be issued under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares to be issued under the Offer, Aphrodite will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

1.6 Risk Factors

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

1.7 Underwriting

The Offer is fully underwritten by one of the Company's largest Shareholders, R.M.S. (Aust) Pty Ltd (**RMS** or the **Underwriter**) on the terms of the Underwriting Agreement. A summary of the Underwriting Agreement and the potential effect on the control of the Company are set out in Section 4. RMS has committed to fully participate in the Offer by subscribing for its pro rata Entitlement to maintain its 6.07% shareholding in the Company.

Shortfall Shares will be allocated in priority to Eligible Shareholders who apply for Shortfall Shares under the Shortfall Offer. The Company has also agreed to use its best endeavours to place any Shortfall Shares with other investors to whom disclosure is not required pursuant to section 708 of the Corporations Act. Following the allocation of Shortfall Shares to any Eligible Shareholder who applies for any shortfall and the placement of Shortfall Shares to such other investors, Shortfall Shares will be allocated in satisfaction of obligations pursuant to the Underwriting Agreement to the Underwriter. See Section 1.8 for further details on the Shortfall Offer.

The Directors have explored alternative avenues to secure the funding that the Company requires, including seeking to secure alternative underwriters other than RMS and seeking to undertake a placement to sophisticated shareholders under section 708 of the Corporations Act. Due to the difficult and depressed market

conditions prevailing generally, and more specifically to the small resources sector, and the Company's desire to retain its holding in the Aphrodite Gold Project, the structure proposed was determined to provide greater certainty in securing the Company's financial objectives.

1.8 Shortfall Offer

In the event that not all Eligible Shareholders accept their full entitlement pursuant to the Offer, the Company (in consultation with the Underwriter) is offering the Shortfall to Eligible Shareholders on the terms and conditions below (**Shortfall Offer**).

The Offer of any Shortfall Shares is a separate offer made pursuant to this Rights Issue Offer Document and will remain open until the Closing Date or such other date as the Company and the Underwriter may agree subject to the requirements of the Listing Rules. Eligible Shareholders who take up their Entitlement in full may apply for Shortfall Shares on the Entitlement and Acceptance Form enclosed with this Rights Issue Offer Document up to a maximum amount of \$70,000 per Eligible Shareholder. Shortfall Shares will be offered at an issue price of \$0.007 per Shortfall Share which is the issue price at which the Offer has been made to Eligible Shareholders.

As noted in Section 1.7 above, Shortfall Shares will be allocated in priority to Eligible Shareholders who apply for Shortfall Shares under the Shortfall Offer up to the maximum amount of \$70,000 per Eligible Shareholder.

The Company reserves the right to issue to an applicant for Shortfall Shares a lesser number of Shortfall Shares than the number applied for. If the number of Shortfall Shares issued is less than the number applied for, surplus application monies will be refunded in full. Interest will not be paid on any application monies refunded.

If Shareholders wish to apply for Shortfall Shares they should complete the relevant section of the Entitlement and Acceptance Form. Refer to Section 2.7 for instructions as to how to apply for Shortfall Shares.

1.9 Effect of the Offer on control of the Company

The potential effect the Offer will have on each Shareholder's percentage interest in the total issued capital of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlement, each Eligible Shareholder's percentage in the total issued Shares of the Company will remain the same and will not be diluted; and
- (b) If some but not all Eligible Shareholders take up their entitlement, and the Shortfall is taken up under the Shortfall Offer and the Underwriting Agreement, the percentage interest in the total issued Shares of each Eligible Shareholder who does not take up their Entitlement will be diluted and the percentage interest of the total issued Shares of each Eligible Shareholder who does take up their Entitlement will remain the same.

Below is a table showing the Company's current capital structure and the capital structure upon completion of the Offer, assuming none of the existing Convertible Notes are converted and none of the existing Options expire or are exercised.

