



Limited • ABN 33 119 826 907

22 June 2015

Company Announcements Office
ASX Ltd
Level 40, Central Park
152–158 St Georges Terrace
PERTH WA 6000

PROSPECTUS – Entitlements Issue to Raise \$2M

Please find attached Stavely Minerals Limited (ASX: SVY) Prospectus for a non-renounceable entitlement issue on the basis of one (1) New Share for every ten (10) shares held by shareholders registered at 5.00 pm (AWST) on 29 June 2015 (Record Date) at an issue price of \$0.25 per New Share, together with one (1) free option for every two (2) New Shares subscribed for to raise approximately \$2.04 million.

The funds raised will be used to underpin the next phase of exploration and evaluation of the exciting Thursday's Gossan porphyry copper target at the Stavely Project and to undertake further drilling at both an emerging Stawell-style gold prospect and a VMS-style copper-gold-zinc deposit at the Ararat Project (see ASX announcements on 29 April, 5 May and 8 May 2015).

Yours sincerely,

Amanda Sparks
Company Secretary



STAVELY MINERALS LIMITED
ACN 119 826 907

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.25 per Share to raise up to \$2,037,755 (based on the number of Shares on issue as at the date of this Prospectus) (together with one (1) free attaching Option for every two (2) Shares subscribed for and issued (**New Option**)) (**Offer**).

Lead Manager



IMPORTANT NOTICE

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

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

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1. CORPORATE DIRECTORY

Directors

Mr William Plyley (Non-Executive Chairman)
Mr Christopher Cairns (Managing Director)
Ms Jennifer Murphy (Technical Director)
Mr Peter Ironside (Non-Executive Director)

Company Secretary

Ms Amanda Sparks

Registered Office

First Floor, 168 Stirling Highway
NEDLANDS WA 6009

Telephone: + 61 8 9287 7630
Facsimile: +61 8 9389 1750

Email: info@stavely.com.au
Website: www.stavely.com.au

Share Registry*

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6005

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager

Morgans Corporate Limited
Level 28, 367 Collins Street
Melbourne VIC 3000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	22 June 2015
Lodgement of Prospectus & Appendix 3B with ASX	22 June 2015
Notice sent to Optionholders	24 June 2015
Notice sent to Shareholders	24 June 2015
Ex date	25 June 2015
Record Date for determining Entitlements	29 June 2015
Prospectus despatched to Shareholders & Company announces despatch has been completed	1 July 2015
Closing Date*	13 July 2015
Securities quoted on a deferred settlement basis	14 July 2015
ASX notified of under subscriptions	16 July 2015
Despatch of holding statements	20 July 2015
Quotation of Securities issued under the Offer*	21 July 2015

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 22 June 2015 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders registered at the Record Date at an issue price of \$0.25 per Share (together with one (1) free attaching New Option (exercisable at \$0.30 each on or before 30 June 2016) for every two (2) Shares subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 8,151,021 Shares and 4,075,510 New Options will be issued pursuant to this Offer to raise up to \$2,037,755. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 14,400,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6 for further information regarding the rights and liabilities attaching to the Shares.

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

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

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

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form, unless you intend to apply for additional Securities under the Shortfall Offer (refer to Section 4.9 for further information), in which case the additional Securities applied for will be deemed to be an application for Securities under the Shortfall Offer.

You may participate in the Offer as follows:

(a) if you wish to accept your **full** Entitlement:

(i) complete the Entitlement and Acceptance Form; and

- (ii) make your payment pay be BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; and
- (b) if you wish to apply for **additional** shares after accepting your full Entitlement in accordance with 4.3(a), then:
 - (i) fill in the number of additional Shares you wish to apply for in the space provided on the Entitlement and Acceptance Form; and
 - (ii) make your payment pay be BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies; or
- (c) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) make your payment pay be BPAY® or attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

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

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.5 Payment by BPAY®

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

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or

greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.6 Lead Manager

The Lead Manager to the Offer, and the Placement being undertaken in conjunction with the Offer, is Morgans Corporate Limited (**Morgans**). The terms and conditions of Morgans engagement as Lead Manager are set out in Section 8.4.

