

EL CORPORATION LIMITED

ACN 002 737 733

PROSPECTUS

For an offer of up to 15,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,000,000 and the right to accept oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000 (**Offer**).

The Offer under this Prospectus is subject to a minimum subscription of \$3,000,000.

The Offer under this Prospectus is conditional upon the re-instatement of the Company's Shares to the Official Quotation on ASX.

This is a re-compliance Prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules for re-instatement of the Company's Shares to Official Quotation on ASX following a change to the nature and scale of the Company's activities.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Mr Sim Pin Quek
Non-Executive Chairman

Mr Isaac Ng
Executive Director
Chief Executive Officer

Mr Mark Howard-Browne
Executive Director
Chief Financial Officer

Mr Hee Kok Chng
Non-Executive Director

Mr Rajen Rai
Non-Executive Director

Company Secretary

Mr Tom Bloomfield

ASX Code

EIM

Registered Office

EL Corporation Limited
Level 18, 99 Mount Street
NORTH SYDNEY NSW 2060

Telephone: + 61 2 9922 4278
Facsimile: +61 2 9922 7862

Website: www.elcorporation.com

Share Registry*

Boardroom Pty Limited
Level 7
207 Kent Street
SYDNEY NSW 2000

Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

Solicitors

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

Investigating Accountant and Auditor

RSM Bird Cameron Corporate Pty Ltd
Level 12
60 Castlereagh Street
SYDNEY NSW 2000

Independent Geologist

Martin Dormer operating under the
business name "Unearthed Elements"
191 Abbett Street
SCARBOROUGH WA 6019

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

2. IMPORTANT NOTICE

This Prospectus is dated 1 August 2012 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 Shares 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 you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

2.1 Change in nature and scale and re-compliance with chapters 1 and 2 of the ASX Listing Rules

At the annual general meeting of the Company for the financial year ended 31 December 2011 held on 22 June 2012 (**Annual General Meeting**), the Company obtained approval from its Shareholders to change the nature and scale of its activities under ASX Listing Rule 11.1. **As a result, the Company must comply with ASX requirements for re-instatement of its securities to trading on ASX, which includes re-complying with Chapters 1 and 2 of the ASX Listing Rules. One of the purposes of issuing this Prospectus is to assist the Company to re-comply with these requirements.**

2.2 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.3 Website – electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.elcorporation.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

2.4 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

2.5 Forwarding-looking statements

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

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

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

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

Except where required by law or the ASX Listing Rules, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are summarised in Section 3.5 of this Prospectus and set out in detail in Section 7.

2.6 Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this prospectus are illustrative only and may not be drawn to scale.

2.7 Competent Person Statement

The information contained in this Prospectus (other than the independent reports in Sections 9 and 10 of this Prospectus), including the Independent Geologist's Report contained in Section 8, that relates to exploration results and geological information is based on information compiled by Mr Martin Dormer, operating under the business name Unearthed Elements. Mr Dormer is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which he is undertaking to qualify as a

Competent Person as defined in the December 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (**JORC Code**). Mr Dormer consents to the inclusion in this Prospectus of the information based on his work in the form and context in which it appears.

3. INVESTMENT OVERVIEW

This Section is a summary only and not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

3.1 The Company

The Company was incorporated on 28 March 1984 and was admitted to the Official List of ASX on 22 November 1984. Since listing, the Company has been involved in various activities and sectors. The Company's prior operations have now ceased.

On or about 24 November 2011, the Company and Mr Steven Shilkin entered into an agreement (which was varied on or about 26 April 2012 and again on or about 20 July 2012) (**Asset Sale and Purchase Agreement**) pursuant to which the Company agreed to purchase from Mr Shilkin (**Vendor**) a 100% legal and beneficial interest in Mining Lease 77/450 and Prospecting Licence 77/3982 (**Tenements** or the **Birthday Mine**), certain infrastructure located on the Tenements and certain mining information in relation to the Tenements (the **Assets**). The Vendor does not currently own the Tenements and is in the process of acquiring the Assets from the current registered holders of the Tenements. Further details are set out in Part III of the Solicitor's Report on Tenements set out in Section 10 of this Prospectus.

The Sale and Purchase Agreement is conditional upon the following occurring (or being waived unless otherwise stated) on or before 30 September 2012 (or such other date as agreed to by the parties in writing):

- (a) the Company obtaining shareholder approvals pursuant to the ASX Listing Rules and the Corporations Act as necessary. The necessary shareholder approvals were obtained at the Company's Annual General Meeting on 22 June 2012;
- (b) the Company complying with the requirements of Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3 and obtaining conditional approval for re-instatement of its Shares to Official Quotation on ASX on conditions normally imposed by ASX;
- (c) The Vendor completing the asset sale agreements for the acquisition of 100% beneficial and legal ownership in the Assets such that he is entitled to be the registered holder of the Tenements; and
- (d) the Company obtaining the consent of the Minister under the Mining Act 1978 (WA) for the transfer of mining lease 77/450 to the Company. This consent has been obtained,

(Conditions Precedent).

The consideration payable by the Company to the Vendor for the Assets comprises:

- (a) refundable cash deposits totalling \$750,000. These deposits have already been paid and are refundable in full if the Conditions Precedent are not capable of being satisfied on or before 30 September 2012 (or such other date as agreed to by the parties in writing);

- (b) \$500,000 cash to be provided to Mr Shilkin upon settlement of the sale and purchase of the Assets (**Settlement**); and
- (c) the issue of 2,250,000 Shares to the Vendor (or his nominee) upon Settlement. The Vendor and any of his nominees will not be related parties of the Company. The Company understands that the Vendor will retain up to 1,000,000 of these Shares and the remainder will be distributed to his nominees.

Settlement is due to occur 5 Business days after the last of the Conditions Precedent is satisfied or waived and the Company currently anticipates Settlement will occur in September 2012 as per the indicative timetable set out in Section 3.6 of this Prospectus.

At the Company's Annual General Meeting the Company sought and obtained the following approvals from its Shareholders relevant to the Company's proposed acquisition of the Birthday Mine and the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules:

- (a) approval for a change in nature and scale of the Company's operations;
- (b) approval to consolidate the Company's Shares on a 1 for 4 basis. This has now occurred;
- (c) approval to issue up to 20,000,000 Shares at an issue price of \$0.20 per Share pursuant to this Prospectus; and
- (d) approval to issue 2,250,000 post-consolidation Shares to the Vendor (or his nominee) pursuant to the Asset Sale and Purchase Agreement.

3.2 Objectives

The Company's principal objectives upon completion of the Offer are:

- (a) to conduct an exploration programme on the Birthday Mine Tenements; and
- (b) to conduct pre-feasibility studies in relation to re-commencing and expanding historical gold production operations on the Birthday Mine.

The Company also intends on an ongoing basis to identify and secure additional tenements (or interests in tenements) in Australia or abroad.

3.3 Business model

Initially, the Company will conduct an exploration programme on the Birthday Mine over the 2 years following completion of the Offer and acquiring the Birthday Mine. Details of the exploration programme are set out in Section 6.5 of this Prospectus.

The Company's long-term growth plan includes continuing to explore the Birthday Mine and to conduct pre-feasibility studies in relation to re-commencing mining operations on the Birthday Mine and expanding the historical mining operations. However, the Company does not currently intend to re-commence mining operations on the Birthday Mine.

A summary of the Birthday Mine is set out in Section 6.2 of this Prospectus and more detailed information is included in the Independent Geologist's Report in Section 8 of this Prospectus.

Concurrent with the above, the Company intends to identify and secure additional mining tenements (or interests in additional mining tenements) in Australia or abroad.

3.4 Key investment highlights

- (a) The Company has entered into an Asset Sale and Purchase Agreement to acquire the Birthday Mine, located in Western Australia.
- (b) The Birthday Mine has produced gold historically but is currently not in operation. Refer to the Independent Geologist's Report in Section 8 for further details.
- (c) The Birthday Mine is located in one of Australia's premier gold provinces.
- (d) Upon completing the Offer and acquiring the Birthday Mine, the Company will have a capital structure appropriate for a listed entity of its nature.
- (e) Subject to satisfaction or waiver of the Conditions Precedent in accordance with their terms, upon completing the purchase of the Asset Sale and Purchase Agreement, the Company will have 100% equity in the Birthday Mine.

3.5 Key Risks

Upon acquiring the Birthday Mine, the Company's assets and operations will be subject to certain risk factors that have the potential to influence the Company's future operational and financial performance. These risks can impact on the value of an investment in the Shares in the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Set out below are specific risks that the Company may become exposed to following completion of the Asset Sale and Purchase Agreement. Further risks associated with an investment in the Company are outlined in Section 7.

3.5.1 Executive Directors – lack of exploration experience

The Company has two executive Directors. The executive Directors (as well as the non-executive Directors) do not have experience in mining of precious and base metals.

The Board is aware of the need to have sufficient management to properly supervise the exploration and development of the Birthday Mine and projects in which the Company may in the future have an interest in.

3.5.2 Contractor risk

The Company intends to conduct its exploration operations in relation to the Birthday Mine chiefly through third party contractors. The Directors are unable to predict the risk of:

- (a) financial failure or default of a contractor or any other third party to a contract to which the Company is a party;
- (b) insolvency of or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- (c) insolvency of or other managerial failure by any of the other service providers used by the Company or operators for any activity.

3.5.3 No mineral resource or ore reserve on the Birthday Mine

There is no exploration target, mineral resource or ore reserve as defined under the JORC Code on the Tenements.

3.5.4 Failure to satisfy expenditure commitments

Interests in tenements in Western Australia are governed by the *Mining Act 1978* (WA) and the *Mining Regulations 1981* (WA) 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.

3.5.5 Tenure and access

Mining tenements (and other types of tenements) are subject to periodic renewal. There is no guarantee that the Tenements and future tenements can be successfully renewed as and when required or that future applications for tenements will be approved.

3.5.6 Additional requirements for capital

The funds to be raised under the Prospectus are considered sufficient to meet the objectives of the Company stated in Sections 3.2(a) and 3.2(b) of this Prospectus. Additional funding will be required to effectively implement its business and operations plans in the future, 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, additional financing will be required.

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 projects or even loss of a project 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.

3.5.7 Restricted securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, certain Shares on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

3.5.8 Acquisition of the Birthday Mine - conditionality

The acquisition of the Birthday Mine is conditional, amongst other things, upon the Company receiving conditional approval from ASX for re-instatement of the Company's Shares to Official Quotation on ASX. The other conditions are summarised in Part II of the Solicitor's Report on Tenements set out in Section 10 of this Prospectus.