	Shares	Options	Convertible Note
Balance at the date of this Rights Issue Offer Document	245,975,919	35,000,000	\$2,500,000 ⁽¹⁾
Balance following completion of the Offer	351,394,170 ⁽²⁾	35,000,000	\$2,500,000

(1) Comprising a convertible note with a face value of \$2,500,000 which can be converted into up to 100,000,000 Shares at any time prior to 29 July 2015 at the election of RMS unless repaid earlier.

(2) Based on 105,418,251 Shares offered under the Offer.

As at the date of this Offer Document, RMS has a relevant interest in 14,925,000 Shares, representing approximately 6.07% of the Shares currently on issue. In addition, RMS holds a convertible note with a face value of \$2,500,000 which can be converted into up to 100,000,000 Shares at any time prior to 29 July 2015 at the election of RMS unless repaid earlier (**Convertible Note**), which would give RMS a total holding of 114,925,000 Shares representing approximately 33.2% of the Company following conversion of the Convertible Note prior to implementation of the Offer. Prior to implementation of the Offer, the Company's shareholders have approved the issue of the Convertible Note to RMS, as well as the issue of 100,000,000 Shares to RMS on conversion of the Convertible Note. Mr Peter Buttigieg has previously informed the Company that, now that the Convertible Note is fully drawn, RMS intends to convert it to equity prior to the maturity date (29 July 2015).

RMS is a related party of Director, Mr Peter Buttigieg, as Mr Buttigieg has a controlling interest in RMS. In addition to having a relevant interest in the Shares held by RMS, Mr Peter Buttigieg also has a relevant interest in:

- 5,241,024 Shares held by Mr Peter Buttigieg and Mrs Jennifer Buttigieg <Buttigieg Super Fund A/C> (**Buttigieg Super**);
- 3,250,000 Shares held by P&J Superannuation Pty Ltd; and
- 4,000,000 Options held by P&J Buttigieg Nominees Pty Ltd.

Accordingly, as at the date of this Rights Issue Offer Document, Mr Buttigieg has an additional relevant interest in 8,491,024 Shares and voting power of 3.45%, giving him

RIGHTS ISSUE OFFER DOCUMENT**APHRODITE GOLD LIMITED**

ACN 138 879 928

an aggregate relevant interest in 23,416,024 Shares and a voting power of 9.52% when this additional relevant interest is added to the Shares held through RMS.

RMS' and Mr Peter Buttigieg's relevant interest in Shares following completion of the Offer may vary depending upon the take-up under the Offer as follows (assuming no other Shares are issued prior to completion of the Offer, including as a result of the exercise of any Options, or conversion of all or part of the Convertible Note):

Event	Number of Shares in which RMS has a relevant interest	Voting power of RMS	Number of Shares in which Mr Peter Buttigieg has a relevant interest⁽¹⁾	Voting power of Mr Peter Buttigieg
Date of Rights Issue Offer Document	14,925,000	6.07%	23,416,024	9.52%
Entitlement Offer is fully subscribed (no Shortfall)	21,321,429	6.07%	33,451,463	9.52%
Entitlement Offer is undersubscribed and RMS takes 25% of its underwriting commitment ⁽²⁾	41,279,563	11.75%	53,409,597	15.20%
Entitlement Offer is undersubscribed and RMS takes 50% of its underwriting commitment ⁽²⁾	67,634,126	19.25%	79,764,160	22.70%
Entitlement Offer is undersubscribed and RMS takes 75% of its underwriting commitment ⁽²⁾	93,988,688	26.75%	106,118,722	30.20%
Entitlement Offer is undersubscribed and RMS takes full underwriting commitment ⁽³⁾	115,727,099	32.93%	127,857,133	36.39%

- (1) Includes Shares in which RMS has a relevant interest. Mr Peter Buttigieg's related parties intend to take up their full Entitlements under the Offer.
- (2) Inclusive of Shares issued to RMS on taking up its full Entitlement under the Offer.
- (3) Mr Peter Buttigieg's related parties intend to take up their full Entitlements under the Offer. Sempre Fidelis Pty Ltd, a company owned by Director, Mr Paul Buttigieg, and which owns 2,280,000 shares will be taking up its full entitlement.