4.7 Underwriting

The Offer is not underwritten.

4.8 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 8.5% (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 (assuming no New Options have been exercised and the Offer is fully subscribed) is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer if not taken up
Shareholder 1	20,000,000	24.54%	2,000,000	20,000,000	20.99%
Shareholder 2	10,000,000	12.27%	1,000,000	10,000,000	10.50%
Shareholder 3	5,000,000	6.13%	500,000	5,000,000	5.25%
Shareholder 4	2,500,000	3.07%	250,000	2,500,000	2.62%
Shareholder 5	1,000,000	1.23%	100,000	1,000,000	1.05%

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage. Percentages post-Offer have been calculated on the basis of there being 95,261,227 Shares on issue on completion of the Offer (which includes the 5,600,000 Shares to be issued under the Placement). Refer to Section 5.4 for further details of the Company's capital structure.

4.9 Shortfall Offer

Any Entitlement not taken up pursuant to the 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 Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.25 being the price at which Shares have been offered under the Offer.

The Directors, in conjunction with the Lead Manager, reserve the right to issue Shortfall Securities at their absolute discretion, subject to the ASX Listing Rules

and any restrictions under applicable law. As such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Directors further have discretion to place any Shortfall Shares remaining after the process above within 3 months of the Closing Date.

4.10 ASX listing

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

4.11 Issue

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

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

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

4.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

The Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2002.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement 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.

4.13 Enquiries

Any questions concerning the Offer should be directed to Amanda Sparks, Company Secretary, on +61 8 9287 7630.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,037,755. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used over the next 12 to 18 months in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Exploration expenditure		
	- Drilling & Assays	1,065,000	
	- Geophysical Surveys	165,000	
	- Surface Geochemical Surveys	170,000	
	Total Exploration	1,400,000	68.7%
2.	Expenses of the Offer	49,000	2.4%
3.	Admin & Corporate	300,000	14.7%
4.	Working capital	288,755	14.2%
	Total	\$2,037,755	100%

Notes:

1. Refer to section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Offer the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the Offer is not fully subscribed, the Company will make appropriate scale backs to the above allocation of funds and will apply the funds that are raised firstly, towards the expenses of the Offer, and then towards each other item, which will be scaled back on a pro-rata basis once the costs of the Offer have been met.

5.2 Effect of the Offer

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

- (a) increase the cash reserves by \$2,037,755 (before deducting the estimated \$49,000 of expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 81,510,206 as at the date of this Prospectus to 95,261,227 Shares following the issue of the Placement Shares and completion of the Offer; and
- (c) increase the number of Options on issue from 14,400,000 as at the date of this Prospectus to 21,275,510 Options following issue of the Placement Options and completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2015 and the unaudited pro-forma balance sheet as at 31 March 2015 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	UNAUDITED 31 March 2015	PROFORMA 31 March 2015
CURRENT ASSETS		
Cash	950,144	4,218,899
Other current assets	65,387	65,387
TOTAL CURRENT ASSETS	1,015,531	4,284,286
NON-CURRENT ASSETS		
Receivables	30,000	30,000
Property, plant and equipment	118,767	118,767
Exploration	6,720,879	6,720,879
TOTAL NON-CURRENT ASSETS	6,869,646	6,869,646
TOTAL ASSETS	7,885,177	11,153,932

	UNAUDITED 31 March 2015	PROFORMA 31 March 2015
CURRENT LIABILITIES		
Trade and other payables	132,625	132,625
Provisions	26,689	26,689
TOTAL CURRENT LIABILITIES	159,314	159,314
TOTAL LIABILITIES	159,314	159,314
NET ASSETS (LIABILITIES)	7,725,863	10,994,618
EQUITY		
Issued capital	9,139,004	12,407,759
Reserves	284,404	284,404
Accumulated loss	(1,697,545)	(1,697,545)
TOTAL EQUITY	7,725,863	10,994,618

Notes:

The Pro Forma includes the issue of up to 5,600,000 new Shares issued at \$0.25 per Shares (together with one (1) free attaching Option for every two (2) Shares subscribed for an issued) under the Placement announced on 22 June 2015 raising up to \$1,400,000 before costs.