3.5.9 Exploration operating and development risks

Exploration, development and operations risks apply to the Company. Refer to Section 7 of this Prospectus for details.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company and you should refer to the additional risk factors in Section 7 of this Prospectus before deciding whether to apply for Shares pursuant to this Prospectus.

3.6 The Offer

The Company invites applications for up to 15,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,000,000. Oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share may be accepted to raise up to a further \$1,000,000.

The key information relating to the Offer and references to further details are set out below.

Indicative timetable*

Lodgement of Prospectus with the ASIC and ASX	1 August 2012
Opening Date and expiry of Exposure Period	9 August 2012
Closing Date	7 September 2012
Despatch of holding statements	14 September 2012
Settlement of Asset Sale and Purchase Agreement	19 September 2012
Anticipated date the suspension of trading is lifted and the Company's Shares commence trading again on ASX	21 September 2012

** The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.*

3.7 Purpose of the Offer

The acquisition of the Birthday Mine by the Company, which is subject to certain conditions precedent, will result in the Company becoming an exploration company for the purpose of ASX Listing Rule 11.1.

As the Company has no prior involvement in the mining industry, the acquisition of the Birthday Mine will constitute a significant change in the nature and scale of the Company's activities.

ASX has advised the Company that, as a result of the Birthday Mine acquisition, the Company is required to obtain the approval of Shareholders and to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List for the first time.

The purpose of the Offer is to for the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to position the Company to seek to achieve the objectives set out above in Section 3.2.

3.8 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following re-instatement of the Company's Shares to Official Quotation on ASX as follows:

Funds available	Full Subscription (\$3,000,000)	Percentage of Funds (%)	Full Over - Subscription (\$4,000,000)	Percentage of Funds (%)
Existing cash reserves	\$9,600 ¹	0.32%	\$9,600 ¹	0.24%
Funds raised from the Offer	\$3,000,000	99.68%	\$4,000,000	99.76%
Total	\$3,009,600	100%	\$4,009,600	100%
Funds allocation				
Expenses of the Offer ²	\$450,000	15%	\$515,000	12.88%
Cash payment at settlement to Vendor (or his nominee)	\$500,000	16.67%	\$500,000	12.5%
Exploration expenditure ³	\$700,000	23.3%	\$1,450,000	36.25%
Pre-feasibility studies ⁴	\$300,000	10%	\$300,000	7.5%
Administration costs ⁵	\$450,000	15%	\$450,000	11.25%
Working capital	\$600,000	20%	\$785,000	19.62%
Total	\$3,000,000	100%	\$4,000,000	100%

Notes

¹ As at the date of this Prospectus.

² Refer to Section 13.6 (Expenses of the Offer) of this Prospectus for further details.

³ Refer to the Independent Geologist's Report in Section 8 of this Prospectus for further information on the planned exploration activities and expenditure budget for the Project.

⁴ Pre-feasibility studies in relation to re-commencing and expanding historical mining operations on the Birthday Mine. Refer to Section 6.4 of this Prospectus for further details.

⁵ Administration costs for the first 2 years following re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules.

In the event the Company raises more than the Full Subscription, the additional funds raised will be first applied towards any additional expenses and then the remainder allocated to exploration expenditure.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve the objectives set out in Sections 3.2(a) and 3.2(b) of this Prospectus.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) 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.

3.9 Capital Structure

The capital structure of the Company following completion of the Offer on a Full Subscription basis and on a Full Over-Subscription basis is summarised below:

Shares¹	Number (assuming Full Subscription)	Number (assuming Full Over - Subscription)
Shares currently on issue	34,785,597	34,785,597
Shares to be issued to the Vendor (or his nominee) ²	2,250,000	2,250,000
Shares to be issued pursuant to the Offer	15,000,000	20,000,000
Total Shares on completion of the Offer	52,035,597	57,035,597

Options	Number (assuming Full Subscription)	Number (assuming Full Over-Subscription)
Options currently on issue	Nil	Nil
Options to be issued pursuant to the Offer	Nil	Nil
Total Options on completion of the Offer	Nil	Nil

Notes

¹ The rights attaching to the Shares are summarised in Section 13.1 of this Prospectus.

² To be issued as part consideration for the Assets.

3.10 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares as at the date of this Prospectus, on completion of the Offer on a Full Subscription basis and on completion of the Offer on a Full Over-Subscription basis are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Gim Lian Doris Chung	5,041,667	Nil	16.67%	16.67%
Atlas Group Holdings	5,000,000	Nil	16.04%	16.04%
Patrick Kwang Chew	4,875,000	Nil	15.64%	15.64%
Atlas Capital Pte Ltd	4,250,000	Nil	13.63%	13.63%
Infinio Group Limited	2,496,750	Nil	8.01%	8.01%
Lee Hoon Quek	1,625,000	Nil	5.21%	5.21%

On completion of the Offer - Full Subscription

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Gim Lian Doris Chung	5,041,667	Nil	9.68%	9.68%
Atlas Group Holdings	5,000,000	Nil	9.61%	9.61%
Patrick HWA Kwang Chew	4,875,000	Nil	9.37%	9.37%
Atlas Capital Pte Ltd	4,250,000	Nil	8.17%	8.17%

Notes

The above table includes the following assumptions:

1. Full Subscription of the Offer with no over-subscriptions;
2. no existing substantial Shareholder subscribes and receives any Shares pursuant to the Offer.

On completion of the Offer - Full Over-Subscription

Shareholder	Shares	Options	% (undiluted)	% (fully diluted)
Gim Lian Doris Chung	5,041,667	Nil	8.84%	8.84%
Atlas Group Holdings	5,000,000	Nil	8.77%	8.77%
Patrick HWA Kwang Chew	4,875,000	Nil	8.55%	8.55%
Atlas Capital Pte Ltd	4,250,000	Nil	7.45%	7.45%

Notes

The above table includes the following assumptions:

1. Full Over-Subscription of the Offer; and
2. no existing substantial Shareholder subscribes and receives any Shares pursuant to the Offer.

The Company will announce to ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

3.11 Restricted securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

It is estimated that 2,250,000 Shares (to be issued to the Vendor or his nominee as part consideration for the Assets) will be subject to escrow for 12 months from the date of issue.

The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares re-commencing trading on ASX.

3.12 Financial information

The Company has had little operating history over the last 3 years and for that period has limited historical financial performance. The Company will acquire the Assets post its re-compliance with Chapters 1 and 2 of the ASX Listing Rules and subject the relevant conditions precedent to the Asset Sale and Purchase Agreement being satisfied.

As a result, the Company is not in a position to disclose any key financial ratios other than its balance sheet which is included in the Investigating Accountant's Report set out in Section 9 of this Prospectus.

3.13 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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

3.14 Dividend policy

The Company anticipates that significant expenditure will be incurred in the exploration and evaluation of the Birthday Mine. These activities, together with the possible acquisition of interests in other projects, are expected to dominate the two year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment

of dividends or franking credits attaching to dividends can be given by the Company.

3.15 Directors and key personnel

Mr Isaac Ng ***Chief Executive Officer***

Mr Ng is the Chief Executive Officer of the Company and oversees the Company's day to day operations. It is intended that Mr Ng will continue in this role post the Company's acquisition of the Birthday Mine.

Mr Ng has a Masters of Social Science from the University of South Australia, a diploma in business studies from Nee Ann College, Singapore and a Diploma in chartered marketing from the Institute of Chartered Marketing, UK.

Mr Ng has over 30 years' experience in marketing and senior management. Mr Ng has held the position of Chief Executive Officer of Devon Industries Limited in New Zealand and is currently the Chief Executive Officer of Raffles College of Design and Commerce Australia.

Mr Ng is not a substantial Shareholder or representative or nominee of a substantial Shareholder in the Company.

Mr Ng has an executive services agreement with the Company which is summarised in Section 3.19 of this Prospectus.

Mr Mark Howard-Browne ***Executive Director – Chief Financial Officer***

Mr Howard-Browne is chartered accountant and a member of the Australian Institute of Chartered Accounts.

Mr Howard-Browne has over 23 years' experience in senior financial management positions in Australia and South Africa. Having qualified as a chartered accountant in 1990, Mr Howard-Browne has worked in a variety of industries with an emphasis on manufacturing. He is currently the Chief Financial Officer for a privately owned manufacturing company in Western Sydney.

Mr Howard-Browne is not a substantial Shareholder or representative or nominee of a substantial Shareholder in the Company.

Mr Sim Pin Quek ***Non-Executive Chairman***

Mr Quek has a Bachelor of Business Administration (Honours) from the University of Singapore in 1971 and qualified as an Associate of the Chartered Institute of Insurers (London) in 1975.

Mr Quek has over 23 years' experience as the Executive Chairman of China Auto Corporation Limited (listed on the Singapore Stock Exchange). Mr Quek is currently a director of China Auto Corporation Limited listed on the Singapore Stock Exchange. Mr Quek is not a director of any other publicly listed company.

Mr Quek does not expect that his directorship with any other company will interfere with his ability to act as Non-Executive Chairman of the Company.

Mr Quek is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgement as Non-Executive Chairman of the Company.

Mr Quek is not a substantial Shareholder or representative or nominee of a substantial Shareholder in the Company.

Mr Hee Kok Chng
Non-Executive Director

Mr Chng has a Bachelor of Engineering (First Class Honours) from the University of Singapore and a Masters of Business Administration from The National University of Singapore.

Mr Chng has acted as the Chief Executive Officer of the following companies listed on the Singapore Stock Exchange; Yeo Hiap Seng Ltd, Scotts Holdings Ltd, Hartawan Holdings Ltd and HG Metals Manufacturing Ltd.

Mr Chng is currently a director of the following listed entities: LH Group Ltd, Pacific Century Regional Developments Ltd, People's Food Ltd, Full Apex Ltd, Luxking Holdings Ltd, Samudera Shipping Ltd, Chinasing Investments Ltd, Sunray Holdings Ltd and Hartawan Holdings Ltd. Mr Chng does not expect that his other directorships will interfere with his ability to act as a Non-Executive Director of the Company.

Mr Chng is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgment as a Non-Executive Director of the Company.

Mr Chng is not a Shareholder or representative or nominee of a substantial Shareholder in the Company.

Mr Rajen Rai
Non-Executive Director

Mr Rai is a certified public accountant in Singapore and a Fellow of the Association of Chartered Certified Accounts (UK).

Mr Rai has worked at China Auto Corporation Limited (listed on the Singapore Stock Exchange) since 1989. During that time he has held the roles of finance director and managing director and is currently the Chief Operating Officer. Mr Rai is not a director of any other publicly listed companies.