As highlighted in the table, RMS' voting power in the Company will not increase above 32.93%, and Mr Peter Buttigieg's voting power in the Company will not increase above 36.39% as a result of the Offer (assuming the Convertible Note is not converted prior to completion of the Offer), regardless of up-take by other Shareholders.

If RMS elects to fully convert the Convertible Note into Shares following completion of the Offer:

- (a) if Shareholders take up their full Entitlement under the Offer (ie, RMS does not acquire any Shares pursuant to its underwriting commitment): RMS will have a relevant interest in 121,321,429 Shares and voting power of 26.88%, giving Mr Peter Buttigieg an aggregate relevant interest in 133,451,463 Shares and a voting power of 29.56%.
- (b) if RMS takes its full underwriting commitment (less the Shares which the entities related to Mr Peter Buttigieg and Mr Paul Buttigieg will receive on taking up their full Entitlements under the Offer): RMS will have a relevant interest in 215,727,099 Shares and voting power of 47.79%, giving Mr Peter Buttigieg an aggregate relevant interest in 227,857,133 Shares and voting power of 50.48%.

As noted above, Mr Peter Buttigieg has previously informed the Company that, now that the Convertible Note is fully drawn, RMS intends to convert it to equity prior to the maturity date (29 July 2015).

As a result of the Offer, no other Shareholder will obtain a relevant interest in over 20% of the Shares on issue.

1.10 RMS and Mr Peter Buttigieg's Intentions

Following completion of the Offer (assuming the Convertible Note is not converted prior to completion of the Offer):

- RMS will have a relevant interest in Shares representing between 6.07% and 32.93% of the Shares then on issue; and
- Mr Peter Buttigieg will have a relevant interest in Shares representing between 9.52% and 36.39% of the Shares then on issue.

Mr Peter Buttigieg is currently a Director of the Company. Neither RMS nor Mr Buttigieg currently proposes to make any changes to the Company's management or Board or alter the business of the Company or its activities.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Rights Issue Offer Document. Aphrodite, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Rights Issue Offer Document.

1.12 Overseas Shareholders

No Offer will be made to Shareholders resident outside Australia, New Zealand and Singapore. The Company has decided that it is unreasonable to make the Offer to Shareholders outside Australia, New Zealand and Singapore having regard to the small number of Shareholders with addresses in other jurisdictions, the small number and value of the Shares they hold and the cost of complying with the legal requirements and the requirements of regulatory authorities in those other jurisdictions and the amount to be raised under the Offer.

This Rights Issue Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of Shares 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 Rights Issue Offer Document. The distribution of this Rights Issue Offer Document in jurisdictions outside Australia, New Zealand and Singapore may be restricted by law and persons who come into possession of this Rights Issue Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

However, pursuant to Listing Rule 7.7, the Company has appointed a nominee to sell the Entitlements to which non-qualifying foreign Shareholders are entitled. The net proceeds of the sale of these Entitlements will then be forwarded as soon as practicable to the non-qualifying foreign Shareholders, in proportion to their entitlement to such Entitlements.

The sale of the Entitlements of Shareholders whose registered address is outside Australia, New Zealand and Singapore will be at the prices and otherwise in such a manner as the nominee in its absolute discretion may determine. Any interest earned on the proceeds of the sale of such Entitlements will be applied against costs and expenses first but any balance will accrue to the Company.

Shareholders resident in Australia, New Zealand and Singapore holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas

jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Notwithstanding the above, the Company may (in its absolute discretion) extend the Offer to certain shareholders who have registered addresses outside Australia, New Zealand and Singapore in accordance with applicable law.

1.13 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. All trading on ASX in Shares will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of Shareholders.

Holders of Shares will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Rights Issue Offer Document, provide details of your holder identification number, and provide 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 subregister, your statement will be dispatched by the Company's Registry and will contain the number of Shares issued to you under this Rights Issue Offer Document 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.