5.4 Effect on capital structure

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

Shares

	Number
Shares currently on issue ¹	81,510,206
New Shares issued under the Placement ²	5,600,000
Shares offered pursuant to the Offer	8,151,021
Total Shares on issue after completion of the Placement and Offer	95,261,227

Notes:

1. 31,499,903 Shares are currently subject to ASX imposed escrow restrictions.
2. Refer to the Company's ASX announcement dated 22 June 2015 for further details relating to the Placement. Investors who receive Shares under the Placement will not be entitled to participate in the Offer.

Options

	Number
Options currently on issue ¹ (Unquoted exercisable at \$0.27 on or before 31 December 2017)	14,400,000
New Options issued under the Placement (Quoted exercisable at \$0.30 on or before 30 June 2016)	2,800,000
New Options offered pursuant to the Offer (Quoted exercisable at \$0.30 on or before 30 June 2016)	4,075,510
Total Options on issue after completion of the Placement and Offer	21,275,510

Notes:

1. 13,400,000 Options are currently subject to ASX imposed escrow restrictions.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 95,910,206 Shares and on completion of the Placement and the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 116,536,737 Shares.

31,499,903 Shares and 13,400,000 Options on issue are currently subject to ASX imposed escrow restrictions.

5.5 Details of substantial holders

Based on information provided by the Company's Share Registry as at 22 June 2015, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Peter Reynold Ironside	29,677,419	36.40
Christopher J Cairns	14,687,419	18.01

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

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

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

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

(a) **General meetings**

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

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

(b) **Voting rights**

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

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

(c) **Dividend rights**

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain,

be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

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

6.2 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each New Option will be \$0.30 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 30 June 2016 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under 6.2(e) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Quotation**

The Company will apply for quotation of the New Options on ASX.

(n) **Transferability**

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

7. RISK FACTORS

7.1 Introduction

- (a) The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained

elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

- (b) There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.
- (c) The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Tenement renewals and applications

Exploration licence 4758 (having an expiry date of 28 January 2014) and 3019 (having an expiry date of 21 December 2014) are the subject of the grant of a pending Retention Licence application 2020.

Exploration licence 4556 (having an expiry date of 5 April 2014) is the subject of the grant of a pending Retention Licence application 2017.

A retention license is an intermediate license between an exploration licence and a mining licence. It allows activities such as intensive exploration, research and other development activities required to demonstrate the economic viability of mining.

There is a risk that these applications may not be granted by the Minister, in whole or in part. If the applications are not granted, the Company would be unable to explore the land covered by these applications.

The renewal of the term of a granted tenement is subject to the consent of the Minister responsible for the Mineral Resources (Sustainable Development) Act 1990 (Vic).

The Company cannot guarantee that any of its granted exploration licences will be renewed beyond their current expiry date and there is a material risk that, in the event the Company is unable to renew these granted Tenements beyond their current expiry date, the Company's interest in the Projects will be relinquished.

Further, renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(b) Native title and Aboriginal heritage

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to

progress from the exploration phase to the development and mining phases of operations may be adversely affected.

There is currently one registered native title claim overlapping parts of exploration licences 3019, 4758, 4556, 5403, 5450 and 5470, and exploration licence application 5487.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

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

In addition, there are a number of registered Aboriginal heritage sites within the area of exploration licences 3019, 4758, 4556, 5403, 5450, 5486, 5470 and 5478; exploration licence application 5487; and retention licence applications 2017 and 2020. The existence of the Aboriginal heritage sites within a tenement may lead to restrictions on the areas that the Company will be able to explore and mine.