Mr Rai does not expect that his directorship with China Auto Corporation Limited will interfere with his ability to act as a Non-Executive Director of the Company.

Mr Rai is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of his judgment as a Non-Executive Director of the Company.

Mr Rai is not a substantial Shareholder or representative or nominee of a substantial Shareholder in the Company.

3.16 Management and consultants

The Company is aware of the need to have sufficient management to properly supervise the exploration on the Birthday Mine and the operations on any projects acquired in the future. The Board will continually monitor the management roles in the Company. As the Company's intended operations require an increased level of involvement, the Board will look to appoint additional management and/or consultants appropriate to ensure proper management of the Company's operations.

3.17 Corporate governance

To the extent applicable, in light of the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 11.1 of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 11.2 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.elcorporation.com).

3.18 Disclosure of interests

The Directors':

- (a) annual remuneration and emoluments from the Company for the 2 previous financial years and from the start of the current financial year to the date of this Prospectus; and
- (b) interests in securities of the Company,

are set out below.

Director	Remuneration 2010 financial year	Remuneration 2011 financial year	Remuneration 1 January 2012 until the date of this Prospectus	Shares ¹
Mr Isaac Ng	\$97,500	\$30,000	\$12,500	1,750,000
Mr Mark Howard- Browne	Nil	Nil	Nil	Nil
Mr Sim Pin Quek	Nil	Nil	Nil	Nil
Mr Hee Kok Chng	Nil	Nil	Nil	Nil
Mr Rajen Rai	Nil	Nil	Nil	Nil

¹ The Company does not have Options on issue.

3.19 Agreements with Directors or related parties

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

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

3.19.1 Executive Services Agreement – Isaac Ng

The Company entered into an Executive Services Agreement with Mr Isaac Ng on or about 21 February 2008 (**ESA**) which was amended by a deed of variation on or about 20 June 2012 (**Deed of Variation**). Pursuant to the ESA, Mr Ng is currently engaged as the Chief Executive Officer of the Company. The appointment continues until the ESA is terminated in accordance with its terms.

Pursuant to the ESA Mr Ng is provided a salary of \$30,000 per year plus statutory superannuation. Mr Ng's salary will be reviewed annually by the Company. In addition, the Company is obliged to provide Mr Ng with a telephone and a vehicle. Mr Ng is also to be reimbursed for any reasonable expenses incurred by Mr Ng in carrying out his duties under the ESA.

The ESA may be terminated by either party without cause on 3 months' notice.

3.19.2 Deeds of indemnity, insurance and access

The Company intends to enter into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officers and must also allow the officers to inspect Board papers in certain circumstances.

4. CHAIRMAN'S LETTER

Dear Investor,

On behalf of the Directors of El Corporation Limited (**El Corporation** or **the Company**), I am pleased to present this Prospectus offering you the opportunity to become a Shareholder in, or to increase your current shareholding in, the Company.

The Company has entered into an agreement (**Asset Sale and Purchase Agreement**) with Mr Steven Shilkin (**Vendor**) to acquire a 100% legal and beneficial interest in Mining Lease 77/450 and Prospecting License 77/3982 (**Tenements** or the **Birthday Mine**). The Asset Sale and Purchase Agreement is summarised in the Solicitor's Report on Tenements in Section 7 of this Prospectus.

The Asset Sale and Purchase Agreement presents the Company with a new and exciting opportunity to diverge from its existing operations and begin new operations as an exploration company.

The Birthday Mine is located in Western Australia about 30 km north of Bullfinch. The Birthday Mine has had a history of producing gold for over 20 years in aggregate and over 160 kg of gold has been extracted from the Birthday Mine since the year 2000. In 2010, the Birthday Mine yielded approximately \$450,000 profit.

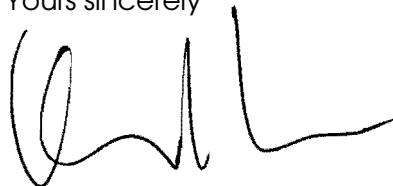
The Company is seeking to raise funds under this Prospectus (**Offer**) to satisfy the acquisition costs of the Birthday Mine, to pay the expenses of this Offer, to conduct an exploration programme on the Birthday Mine and to carry out pre-feasibility studies in relation to re-commencing mining operations on the Birthday Mine and expanding the historical operations. The Company does not currently intend to re-commence mining operations on the Birthday Mine.

The Company's change of operations to an exploration company constitutes a change in the nature and scale of the Company's activities in terms of ASX Listing Rule 11.1. Pursuant to ASX Listing Rule 11.1.3 the Company is now required to comply with all the requirements of Chapters 1 and 2 of the ASX Listing Rules.

The Board considers this to be an excellent opportunity for the Company to involve itself with a gold project in one of the world's prime gold producing regions.

The Board thanks you for continued interest and further investment in the Company if you are an existing Shareholder and looks forward to welcoming new Shareholders.

Yours sincerely



Sim Pin Quek
NON-EXECUTIVE CHAIRMAN

5. DETAILS OF THE OFFER

5.1 The Offer

Pursuant to this Prospectus, the Company invites applications for up to 15,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$3,000,000.

The Company may accept oversubscriptions of up to a further \$1,000,000 through the issue of up to a further 5,000,000 Shares at an issue price of \$0.20 each under the Offer. The maximum amount which may be raised under this Prospectus is therefore \$4,000,000.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

5.2 Minimum Subscription

If the minimum subscription to the Offer of \$3,000,000, being the Full Subscription, has not been raised within 3 months after the date of this Prospectus, the Company will not issue any Shares and will repay all application money for the Shares within the time prescribed under the Corporations Act, without interest.

5.3 Applications

Applications for Shares under the Offer must be made using the Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to "**EL Corporation – Share Offer**" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to extend the Closing Date or close the Offer early.

5.4 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares offered under this Prospectus are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application money for the Shares within the time prescribed under the Corporations Act, without interest.

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

5.5 Allotment

Subject to the minimum subscription of \$3,000,000 being reached and ASX granting conditional approval for the Company's Shares to be re-instated to

Official Quotation on ASX, allotment of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application money 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 funds held in the bank account and each Applicant waives the right to claim interest.

The Directors will determine the allottees of all of the Shares now offered in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application money will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

5.6 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia, it is your responsibility to obtain all necessary approvals for the allotment and issue to you of any Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

5.7 Oversubscriptions

The Company may accept oversubscriptions of up to a further \$1,000,000 through the issue of up to a further 5,000,000 Shares at an issue price of \$0.20 each under the Offer. Upon Full Over-Subscription, the maximum amount which may be raised under this Prospectus is therefore \$4,000,000.

5.8 Not underwritten

The Offer is not underwritten.

5.9 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be

subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

6. COMPANY AND PROJECT OVERVIEW

6.1 Background

The Company was incorporated on 28 March 1984 and was admitted to the Official List of ASX on 22 November 1984. Since listing, the Company has been involved in various activities and sectors. The Company's prior operations have now ceased.

As set out in Section 3.1 of this Prospectus, the Company has entered into a conditional agreement to acquire the Birthday Mine.

As the Company has no prior involvement in the mining industry, the acquisition of the Birthday Mine will constitute a significant change in the nature and scale of the Company's activities.

ASX has advised the Company that, as a result of the Birthday Mine acquisition, the Company is required to obtain the approval of Shareholders and to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List for the first time.

6.2 The Birthday Mine

The Birthday Mine comprises:

- (a) Prospecting Licence 77/3982. This Tenement expires on 3 May 2014 and can be extended if a prescribed ground for extension is available at the time; and
- (b) Mining Lease 77/450. This Tenement expires on 19 September 2032. The Minister can, in his or her discretion, extend it for further periods of not more than 21 years each if the Tenement holder applies for an extension.

The Birthday Mine is situated approximately 30km north of Bullfinch within the Bullfinch Greenstone Belt which is part of the more extensive Southern Cross Greenstone Belt. Historic mining at Birthday began in 1911, occurring intermittently over the next 40 years.

The Birthday Mine contains several significant recent and historic gold workings within shear hosted quartz reef structures.

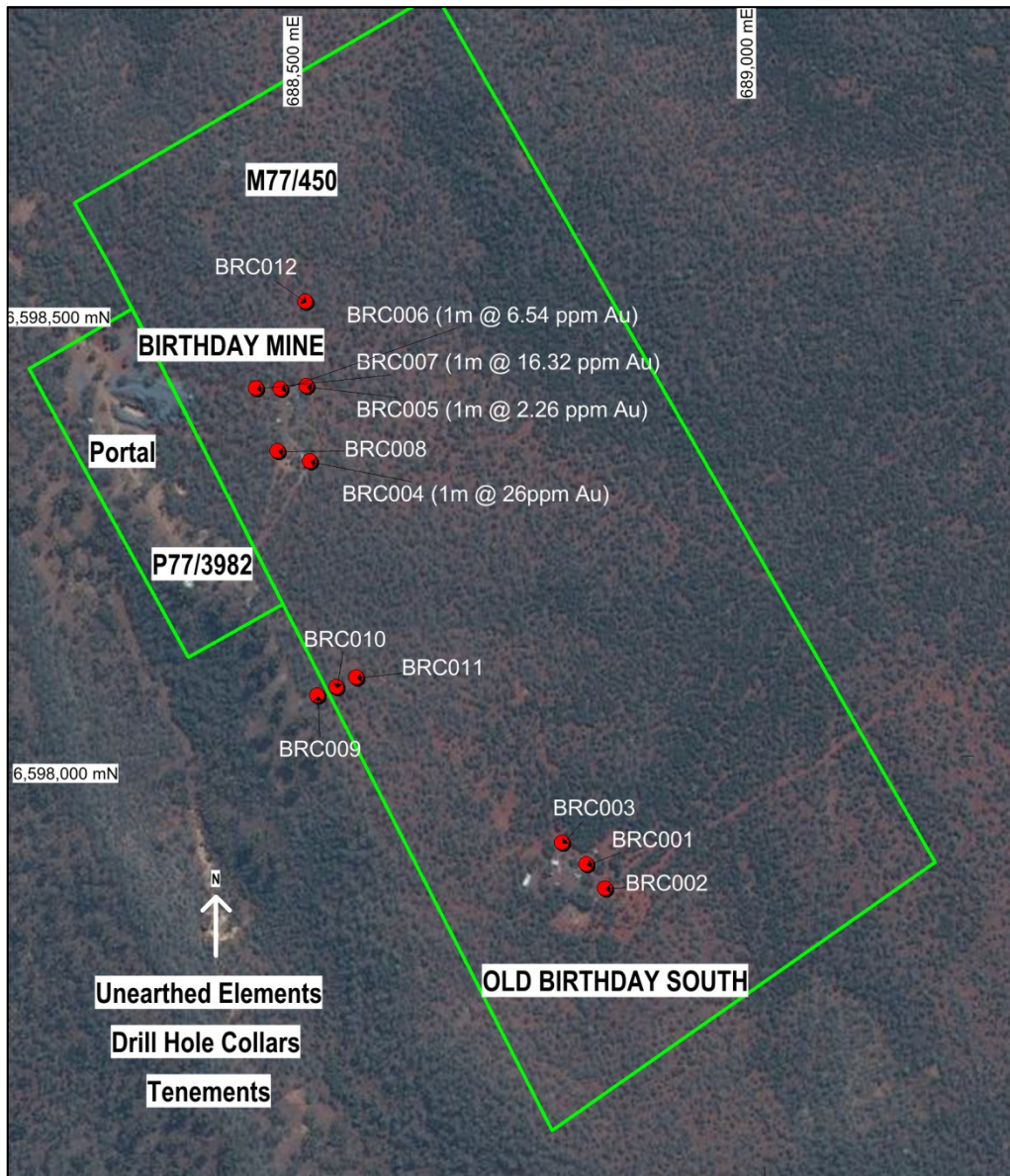
More recently, underground mining at the Birthday Mine between 2000 and 2010 has yielded over 160kg of gold averaging over 14 grams per tonne of material excavated.