1.14 Enquiries

Enquiries concerning the Entitlement and Acceptance Form can be made by contacting the Company's Registry, Security Transfer Registrars Pty Limited, by telephone on (08) 9315 2333. The addresses for the Registry are:

Mailing Address

Aphrodite Gold Limited C/-

Security Transfer Registrars Pty Limited
PO Box 535,
APPLECROSS, WA, 6953

Delivery Address

Aphrodite Gold Limited C/-
Security Transfer Registrars Pty Limited
770 Canning Highway,
APPLECROSS, WA, 6153

General enquires in relation to Aphrodite can be made to the company secretary by telephone on (03) 9600 3599 and may also be obtained by visiting the Company's website at www.aphroditegold.com.au.

2. Action Required

2.1 Acceptance of Shares under this Offer Document

Should you wish to accept all of your Entitlement to Shares, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY® payment, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Aphrodite Gold Limited" and lodged and received at any time after the issue of this Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at:

By Post Security Transfer Registrars Pty Limited
 PO Box 535, APPLECROSS, WA, 6953

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.2 If you wish to sell all your Entitlement on the ASX

Should you wish to sell all of your Entitlement on the ASX, complete the section on the back of the accompanying Entitlement and Acceptance Form marked "Instructions to Your Broker" and lodge the form with your stockbroker.

Rights trading on the ASX commenced on 17 March 2015 and the sale of your Rights must be completed by the close of trading on the ASX on 26 March 2015 when Rights trading ceases.

2.3 If you wish to take up part of your Entitlement and sell the balance of your Entitlement on the ASX

Should you wish to take up part of your Entitlement and sell the balance of your Entitlement on the ASX, complete the accompanying Entitlement and Acceptance Form for that part of your Entitlement that you wish to accept, and also complete the section on the back of the Entitlement and Acceptance Form marked "Instructions to your Stockbroker" for the balance of the Entitlement that you wish to sell on the ASX. Lodge the completed Entitlement and Acceptance Form with your stockbroker, together with your payment for the amount due in respect of the Entitlement you intend to take up (being the number of Shares which you wish to accept multiplied by \$0.007).

Rights trading on the ASX commences on 17 March 2015 and the sale of your Rights must be completed by the close of trading on the ASX on 26 March 2015 when Rights trading ceases.

2.4 If you wish to transfer all or part of your Entitlement to another person other than on the ASX

Should you wish to transfer all or part of your Entitlement to another person other than on the ASX, forward a completed standard renunciation form (obtainable from your stockbroker or from the Company's share registry) together with your Entitlement and Acceptance Form completed by both the transferor and transferee and the transferee's payment for the amount due in respect of the Entitlement to be taken up by the transferee (being the number of Shares taken up by the transferee multiplied by \$0.007) to the share registry so that it is received at any time after the issue of this Offer Document and on or before the Closing Date at the Company's share registry (by delivery or by post) at the addresses listed in Section 2.1.

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

Should you wish to only take up part of your Entitlement, then applications for Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document or by completing a BPAY® payment in respect of the portion of your Entitlement you wish to take up, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of Shares you wish to accept and the Application Monies (calculated at \$0.007 per Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Aphrodite Gold Limited" and lodged and received at any time after the issue of this Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at the address listed in Section 2.1.

If you wish to pay via BPAY® you must follow the instructions in the Entitlement and Acceptance Form. You will be deemed to have accepted your Entitlement upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed Entitlement and Acceptance Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

The Company will not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

2.6 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 attaching to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.7 Shortfall

If you wish to apply for Shares in excess of your Entitlement by applying for Shortfall Shares you may do so by completing the relevant sections of the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form (see Section 1.8). The maximum number of Shortfall Shares that you may apply for is 10,000,000 Shortfall Shares (\$70,000 worth). Any Shares applied for in excess of your Entitlement will be made under the Shortfall Offer and will be issued up to the maximum amount of 10,000,000 Shares per Eligible Shareholder in priority to the Underwriter but at the complete discretion of the Directors. Please read the instructions carefully.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Aphrodite Gold Limited" and lodged and received at any time after the issue of this Offer Document and no later than 5.00pm (WST) on the Closing Date at the Company's share registry (by post) at the address listed in Section 2.1.