(c) **Resource estimates**

The Company currently has two Inferred Resource estimates on the Tenements. These resources, and any resource that may be delineated in the future, are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates, or to effectively implement its business and operations plans in the future (including to fund scoping and pre-feasibility studies if the Company's exploration programmes are successful).

Additional financing may also be required to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the

Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders

(e) **Potential for significant dilution**

Upon implementation of the Offer and completion of the Placement, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase by 13,751,021 Shares to 95,261,227 Shares. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer and the Placement being implemented and the Directors do not make any representation as to such matters.

7.3 Industry specific

(a) **Environmental**

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

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(b) **Failure to satisfy expenditure commitments and licence conditions**

Interests in tenements in Victoria are governed by the mining acts and regulations that are current in Victoria and are evidenced by the granting of licences or leases. Each licence or lease 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 the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(c) **Mine development**

Possible 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, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving 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.

If the Company commences production, its 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. 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) **Operations**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and 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, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and many other factors beyond the control of the Company.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7.4 General risks

(a) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals,

technological advancements, forward selling activities and other macro-economic factors.

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

(b) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(c) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) **Economic**

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

(e) **Market conditions**

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

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

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

general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(f) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus

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

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

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

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

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

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

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

Date	Description of Announcement
22/06/2015	\$1.4M Placement & \$2M Rights Issue to Fast-Track Exploration
18/06/2015	Roadshow Presentation
18/06/2015	Trading Halt
12/06/2015	Change of Registry Address
18/05/2015	Information – LR 7.1A.4(b) and 3.10.5A
18/05/2015	Appendix 3B
14/05/2015	RIU Resources Round-up Presentation
12/05/2015	New Structural Offset to Thursdays Gossan Porphyry Target
08/05/2015	Two New Gold and Base Metals Prospects at Ararat
29/04/2015	Exciting Gold Prospect at Cathcart Hill
29/04/2015	Quarterly Activities Report
29/04/2015	Quarterly Cashflow Report
21/04/2015	Information – LR 7.1A.4(b) and 3.10.5A
21/04/2015	Appendix 3B
10/04/2015	DRX: Tenement Consolidation
10/04/2015	Tenement Acquisition and New Joint Venture
06/03/2015	Half Yearly Report and Accounts
25/02/2015	RIU Explorers Conference Presentation
29/01/2015	Quarterly Cashflow Report
29/01/2015	Quarterly Activities Report
27/01/2015	Outline 2015 Copper and Gold Exploration Programmes
19/12/2014	Information – LR 7.1A.4(b) and 3.10.5A
19/12/2014	Appendix 3B
09/12/2014	Information – LR 7.1A.4(b) and 3.10.5A
08/12/2014	Appendix 3B
20/11/2014	Results of Meeting
20/11/2014	AGM Presentation
24/10/2014	Quarterly Cashflow Report
24/10/2014	Quarterly Activities Report
17/10/2014	Notice of Annual General Meeting/Proxy Form
07/10/2014	\$2 Million Share Subscription Agreement
29/09/2014	Drilling Hits Higher Grade Copper Zones
25/09/2014	RIU Resources Round-Up Presentation

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

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

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

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

Highest	\$0.50	5 June 2015
Lowest	\$0.19	7 May 2015
Last	\$0.30	17 June 2015

8.4 Material contracts – Lead Manager mandate

On 18 June 2015, the Company entered into a mandate with Morgans, pursuant to which Morgans has been engaged to act as lead manager to the Offer and Placement being undertaken by the Company.

In consideration for Morgans acting as lead manager, the Company has agreed to pay Morgans, in respect of the Offer, a capital raising fee of 6% of the total amount of funds raised from the placement of any Shortfall Securities under the Offer, or the take up of Entitlements and Shortfall Securities under the Offer by Morgans' clients. No fee is payable to Morgans in respect of Shareholders who are also clients of Morgans and Directors of the Company.