In relation to mining operations from 2009 onwards, Pryce Brothers Pty Ltd in WA was contracted to mine material from the Birthday Mine in January 2009 with Ramelius Resources Limited contracted to treat extracted material from February 2009. By February 2010, the first gold bar was produced from the Birthday Mine by AGR Matthey, Perth.

Refer to the Independent Geologist's Report in Section 8 of this Prospectus for more detailed information on the Birthday Mine.

There is no mineral resource or ore reserve on the Birthday Mine defined in accordance with the JORC Code. There has been no independent verification of any prospectivity for mining operations on the Birthday Mine, whether by a

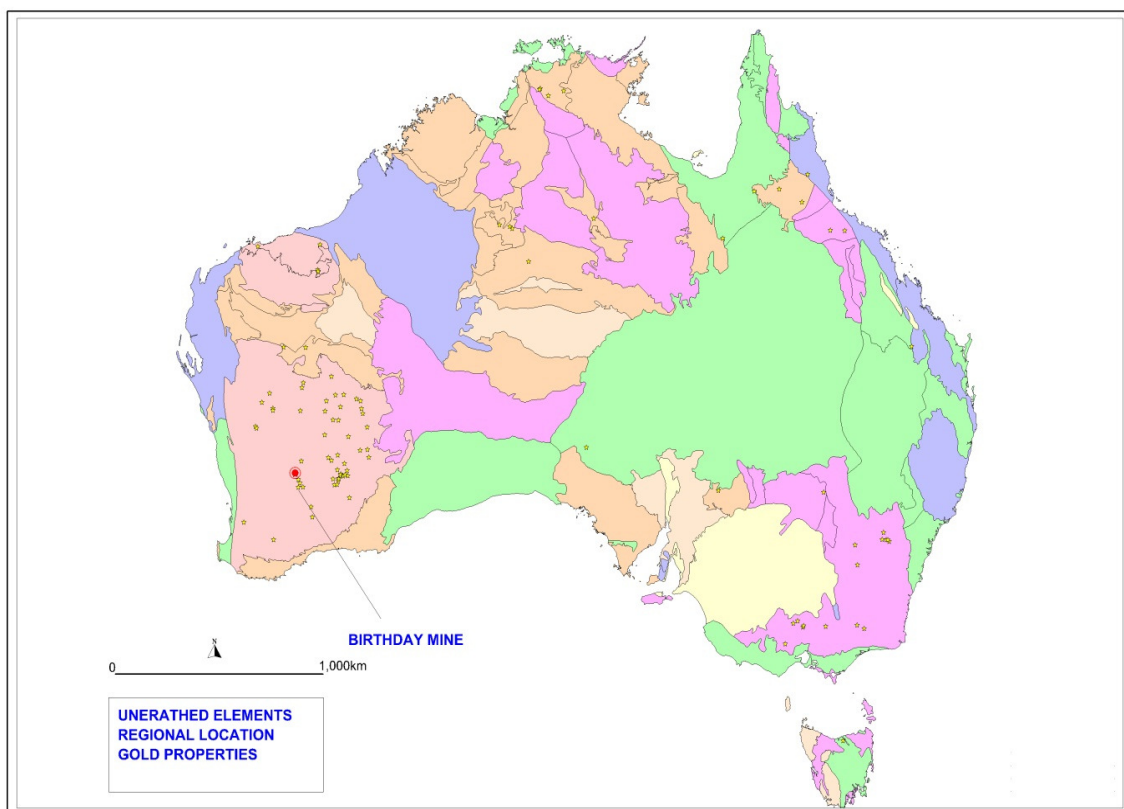
feasibility study or by a competent person for the purpose of the JORC Code or otherwise.



6.3 Geology

The Birthday Mine is situated over mafic and ultramafic greenstones of the Bullfinch Greenstone Belt within the Southern Cross Province. This Greenstone Belt differs from others within this province due to the stronger deformation leading to a single stage of greenstone development. The Bullfinch Greenstone Belt is characterised by the occurrence of layered mafic para-amphibolite and banded iron formation of varied and unusual composition. These amphibolites are present within the Birthday Mine and the shearing within this unit host gold mineralisation within several of the local workings.

Locally, the Birthday Mine is near an ultramafic inclusion within a larger sequence of basalts. Strike parallel shearing appears to be the primary mineralising structure hosting gold mineralisation and quartz veining with oblique cross cutting structures and veins playing a more minor role, perhaps aiding in local thickening of the primary lode. At the surface, shears and veins strike at 335 degrees and dip sub vertically. This appears relatively consistent with the 2 levels of workings below ground, however lack of underground survey data makes this hard to verify beyond face value.



6.4 Pre-feasibility Studies

Set out below are details of the pre-feasibility studies that the Company intends to carry out in the first two years post completion of the Transaction.

Pre-feasibility study scope of work and breakdown structure		
Stage	detail of work scheduled	Cost \$A
1. General		
1.1	mining due diligence and data collection on geological data - principal consultant	\$10,000
1.2	mining due diligence and data collection on geological data - senior consultant	\$7,200
1.3	summary and scope definition of proposed project	\$4,000
1.4	company – mine name and address	\$125
1.5	location and access	\$125
1.6	regional geology	\$250
1.7	mine geology	\$250
1.8	previous mining history	\$500
1.9	outline of work rosters	\$500
1.10	employment summary	\$500
Sub-total		\$23,450

2. Safety and Risk Management		
2.1	statement of company's commitment to safety	\$720
2.2	assessment of hazards and management of risk	\$2,160
2.3	emergency preparedness, mine rescue & first aid	\$1,440
2.4	induction and training	\$2,160
2.5	communications	\$2,160
2.6	noise control	\$720
Sub-total		\$9,360
Surface Facilities		
3.1	general location plan	\$7,200
3.2	flood control plan	\$2,880
3.3	power	\$2,880
3.4	water	\$2,880
Sub-total		\$15,840
4. Processing Facilities		
4.1	rock type test work -crushing, grind characteristics	\$44,000
4.2	processing options study - final design option	\$80,000
4.3	toll treatment vs own plant trade-off study	\$8,800
4.4	tailings/waste disposal	\$ 8,800
4.5	radiation hazards and management	\$4,400
Sub-total		\$146,000
5. Mining Engineering		
5.1	general description	\$2,880
5.2	optimisation work	\$22,000
5.3	under ground vs open pit trade-off study	\$22,070
5.4	geotechnical considerations	\$10,800
5.5	detailed mine design	\$26,000
5.6	detailed mining schedule - monthly	\$21,600
Sub-total		\$105,350
Total Cost		\$300,000

Note

Areas such as tenure, environment studies and heritage studies have not been included in this scope of work.

6.5 Proposed Exploration Programme

Set out below are details of the exploration programme that the Company intends to carry out in the first two years post completion of the Transaction.

Proposed budget (Full Subscription)	
magnetic data acquisition and processing	\$15,000
structural interpretation and mapping	\$20,000
surveying	\$40,000
drill proposal and planning	\$25,000
heritage surveys	\$30,000
rc and diamond drilling	\$690,000
assaying	\$90,000
mineralisation modelling and mineralisation reporting	\$90,000
Total	\$700,000
Proposed budget (Full Over-Subscription)	
magnetic data acquisition and processing	\$15,000
structural interpretation and mapping	\$20,000
surveying	\$50,000
drill proposal and planning	\$25,000
heritage surveys	\$40,000
RC and diamond drilling	\$1,250,000
assaying	\$250,000
mineralisation modelling and mineralisation reporting	\$100,000
Total	\$1,450,000

The Company intends to initially focus on proofing and adding to detail the existing surface geological mapping that was carried out by previous explorers over the area covered by the Birthday Mine such as Mt Edon Gold Mines (Aust) Limited. This will be done in conjunction with some underground mapping of the gold reefs which would be carried out in conjunction with accurate surveying of the underground workings. Over the greater area of M77/450 multi-client magnetic data sets will be purchased and processed to produce filtered images in order to pick up the strike extent of the mineralised structures and any obliquely faulted offsets that may also occur.

With the previous programs carried out the next round is strategically targeted Reverse Circulation (**RC**) drilling targeting down dip and along strike extensions of the historical gold mineralisation area, as well as testing further south.

The exploration programme will focus on the following:

- (a) magnetic data acquisition - detailed ground magnetic survey utilising 30m east-west traverses spaced at 30m with north-south tie lines spaced

at 100m. This work will be carried out as a priority as it will be critical in targeting drill traverses;

- (b) structural Interpretation and Mapping - this work is to be carried out synchronously with the magnetic study as geological mapping traverses can follow similar spacing and incorporate verification of historic mapping;
- (c) surveying - an underground mine surveyor will be employed to resurvey the historic workings so an accurate determination of the dimensions of material already extracted can be modelled. More importantly, models of remaining gold mineralisation will be modelled and drill collar positions accurately determined in order to penetrate the mineralised shear outside historic stopes;
- (d) Aboriginal heritage surveys - consultation with anthropologist and members of the local indigenous population to provide heritage clearance for new drill sites and access tracks to be established;
- (e) drilling – for either a \$3,000,000 or \$4,000,000 capital raising, the majority of drilling activities carried out will comprise the RC method to ensure sampling accuracy and reliability. A series of strategically targeted diamond holes would be drilled to accurately determine thickness of the mineralisation, determine structural controls on mineralisation, and provide geotechnical information. The breakdown of estimated drill metres are as follows:
 - (i) Full Subscription: 4,000 metres of RC drilling and 800m of diamond drilling; and
 - (ii) Full Over-Subscription: 7,000 metres of RC drilling and 1,000m of diamond drilling; and
- (f) mineralisation modelling and reporting – creation of 3D geological modelling based on drilling results.