3. Risk Factors

This Section discusses some of the key risks associated with an investment in Shares. A number of risks and uncertainties, which are both specific to Aphrodite and of a more general nature, may adversely affect the operating and financial performance or position of Aphrodite, which in turn may affect the value of Shares and the value of an investment in Aphrodite.

The risks and uncertainties described below are not an exhaustive list of the risks facing Aphrodite or associated with an investment in Aphrodite. Additional risks and uncertainties may also become important factors that adversely affect Aphrodite's operating and financial performance or position.

Before investing in Aphrodite, you should consider whether an investment in Aphrodite is suitable for you. Potential investors should consider publicly available information on Aphrodite (such as that available on the websites of Aphrodite and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

3.1 Specific Risks associated with the Company

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

(a) **Geotechnical Issues**

Prior to any future mining activities, geotechnical testwork is required to assess and understand the ground conditions for both open pit and underground mining of gold mineralisation at the Aphrodite Gold Project.

The results of the testwork may result in additional design requirements and an increase in mining costs.

(b) **Availability of suitable toll treating facilities**

The potential exists to process the ore from the Aphrodite Gold Project at other operating gold treatment plants in the vicinity which have excess processing capacity.

There is a risk that at the time of mining the Aphrodite Gold Project there may not be excess processing capacity at other operating gold treatment plants or that the ore from the Aphrodite Gold Project will be suitable for processing at existing operating treatment plants. This may lead to a delay in being able to process the ore or result in the Company having to construct its own processing plant. These outcomes may impact negatively on the results and cashflows of the Company.

(c) **Future Capital requirements**

The Company's growth through expansion of its drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the capital raising and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(d) **Gold price volatility and foreign exchange risk on revenues and expenses**

Any future revenue the Company may derive through the sale of gold exposes the income of the Company to gold price risks.

Gold prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for gold, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, the gold price is also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, gold as well as general global economic conditions. These factors may have an adverse effect on the price the Company receives for its gold.

Furthermore, the price of gold and a portion of the Company's operating expenses are denominated in United States dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(e) **Resource and Reserve Estimates**

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

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

(f) **Limited operating history of Aphrodite**

The Company has limited operating history on which an evaluation of its prospects can be made.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

(g) **Refractory Nature of the ore at the Aphrodite Gold Project**

The primary mineralisation at the Aphrodite Gold Project is complex and refractory in nature due to the association of the gold with arsenic and sulphides, such as pyrite and arsenopyrite, within the mineralisation.

A "refractory" gold ore is an ore that is naturally resistant to recovery by standard cyanidation and carbon adsorption processes. These refractory ores require pre-treatment in order for cyanidation to be effective in recovery of the gold. A refractory ore generally contains sulfide minerals, organic carbon, or both. Sulfide minerals often trap or occlude gold particles, making it difficult for the leach solution to contact with the gold. Organic carbon present in gold ore may adsorb dissolved gold-cyanide complexes in much the same way as activated carbon. This so-called "preg-robbing" carbon is washed away because it is significantly finer than the carbon recovery screens typically used to recover activated carbon.

Pre-treatment options for refractory ores include:

- (i) Roasting
- (ii) Bio-oxidation
- (iii) Pressure oxidation

(iv) Ultrafine grinding

The refractory ore treatment processes may be preceded by concentration (usually sulfide flotation). Roasting is used to oxidize both the sulfur and organic carbon at high temperatures using air and/or oxygen. Bio-oxidation involves the use of bacteria that promote oxidation reactions in an aqueous environment. Pressure oxidation is an aqueous process for sulfur removal carried out in a continuous autoclave, operating at high pressures and somewhat elevated temperatures. Ultrafine grinding may be used when liberation of gold particles from the surrounding mineral matrix is the primary refractory characteristic of the ore.