The Company has also agreed to pay Morgans, in respect of the Placement, a management fee equal to 2.0% (plus GST), and a seeling fee equal to 4.0% (plus GST), on the funds raised under the Placement. If the Company raises more than \$4.6 million under both the Offer and the Placement, it has agreed to pay Morgans a success fee of \$50,000.

Either the Company or Morgans may terminate the mandate at any time, with or without cause, by giving written notice to the other party.

8.5 Interests of Directors

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

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

(c) the Offer,

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

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement Shares and New Options	\$
William Plyley	20,000	1,000,000	2,000 Shares 1,000 New Options	\$500
Christopher Cairns	14,687,419	5,032,258	1,468,741 Shares 734,370 New Options	\$367,185
Jennifer Murphy	3,407,097	1,561,290	340,709 Shares 170,354 New Options	\$85,177
Peter Ironside	29,677,419	5,032,258	2,967,741 Shares 1,483,870 New Options	\$741,935

The Board recommends all Shareholders take up their Entitlement.

Each of the Directors have advised that they intend to take up a portion of their respective Entitlements as set out in the table below:

Director	Entitlement Shares	New Options	\$
William Plyley	2,000	1,000	\$500
Christopher Cairns	320,000	160,000	\$80,000
Jennifer Murphy	60,000	30,000	\$15,000
Peter Ironside	480,000	240,000	\$120,000

In the unlikely event that the participation of the above Directors in the Offer (in particular Mr Cairns and Mr Ironside) would cause the takeover provisions contained in Chapter 6 of the Corporations Act to be contravened, the Entitlement taken up by the relevant Directors would be reduced so as to avoid any such contravention.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in

general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

The following table shows the total annual remuneration* paid (and payable to 30 June) to both executive and non-executive directors.

Director	FY 14/15**	FY 13/14
William Plyley	\$72,750	\$130,859 (includes \$118,500 share-based payments***)
Christopher Cairns	\$237,250	\$41,197
Jennifer Murphy	\$142,350	\$129,043 (includes \$47,400 share-based payments***)
Peter Ironside	\$22,330	\$4,525

* Annual Remuneration includes salary, superannuation and share based payments but excludes annual leave provisions.

** In order to maximise cash available for exploration expenditure, effective 1 March 2015, the executive directors agreed to reduce their cash salaries by 40%. The non-executive directors and company secretary agreed to waive 100% of their fees.

*** Share-based payments (in this case share options) are valued in accordance with AASB 2 Share-based Payments. Staveland used a Black-Scholes option pricing model to value the share-based payments.

8.6 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$141,837 (excluding GST and disbursements) for legal services provided to the Company.

Morgans has acted as the Lead Manager to the Company in relation to the Offer and the Placement. The Company estimates it will pay Morgans \$94,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Morgans has been paid fees totalling \$319,619(excluding GST and disbursements) for legal services provided to the Company

8.7 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Morgans has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Morgans has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$49,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	9,196
Broker Commissions	10,000
Legal fees	10,000
Printing and distribution	7,500
Miscellaneous	10,014
Total	49,000

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9287 7630 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.stavely.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

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

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

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

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

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

8.12 Privacy Act

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

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

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

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

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Chris Cairns
Managing Director
For and on behalf of
Stavely Minerals Limited

10. GLOSSARY

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

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

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

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Stavelly Minerals Limited (ACN 119 826 907).

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

Corporations Act means the Corporations Act 2001 (Cth).

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

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

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

Lead Manager or **Morgans** means Morgans Corporate Limited.

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

New Optionholder means a holder of a New Option.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the offer of new Shares and New Options to sophisticated and institutional investors, announced on 22 June 2015 and to complete on 30 June 2015.

Prospectus means this prospectus.

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

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

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

Shareholder means a holder of a Share.

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

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

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

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