7. RISK FACTORS

7.1 Introduction

The Shares 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 Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's proposed operations. 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 Shares.

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

7.2 Company specific

7.2.1 Executive Directors – lack of exploration experience

The Company has two executive Directors. The executive Directors (as well as the non-executive Directors) do not have experience in mining of precious and base metals.

The Board is aware of the need to have sufficient management to properly supervise the exploration and development of the Birthday Mine and projects in which the Company may in the future have an interest in.

Upon the acquisition of the Birthday Mine and any future projects, this will require an increased level of involvement and the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred operational programmes in its preferred timetable.

7.2.2 Contractor Risk

The Company intends to conduct its exploration operations in relation to the Birthday Mine chiefly through third party contractors. The Directors are unable to predict the risk of:

- (a) financial failure or default of a contractor or any other third party to a contract to which the Company is a party;
- (b) insolvency of or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- (c) insolvency of or other managerial failure by any of the other service providers used by the Company or operators for any activity.

7.2.3 No mineral resource or ore reserve on the Birthday Mine

There is no mineral resource or ore reserve on the Birthday Mine defined in accordance with the JORC Code. There has been no independent verification of any prospectivity for mining operations on the Birthday Mine, whether by a feasibility study or by a competent person for the purpose of the JORC Code or otherwise. Accordingly, the Company does not know whether future commercial operations on the Birthday Mine are economical. Accordingly, there is no guarantee of future production of gold from the Birthday Mine and there is no guarantee that any future mining operations on the Birthday Mine will be commercially justifiable.

In the event a mineral resource is delineated, this would be an estimate 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, mineral 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.

7.2.4 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.

7.2.5 Restricted securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, certain Shares on issue prior to the Offer will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

7.2.6 Acquisition of the Birthday Mine - conditionality

The acquisition of the Birthday Mine is conditional, amongst other things, upon the Company receiving conditional approval from ASX for re-instatement of the Company's Shares to Official Quotation on ASX. The other conditions are summarised in Part II of the Solicitor's Report on Tenements set out in Section 10 of this Prospectus.

7.3 Industry specific

7.3.1 Exploration success

As set out elsewhere in this Prospectus, the Company intends to conduct an exploration programme on the Birthday Mine. There can be no assurance that

exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements or any other tenements acquired by the Company in the future, a reduction in the cash reserves of the Company and possible relinquishment of any tenement in which the Company has an interest.

The exploration costs of the Company described in the Independent Geologist's Report are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

7.3.2 Operating and development risks

As set out elsewhere in this Prospectus, the Company intends to conduct pre-feasibility studies in relation to re-commencing and expanding historical mining operations on the Birthday Mine. The historical mining operations on the Tenements are currently not operational.

The Company does not currently intend to re-commence mining operations on the Birthday Mine.

If the Company decides in the future to re-commence mining operations on the Birthday Mine, the principal tasks required to achieve this will include tendering, award and mobilisation of mining and haulage contractors, minor capital works, recruitment and completion of environmental remediation works. There is a risk that delays could occur in respect of restarting operations and/or the ramp up phases of operations, which may have a financial impact on the Company.

If mining operations at the Tenements are successfully re-commenced, the Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured.

Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents, occupational and health hazards, cave-ins and rock bursts. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

7.3.3 Gold

If the Company successfully re-commences gold production from the Birthday Mine (of which there is no guarantee), changes in the market price of gold, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition. If gold is ever mined on the Birthday Mine, the Company's revenues, profitability and viability will depend on the market price of gold produced from the Company's mines. The market price of gold is set in the world market and is affected by numerous industry factors beyond the Company's control, including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for jewellery and industrial products containing metals, gold production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of gold and other metals in response to any of the above factors, and global and regional political and economic factors.

7.3.4 Status of Tenements

Prospecting Licence 77/3982 expires on 3 May 2014. The Company cannot guarantee that this Tenement will be renewed beyond its current expiry date (if a prescribed ground for extension will be available at the time) and there is a material risk that, in the event the Company is unable to renew this Tenement beyond its current expiry date, the Company's interest in that Tenement will be relinquished.

Mining Lease 77/450 expires on 19 September 2032. The Company cannot guarantee that this Tenement will be renewed beyond its current expiry date (the Minister, in his or her discretion, can extend it for further periods of not more than 21 years) and there is a material risk that, in the event the Company is unable to renew this Tenement beyond its current expiry date, the Company's interest in that Tenement will be relinquished.

7.3.5 Tenement applications and licence renewal

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. There is a risk that renewals may not be obtained.

7.3.6 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, the Company's activities are expected to have an impact on the environment. It is the Company's intention to ensure its activities are conducted to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining related 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. If the Company achieves 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 could 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. In this regard, the Department of Mines and Petroleum in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

7.3.7 Failure to satisfy expenditure commitments

Interests in tenements in Western Australia are governed by the *Mining Act 1978* (WA) and the *Mining Regulations 1981* (WA) and are evidenced by the grant 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 or any additional tenements acquired if conditions are not met or if insufficient funds are available to meet expenditure commitments.

7.3.8 Native title and Aboriginal heritage

In relation to tenements which the Company will acquire under the Transaction or in the future, 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.

It is also 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.

7.3.9 Regulatory risk

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations

could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

7.4 General risks

7.4.1 Additional requirements for capital

The funds to be raised under the Prospectus are considered sufficient to meet the objectives of the Company stated in Sections 3.2(a) and 3.2(b) of this Prospectus. Additional funding will be required to effectively implement its business and operations plans in the future, 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, additional financing will be required.

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 projects or even loss of a project 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.

7.4.2 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.

7.4.3 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 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.

7.4.4 Force majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

7.5 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 Prospectus

The Shares 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 Shares.

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

8. INDEPENDENT GEOLOGIST'S REPORT

UNEARTHED

Martin and Penelope Dormer as trustees for the Dormer Family Trust trading as Uneathed Elements ABN 54 523 915 697,
191 Abbett Street, Scarborough WA 6019. Mob 0408 009 817



Independent Geologist's Report

Uneathed Elements

Consulting Geologist
(ABN 54 523 915 697)

Martin and Penelope Dormer as trustees for the Dormer Family Trust trading as Uneathed Elements.

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1.0 Introduction

Martin Dormer and Penelope Dormer ATF Dormer Family Trust trading as Uearthed Elements ('Uearthed') have been commissioned by EL Corporation Limited (ASX: EIM) to prepare and provide this Independent Geologist's Report on mineral exploration and mining properties located in Western Australia. This report forms part of a Prospectus to be issued by EL Corporation Limited and lodged with the Australian Securities & Investment Commission ('ASIC') offering subscription for 15,000,000 Shares, at an issue price of 20 cents per Share to raise a total of \$3,000,000. We understand that that under the offer the company will accept subscriptions for a further 5,000,000 shares to raise a further \$1,000,000. The funds raised will be used for the purpose set out in section 3.8 of the Prospectus.

This is not an independent evaluation report, and as such, serves only to comment on the geological setting, proposed exploration activities, and mining potential of the relevant tenements. Uearthed has not being asked to comment on the potential economic value or financial considerations pertaining to the value of shares or assets held by EL Corporation Limited or the relevant tenements EL Corporation Limited has agreed to purchase.

This report is based on data from previous company exploration reports, government geological survey maps and publications, on-line databases, and maps with the Western Australian Department of Mines and Petroleum as well as various published maps, books and journals. A site visit was carried out which included an examination of underground workings at the Birthday Mine detailing geological host rocks, gold bearing quartz veins, dimensions of mining stopes and general condition of the mine.

This report is prepared by Martin Dormer who has been working in the mineral exploration and mining industry for over 25 years, with over 15 years as a post graduate geologist. His roles have included mine production management roles in both open pit and underground settings and mineral exploration in near mine, brownfields and greenfields scenarios. His technical involvement with mineral projects include Kanowna Belle (Au), Tarmoola (Au), Minjar (Au), Two Boys (Au), Mt Keith (Ni), Perseverance (Ni), Miitel (Ni), Mariners (Ni), Redross (Ni), Wannaway (Ni), and Otter Juan (Ni). Martin has also been involved in exploration and evaluation of numerous smaller projects across Western Australia, South Australia, Queensland, and internationally in West Africa.

This Independent Geologist's Report has been designed to comply with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports 2005 Edition ('The Valmin Code') as well as the code for Reporting of Exploration Results and Mineral Resources 2004 ('The JORC Code'). These codes and guidelines are binding upon members of the Australian Institute of Mining and Metallurgy ('AusIMM') and the Australian Institute of Geoscientists ('AIG') as well as being part of the legal framework for the ASX listing Rules. Martin Dormer B.Sc., B.A., is a member of AusIMM and is considered a "competent Person" as defined by the 2004 JORC Code as incorporated in the ASX listing Rules.

1.1 Declaration

This is a true and independent record of the reviewed and verified geological data and, as such represents the status of the Birthday Mine at the time of writing (July 2012). Any interpretations of the data are opinions of the writer and should not be construed as representing legal opinion or the opinion of EL Corporation Ltd or any of its directors or employees.

For the purpose of Sections 731 to 733 of the Corporations Law, Uearthed was involved in the preparation of the report included in this Prospectus and has authorised or caused the issue of this part of the Prospectus only. Uearthed has given consent to the issue of this Prospectus:

- (a) with the inclusion of statements made in section 2.7;

- (b) with the inclusion of the statements set out in section 4 that relate to matters set out in this report in the context in which they are included;
- (c) with this report included in section 8 in the form and context it is included; and
- (d) the inclusion of statements in section 6 of the Prospectus that relate to matters set out in this report,

and has not withdrawn that consent before the lodgement of the Prospectus with ASIC.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Martin Dormer B.Sc., B.A., who is a member of Australian Institute of Mining and Metallurgy. Martin Dormer trades under the registered business name Uearthed Elements as trustee together with Penelope Dormer, of the Dormer Family Trust.