Since listing on ASX in July 2010, the Company has had independent metallurgical consultants conduct a test program of the Aphrodite Gold Project ore, and the results to date have been positive in finding that the ore may be processed successfully with good recovery rates.

Further metallurgical testing will need to be conducted to determine the optimum processing method for the ore at the Aphrodite Gold Project. There is no guarantee that the recoveries achieved will be economic or, to recover economic grades additional processing costs may be incurred, either of which may affect the viability of the Aphrodite Gold Project and the Company.

3.2 Mineral Industry Risks

(a) **Exploration and development risks**

Potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(b) **Operational risks**

The operations of the Company may be affected by various factors which are beyond the control of Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining,

operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical 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, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) Identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) Developing an economic process route to produce a metal and/or concentrate; and
- (iii) Changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) **Payment obligations**

Under the exploration tenements and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. Failure to meet these work commitments will render the tenement or licence liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of interest held by the Company.

(e) **Tenement title**

Interests in tenements in Western Australia are governed by legislation and is evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, tenements if licence conditions are not met or if

insufficient funds are available to meet expenditure commitments as and when they arise.

All of the Tenements in which the Company has or may acquire an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. If a Tenement is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral Gold on that Tenement.

(f) Native title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(g) Environmental risks

The Company's projects are subject to Western Australian and Federal Australian Government regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development

proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

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

(h) **Reliance on key personnel**

The company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

3.3 General Risks

(a) **Securities investments**

There are risks associated with any securities investment. The prices at which the Shares trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume

fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of the Shares regardless of the Company's operational performance.

(b) Share market conditions

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

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

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

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, or any other country in which the Company operates, interest rates and the rate of inflation.

(d) Changes in Government Policies and Legislation

Any material adverse changes in government policies or legislation of Australia or any other country where the Company may acquire economic interests may affect the viability and profitability of the Company.

(e) Competition

The Company will compete with other companies, including major mineral exploration and mining companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the

Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

3.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Rights Issue Offer Document. Therefore, the Shares to be issued pursuant to this Rights Issue Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Rights Issue Offer Document.

4. Underwriting

4.1 Underwriting agreement

The Company and the Underwriter entered into an underwriting agreement (**Underwriting Agreement**) pursuant to which the Underwriter agreed to fully underwrite the Offer.

There is no fee or other consideration payable to the Underwriter under the Underwriting Agreement or otherwise in connection with the Offer.

The Underwriting Agreement contains termination clauses that relieve the Underwriter of its obligations if certain events occur. These include:

- (a) **quotation approvals:** approval for official quotation of all of the Shares under the Offer on ASX is refused on or before 13 April 2015, or if approval is granted, the approval is granted on conditions other than customary conditions or subsequently withdrawn, qualified or withheld before the issue of those Shares;
- (b) **disclosures in Offer Document:** a statement in the Offer Document or the Offer cleansing statement is misleading or deceptive;
- (c) **supplementary offer document:** the Company lodges a supplementary Offer Document without the consent of the Underwriter or fails to lodge a supplementary Offer Document in a form acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by the Corporations Act from offering Shares under the Offer Document;

- (d) **withdrawal:** the Company withdraws or terminates the Offer;
- (e) **repayment:** any circumstance arises after lodgement of the Offer Document that results in the Company either repaying the money received from applicants or offering applicants an opportunity to withdraw their acceptances for underwritten Shares and be repaid their application money;
- (f) **change in laws:** any of the following occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
 - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
 - (iii) the adoption by the ASIC, its delegates, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,which does or is likely to prohibit, restrict or regulate the principal business of the Company or the Offer;
- (g) **failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
 - (i) a provision of its Constitution;
 - (ii) any statute; or
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency,which is likely to prohibit or materially restrict the business of the Company or the Offer;
- (h) **alteration of capital structure or constitution:** the Company alters its capital structure or its Constitution without the prior written consent of the Underwriter;
- (i) **default:** the Company is in default of any material term and condition of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (j) **event of insolvency:** an event of insolvency occurs in respect of the Company or a Related Corporation; or
- (k) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Offer Document.