Martin Dormer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Martin Dormer consents to the inclusion in the report of the matters on his information in the form and context in which it appears.



Martin Dormer BSc, BA, MAusIMM
Principal Consultant
Uearthed Elements
20th June 2012

2.0 Project Summary

EL Corporation Limited has secured the rights to purchase Mining Lease M77/450, and Prospecting Licence P77/3982 both located in Western Australia, which together comprise the Birthday Mine. The Birthday Mine is situated within the Southern Cross Province of Western Australia. The Birthday Mine contains several significant recent and historic gold workings within shear hosted quartz reef structures where records suggest that high grade gold bearing material had been extracted.

Since 1887 some 170 tonnes, or over 5.4 million ounces have been produced in aggregate from more than 20 mines in the Southern Cross Belt (Bloem, Dalstra, Groves, and Ridley. 1994). The Southern Cross Belt is one the most significant gold mining belts in Australia after gold was first discovered near Bullfinch in 1887. The two tenements comprising the Birthday Mine are situated 30km north of Bullfinch within the Bullfinch Greenstone Belt which is part of the more extensive Southern Cross Greenstone Belt. Historic mining at the Birthday Mine began in 1911 occurring intermittently over the next 40 years.

More recently, underground mining at the Birthday Mine between 2000 and 2010 has yielded over 160kg of gold from material averaging over 14 grams per tonne. There is a very limited amount of local drilling and unsurveyed previous drill holes suggest the gold mineralisation is open to the north, south and down dip beneath the two levels of workings.

2.1 Location and Tenure

The Birthday Mine is situated within the northern limb of the Archaean Southern Cross Greenstone Belt within the Jackson (SH50-12) 1:250,000 geological map sheet. The Birthday Mine is approximately 68 kilometres northwest of the mining and pastoral town of Southern Cross in central Western Australia (Figure 1). Access is via the sealed Southern Cross – Bullfinch road to Bullfinch, thence along the unsealed Bullfinch Mt Jackson Road a further 30km, thence along station tracks to the project area.

The Birthday Mine comprises a single Mining Lease M77/450, and a single adjacent Prospecting Licence, P77/3982, which combined has a total area of approximately 57.8 ha.

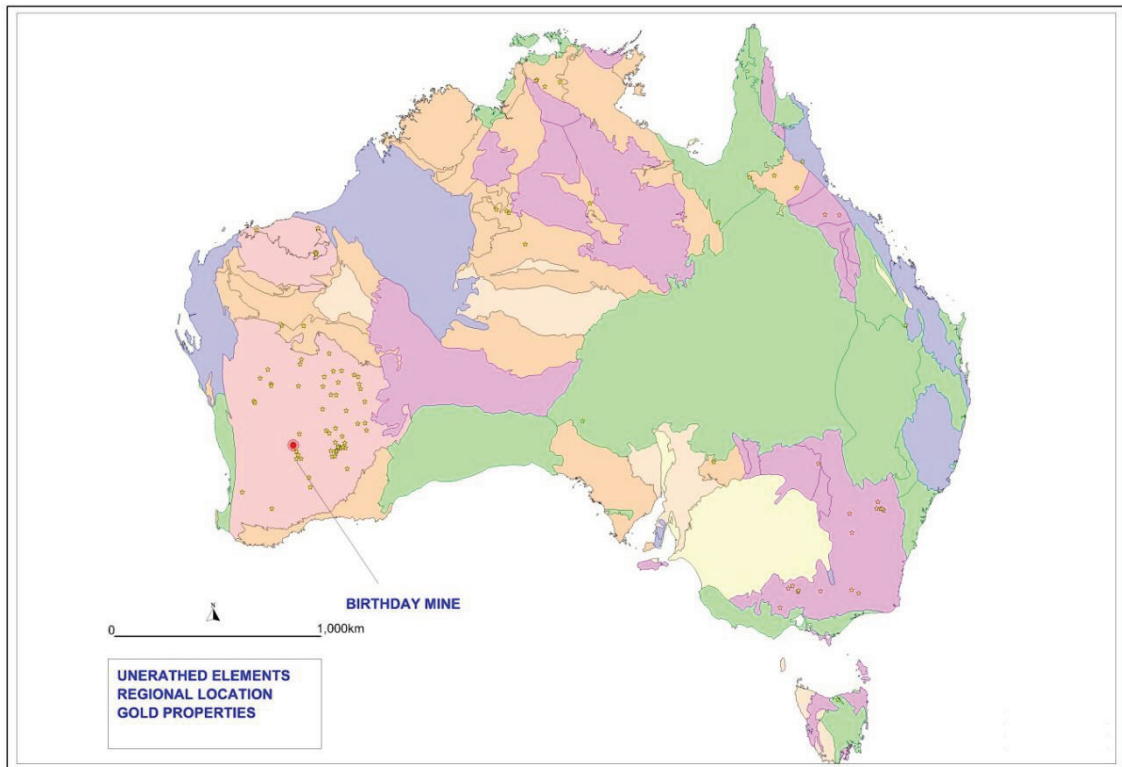


Figure 1 Regional Location of Birthday Mine with Australia's Gold Mine Localities.

2.2 Exploration and Mining History

The Birthday Mine is located in part of the Eenuin group of historic workings, local to one of the earliest important gold discoveries in Western Australia within the Southern Cross district. Gold was first discovered in the area in 1887 at Anstey's Find in the Eenuin area by prospectors who had made their way east from the coastal and early farming regions. This was quickly followed by Colreavy's discovery of gold mineralisation at Golden Valley with the first major mechanised mine opening at Frasers at Southern Cross in 1889. These discoveries preceded the more well-known gold rush which soon took place at Coolgardie in 1892 and later in Kalgoorlie Boulder in 1893 to 1896.

The Birthday Mine is over ground which historically was part of a group of mines known as Birthday, which included Birthday, Birthday Extended, Birthday South, Birthday West, and Birthday West Extended, were first worked in 1911 where prospectors first began tapping into the outcropping gold bearing quartz from within a north northwest striking shear structure. At this time material containing gold typically had to be visible and there for very high grade to yield first discovery and then subsequent extraction and crushing and separating. Miners typically utilised costeaning, or trenching, followed by shaft establishment to create narrow, and relatively shallow underground stopes. In many such environments it was often the influx of groundwater that

limited the depth extent of these operations due to the lack of sophisticated and more modern pumping and dewatering systems.

While there appear to have been considerable lulls in mining activity, however activity increased significantly during the 1930's gold rush. Within the Southern Cross Province around 80% of recorded historic gold production has been from the Bullfinch Greenstone Belt.

While historic gold records are often inconsistent or no longer available, in more recent times production records from recent mining activities are available. Since the current Mining Lease M77/450 was granted on September 20 1990, and prior to production occurring during and after 2000, Mt Edon Gold Mines (Aust) Ltd acquired a right to purchase and subsequently drilled a total of 12 RC holes in close proximity to the workings testing for extensions of the known high grade mineralisation. Refer to Table 1 on page 9 of this report for exploration results. It is probable that the targets at Birthday were too narrow and insufficient to yield deposits of sufficient size to be supported and developed by Mt Edon Gold Mines who were already mining major operations at Marvel Loch (Nevoria Gold Mine) and within the Leonora District (Tarmoola Gold Mine).

Since the year 2000 to 2010 there has been annual production totalling upwards of 12,000 tonnes of material extracted yielding over 160kg's of contained gold. These figures suggest that diluted grades mined were upwards of 14 grams per tonne gold with grades within the reef locally much higher.

A field trip and visit to these workings showed that stopes were dipping steeply west and sub vertical, and strike was close to 335 degrees. In several areas where parts of unextracted quartz were still accessible in the reef, visible gold mineralisation was easily identifiable. In the recent workings a decline had been established into the side of a hill to the west of the historical gold mineralisation area and material was mined from two levels of strike drives. The extracted material was toll treated at a plant owned by Ramelius Resources Limited. The mafic and ultramafic host rocks of the hanging wall and footwall sides of the shear appear to be reasonably competent rock and should pose geotechnical hazards of too much significance. There was no evidence of excessive cave-ins or failures within the backs (roof).



Figure 2 Gold and sulphide mineralisation on side of stope near end of level 1 north drive



Figure 3 The gold bearing quartz reef in one of the stopes level 2 south drive.

3.0 Regional Geology

The Birthday Mine is situated within the Southern Cross Province of the Archaean Yilgarn Craton. The host to gold and to a lesser extent nickel mineralisation within the district is the Southern Cross Greenstone Belt which extends for nearly 300km in a north, north westerly direction from Mt Jackson in the north to Hatter Hill in the South. The elongate belt can be divided into an upper and lower greenstone sequence separated by a major unconformity.

The belt is a strongly deformed, metamorphosed synformal remnant of a once larger greenstone assemblage. It has been shaped and attenuated by the emplacement of domal syn-tectonic granitoids. These granite domes include the Ghooli, Parker, and Rankin Domes. The lowermost stratigraphic level of the Archaean greenstone sequence consists of quartz muscovite schist overlain by basaltic rocks interbedded with jasperlite units which pass upward into ultramafic komatiitic sequences prospective for nickel.

Deformation is attributed to compression between diapirically rising granitoids and dextral transpressional movement. The progressive deformation process has produced upright folds, possible sheath folds, dextral oblique-slip shears and discrete faults. Gold mineralisation occurs in all structural elements related to transpressional movement following peak metamorphism.

On a regional scale, sheared lithological contacts are the primary control on the distribution of gold mineralisation. Most of the belts production has been derived from shear – hosted deposits (Marvel Loch, Yilgarn Star, and Frasers) and to a lesser extent fold hinge deposits, usually in BIF (Copperhead, Golden Pig, and Bounty). Shear hosted deposits occur near or along lithological contacts within broad, ductile shear zones that are commonly much wider than the zone of mineralisation. These deposits contain single or multi sheeted lodes, which parallel the stratigraphy, and generally plunge parallel to the mineralisation, commonly to the south. They are typically adjacent to obliquely striking secondary shear zones.

3.1 Regional Gold Mineralisation

Gold mineralisation is commonly located along contacts where there is a ductility contrast between rock types. Mafic – ultramafic contacts provide such a contrast, as do inter-flow sediments within mafic/ultramafic sequences. The major gold deposits are quartz sulphide lodes in shear zones and sheared lithological contacts with variable biotite-carbonate-silica alteration and varying degrees of gold mineralisation in the altered wall rocks. It is this combination of stratigraphic and structural controls that combine to concentrate gold into epigenetic gold deposits. Interestingly, the Birthday Mine and line of workings are at or near a contact zone between mafic tholeiitic basalt and an amphibolitic ultramafic unit where shearing and mineralisation is clearly evident along the contact zone with several secondary oblique veins attributing to a thickening of the lode.

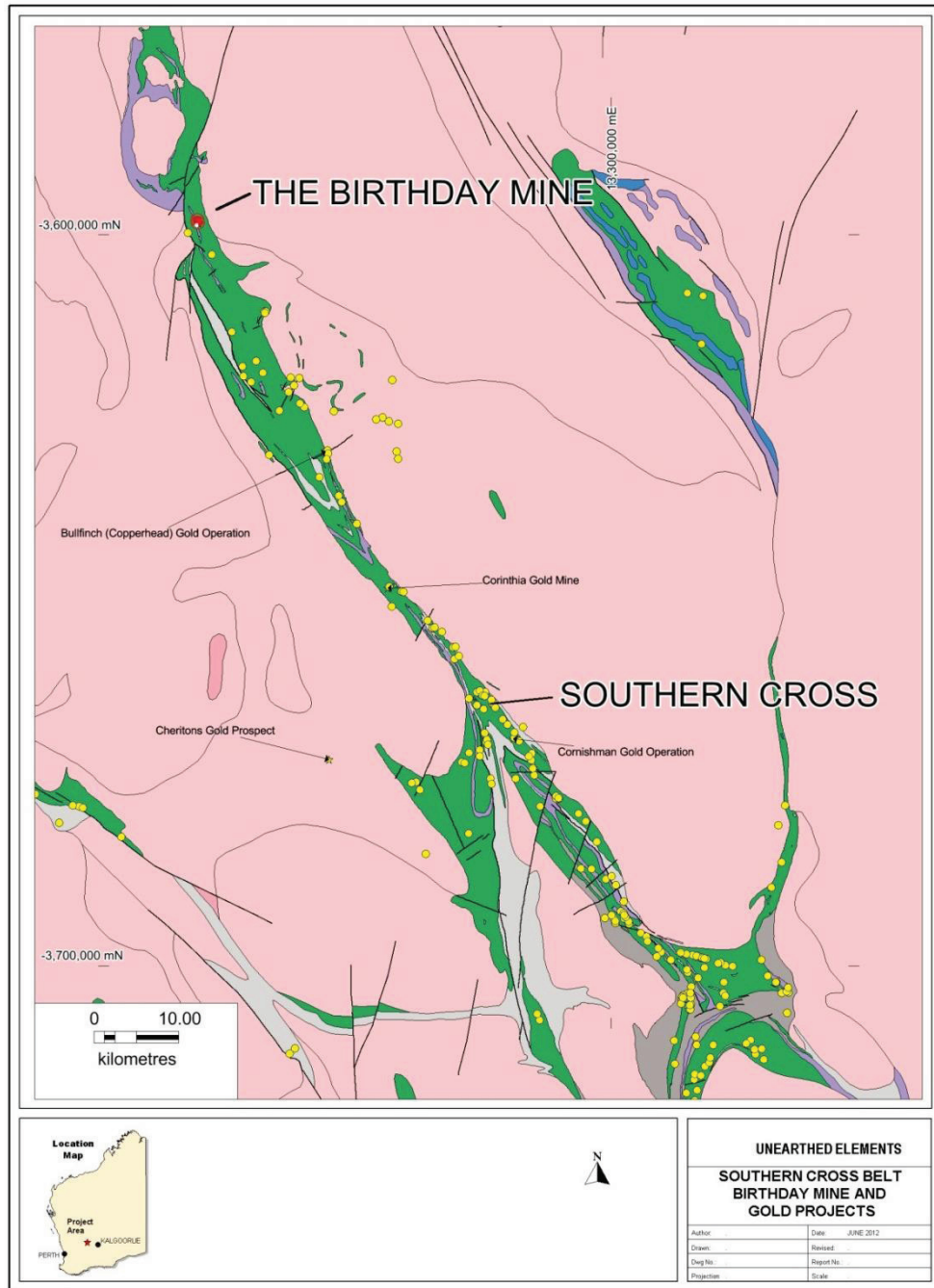


Figure 4 Regional Geology and Gold Mineralisation of the Southern Cross Greenstone Belt

4.0 Local Geology

The Birthday Mine is situated over mafic and ultramafic greenstones of the Bullfinch Greenstone Belt within the Southern Cross Province. This greenstone belt differs from others within this province due to the stronger deformation leading to a single stage of greenstone development. The Bullfinch Greenstone belt is characterised by the occurrence of layered mafic para-amphibolite and banded iron formation of varied and unusual composition (Chin & Smith, 1983). These amphibolites are present within the Birthday Projects and the shearing within this unit host gold mineralisation within several of the local workings.

Locally the Birthday Mine's are stratigraphically situated near an ultramafic inclusion within a larger sequence of basalts. Strike parallel shearing appears to be the primary mineralising structure hosting gold mineralisation

and quartz veining with oblique cross cutting structures and veins playing a more minor role, perhaps aiding in local thickening of the primary lode. At the surface, shears and veins strike at 335 degrees and dip sub vertically. This appears relatively consistent with the 2 levels of workings below ground, however lack of underground survey data makes this hard to verify beyond face value.

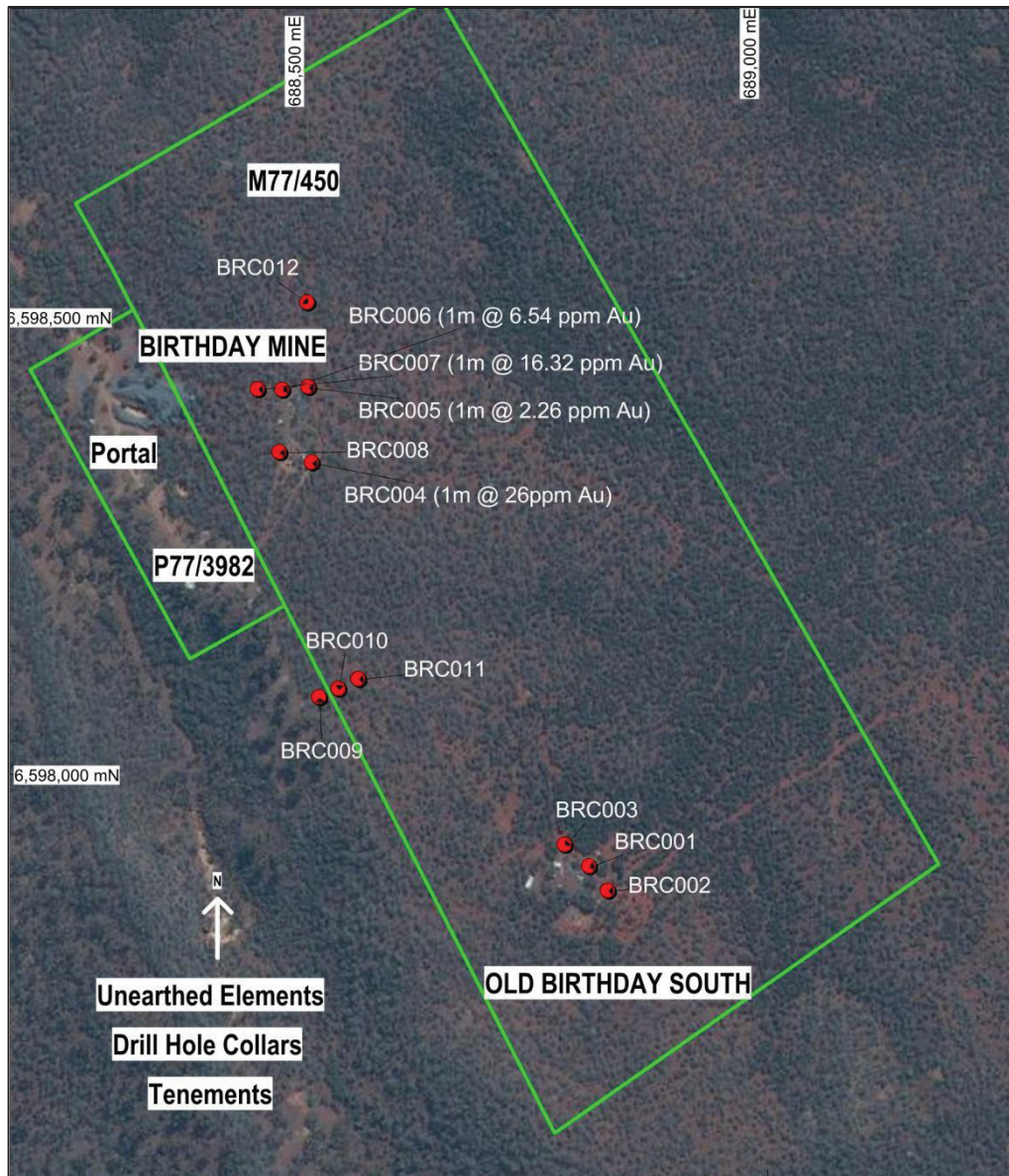


Figure 5 Birthday Mine Tenements and Drill Collars on Air Photo.

5.0 Exploration and Mining Potential

Where the main decline access to the workings meets the mineralised shear zone beneath shallower historic workings at the Birthday Mine, strike drives bear off to the north and south for approximately 80m in either direction. With stopes consistently about 1 metre in width. Until these workings are surveyed, or survey records are made available estimations can only remain approximate. Further the previous drilling by Mt Edon Gold Mines (Aust) Limited shows result in the immediate vicinity of the north and south of the workings intersecting narrow but high grade gold intersections.

Drill Hole	Collar North	Collar East	Hole Dip	Hole Azimuth	Date	From (m)	To (m)	Grade (g/t Au)
BRC001	6597888	688811	-60	270	24/05/1994			NSA
BRC002	6597861	688831	-60	270	27/05/1994			NSA
BRC003	6597912	688784	-60	270	29/05/1994			NSA
BRC004	6598335	688514	-60	270	3/06/1994	26	27	26
BRC005	6598418	688512	-60	270	4/06/1994	30	31	2.26
BRC006	6598415	688483	-60	270	6/06/1994	21	22	6.54
BRC007	6598416	688456	-60	90	7/06/1994	41	42	16.32
BRC008	6598347	688479	-60	270	9/06/1994			NSA
BRC009	6598078	688518	-60	270	10/06/1994			NSA
BRC010	6598087	688539	-60	270	10/06/1994			NSA
BRC011	6598097	688561	-60	270	11/06/1994			NSA
BRC012	6598510	688512	-60	270	12/06/1994			NSA

*Note Cut off is 1ppm

Table 1 Drilling Details

As mentioned, without accurate survey control it is difficult to confirm how far beyond the known workings these drill holes intersect the gold reef. However, it is very encouraging that not only do these drill holes confirm north and south strike extensions of the historic gold mineralisation area with high grade's intersected, the mineralisation would appear to remain open in not only the north and south directions but also at depth as no drilling has tested beneath the current mine operations.