The Underwriting Agreement also contains covenants, warranties, representations and other terms usual for an agreement of this nature.

4.2 Directors' interests in Company securities

The Directors or their nominees currently hold Shares and Options.

Set out in the table below are details of the Directors' relevant interests in Shares and Options of the Company at the date of this Offer Document and their proposed participation in the Offer.

	Mr Peter Buttigieg	Mr Paul Buttigieg	Mr Roger Mitchell	Mr Angus Middleton
No. of Shares held ⁽¹⁾	23,416,024 ⁽⁴⁾	2,280,000	Nil	Nil
Current % holding	9.52%	0.93%	Nil	Nil
No. of Options held ⁽¹⁾	4,000,000	3,000,000	6,000,000	3,000,000
No. of Convertible Notes Held	\$2,500,000 ⁽⁵⁾	Nil	Nil	Nil
Entitlement to Shares under the Offer ⁽²⁾	10,035,438	977,142	Nil	Nil
Maximum number of Shares following the Offer ⁽³⁾	33,451,462 ⁽⁶⁾	3,257,142	Nil	Nil
Maximum percentage of Shares following the Offer ⁽³⁾	9.52%	0.93%	Nil	Nil

- (1) Held directly or indirectly by the Director or a related party of the Director.
- (2) Assuming Directors do not exercise their options and the Convertible Note is not converted.
- (3) Assuming the Directors and their related parties take up their full Entitlements under the Offer.
- (4) 14,925,000 of these Shares are held by RMS which Mr Buttigieg has a controlling interest in.
- (5) Comprising a convertible note held by RMS with a face value of \$2,500,000 which can be converted into up to 100,000,000 Shares at any time prior to 29 July 2015 at the election of RMS unless repaid earlier.
- (6) In addition to the Entitlements that Mr Buttigieg's related parties have, RMS has fully underwritten the Offer and may obtain the Shares and voting power as detailed in Section 1.9. Note also that the number of Shares held by RMS and RMS' voting power in the Company will increase as outlined in Section 1.9 on conversion of the Convertible Note.

RIGHTS ISSUE OFFER DOCUMENT

APHRODITE GOLD LIMITED

ACN 138 879 928

At the time of lodging the Rights Issue Offer Document the Directors and their related parties have indicated that they will take up their full Entitlement under the Offer.

5. Glossary of terms

\$ means Australian dollars.

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

ASIC means Australian Securities and Investments Commission.

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

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

Business Day has the same meaning as in the Listing Rules.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company or **Aphrodite** means Aphrodite Gold Limited ACN 138 879 928.

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

Directors mean the directors of the Company as at the date of this Rights Issue Offer Document.

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

Entitlement means an Eligible Shareholder's entitlement to Shares under the Offer as determined on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Rights Issue Offer Document.

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

Listing Rules means the Listing Rules of ASX.

New Share means a Share proposed to be issued pursuant to this Offer.

Offer is as defined in Section 1.1

Official List means the official list of ASX.

Official Quotation means quotation of New Shares on the Official List.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means an unlisted option to acquire a Share at 2.5 cents exercisable on or before 31 July 2017.

Record Date means 5:00pm (WST) on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Registry means the Company's share registry, Security Transfer Registrars.

Rights means the right to an Entitlement.

Rights Issue Offer Document or **Offer Document** means this document.

RMS means R.M.S. (Aust) Pty Ltd ACN 003 164 243.

Section means a section of this Rights Issue Offer Document.

Security Transfer Registrars means Security Transfer Registrars Pty Limited ACN 008 894 488.

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

Shareholder means a holder of Shares.

Shortfall or **Shortfall Shares** means those New Shares for which valid Applications have not been received by the Closing Date.

Shortfall Offer is as defined in Section 1.8.

Underwriter means RMS.

Underwriting Agreement is as defined in Section 4.1.

WST means Australian Western Standard Time.

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