Within the underground workings, there exists a small strike drive parallel to the main lode that heads north for approximately 15-20m and appears to be chasing a mineralised vein to the west of the main, historic mineralised shear zone. Although this vein is narrower than the main lode, it shows that within the mine there exists significant potential for parallel zones of mineralisation accessible from the current workings. In the line of drilling made by drill holes BRC005-BRC007, the low grade intersection in BRC005 is situated to the east of the main line of workings showing that not just to the west but also to the east there are parallel mineralised veins. Surface mapping of quartz veins outcropping within the lease confirm that this is the case. Further the workings at Birthday South, which are about 550m to the south of Birthday Mine, are situated slightly to the east of the line made by the extension of the Birthday Mine. This is either due to an unknown fault offsetting the gold reef to the east, or it is where one such parallel structure is locally enriched and structurally thickened.

It is apparent that significant potential remains at the Birthday Mine and further drilling is required, along with surveying of underground workings, detailed geological mapping and a detailed magnetic survey to reveal more subtle structural relations and offsets in the gold bearing shears. This should be carried out prior to any refurbishment of the Birthday Mine, which is already in quite good condition due to the recent mining operations. Should exploration drilling show the reef extent is open and the high grade gold is contiguous then work should focus on filling the gap in exploration between the historic operations on the Birthday Mine, and the Birthday South workings some 550m away still located within the Birthday Mine tenement M77/450. Refer to Figure 5, page 9 of this report. Excavations underground and shallow workings on the surface have shown that mineralised parallel structures exist and sections of follow-up drilling should traverse a reasonable distance east and west of the historic gold workings on the Birthday Mine to test if these areas produce results of sufficient grade and width to warrant mining operations in those areas.

6.0 Proposed Exploration and Budget

Exploration work at the Birthday Mine should initially focus on proofing and adding to detail the existing surface geological mapping that was carried out by previous explorers such as Mt Edon Gold Mines (Aust) Limited. This should be done in conjunction with some underground mapping of the gold reefs which would be carried out in conjunction with accurate surveying of the underground workings. Over the greater area of M77/450 purchase of multi-client magnetic data sets should be located, purchased and processed to produce filtered images in order to pick up the strike extent of the mineralised structures and any obliquely faulted offsets that may also occur.

With the previous programs carried out the next round is strategically targeted Reverse Circulation ('RC') drilling targeting down dip and along strike extensions of the historic gold mineralisation area, as well as testing further south linking the old Birthday South workings with the more recent mining operations. With drilling success, it would be possible to start 3D modelling of the mineralisation from drill holes as well as building a substantial gold mineralisation inventory prior to any further mining operations commencing.

PROPOSED BUDGET (with a \$4,000,000 Capital Raise)	
Magnetic data acquisition and processing	\$15,000
Structural Interpretation and mapping	\$20,000
Surveying	\$50,000
Drill Proposal and planning	\$25,000
Heritage Surveys	\$40,000
RC and Diamond Drilling	\$1,250,000
Assaying	\$250,000
Mineralisation Modelling and Mineralisation Reporting	\$100,000
Total	\$1,450,000
PROPOSED BUDGET (with a \$3,000,000 Capital Raise)	
Magnetic data acquisition and processing	\$15,000
Structural Interpretation and mapping	\$20,000
Surveying	\$40,000
Drill Proposal and planning	\$25,000
Heritage Surveys	\$30,000
RC and Diamond Drilling	\$690,000
Assaying	\$90,000
Mineralisation Modelling and Mineralisation Reporting	\$90,000
Total	\$700,000

Table 2 Proposed Budget

6.1 Details of Exploration Activities

Magnetic data acquisition. A detailed ground magnetic survey utilising 30m east-west traverses spaced at 30m with north-south tie lines spaced at 100m. This data would be tied in with surrounding, coarser data sets providing for high resolution imagery to facilitate structural interpretation. This work should be carried out as a priority as it will be critical in targeting drill traverses.

Structural Interpretation and Mapping. This work to be carried out synchronously with the magnetic study as geological mapping traverses can follow similar spacing and incorporate verification of historic mapping.

Surveying. An underground mine surveyor needs to be employed to resurvey the historic workings so an accurate determination of the dimensions of material already extracted can be modelled. More importantly, models remaining gold mineralisation can be modelled and drill collar positions accurately determined in order to penetrate the mineralised shear outside historic stopes. Drill collar positions can be determined with differentially corrected global positioning (DGPS), however following drilling a surveyor is required to accurately pick up drill collars and also to provide down-hole surveying to ensure accuracy of geological modelling.

Heritage Surveys. Consultant with anthropologist and members of the local indigenous population to provide heritage clearance for new drill sites and access tracks to be established.

Drilling. For either a \$3,000,000 or \$4,000,000 capital raising the majority of drilling activities carried out would comprise the reverse circulation ("RC") method to ensure sampling accuracy and reliability. A series of strategically targeted diamond holes would be drilled to accurately determine thickness of the mineralisation, determine structural controls on mineralisation, and provide geotechnical information. The breakdown of estimated drill metres are as follows:

- \$4,000,000 Raise: 7,000 metres of RC drilling; 1,000m of diamond drilling.
- \$3,000,000 Raise: 4,000 metres of RC drilling; 800m of diamond drilling.

Mineralisation Modelling and Reporting. Includes 3D geological modelling based on drilling results. Mineralisation modelling incorporating survey, geological, and assay data all verified with reasonable amount on the accuracy and reliability of data as stipulated by JORC.

Note the aforementioned exploration programs and budget cover a period of two years of exploration activities.

7.0 Pre-feasibility Study and Budget Outline

The following table details the workflow that is to be undertaken to complete further study work from a mining and processing perspective for the Birthday Mine and to create a Mine Operating Plan (MOP). The level of detail of this study cannot be ascertained until the completion of geological work.

The quotation provided is currently within plus or minus 30% of the anticipated cost, this would indicate a scoping to pre-feasibility level. It is anticipated that with further work, the level of confidence can be bought down to an acceptable level for a bankable feasibility study reasonably rapidly.

Areas such as tenure, environment studies and heritage studies have not been included in this scope of work.

Pre-Feasibility Study Scope of Work and Breakdown Structure		
Stage	Detail of Work Scheduled	Cost
		\$A
1	General	
1.1	Mining Due Diligence and data collection on geological data - Principal Consultant	\$ 10,000
1.2	Mining Due Diligence and data collection on geological data - Senior Consultant	\$ 7,200
1.3	Summary and scope definition of Proposed Project	\$ 4,000
1.4	Company – Mine Name and Address	\$ 125
1.5	Location and Access	\$ 125
1.6	Regional Geology	\$ 250
1.7	Mine Geology	\$ 250
1.8	Previous Mining History	\$ 500
1.9	Outline of Work Rosters	\$ 500
1.10	Employment Summary	\$ 500
		\$ 23,450
2	Safety and Risk Management	
2.1	Statement of Company's Commitment to Safety	\$ 720
2.2	Assessment of Hazards and Management of Risk	\$ 2,160
2.3	Emergency Preparedness, Mine Rescue & First Aid	\$ 1,440
2.4	Induction and Training	\$ 2,160
2.5	Communications	\$ 2,160
2.6	Noise control	\$ 720
		\$ 9,360
3	Surface Facilities	
3.1	General location plan	\$ 7,200
3.2	Flood control plan	\$ 2,880
3.3	Power	\$ 2,880
3.4	Water	\$ 2,880
		\$ 15,840
4	Processing Facilities	
4.1	Rock type test work -crushing, grind characteristics	\$ 44,000
4.2	Processing Options Study - final design option	\$ 80,000
4.3	TOLL treatment vs Own Plant trade-off study	\$ 8,800
4.4	Tailings/Waste Disposal.	\$ 8,800
4.5	Radiation Hazards and Management.	\$ 4,400
		\$ 146,000
5	Mining Engineering	
5.1	General Description	\$ 2,880
5.2	Optimisation Work	\$ 22,000
5.3	Under Ground vs Open Pit Trade-off Study	\$ 22,070
5.4	Geotechnical considerations	\$ 10,800
5.5	Detailed Mine design	\$ 26,000
5.6	Detailed Mining Schedule - Monthly	\$ 21,600

			\$ 105,350
7			
	Total Cost and Manhours		\$ 300,000

Table 3. Pre-Feasibility Study.

8.0 Principal Sources of Information

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9.0 Glossary

AC drilling / Aircore drilling A type of drilling whereby a sample is collected by means of compressed air through a triple tube.

Aerial photograph A photograph of the earth's surface taken from an aircraft.

Aeromagnetic Measurement of the earth's magnetic field from a surveying aircraft, for the purpose of recording the magnetic characteristics of rocks.

Airborne A term applied to surveys conducted from an aircraft.

Ag Chemical symbol for silver.

- Alluvium/alluvial** Recent surficial water-lain sediments.
- Alteration/alteration zone** Zone within which rock-forming minerals have been chemically changed.
- Amphibolite** A medium-grade metamorphic rock.
- Anomalies/anomalism** Said of geochemical and geophysical data which deviates from regularity.
- Anticline** A fold in rock strata that is convex upward with a core of older rocks.
- Archaean** A time period older than about 2500 million years.
- Arsenopyrite** A common iron and arsenic sulphide mineral (FeAsS).
- Assays** The testing and quantification of metals of interest in a sample.
- Au** Chemical symbol for gold.
- Auriferous** Gold-bearing.
- Banded Iron Formation** A rock composed of finely alternating layers of silica and iron oxide.
- Basalt/metabasalt** A fine-grained rock composed of feldspar and pyroxene or amphibole.
- Base metals** The more common and chemically active metals, e.g. lead, copper, zinc, nickel.
- Bedrock Solid** rock underlying surficial deposits or weathered rock units.
- Biotite** A potassium iron magnesium aluminium hydroxide silicate mineral.
- Breccia** A rock containing angular fragments of rock.
- Brittle Deformation** of rocks involving breaking or fracturing.
- Cainozoic** A time period approximately 65 million years ago to present.
- Calcite** A calcium carbonate mineral.
- Carbonate** A group of minerals containing primarily calcium, magnesium or iron and CO₃.
- Carboniferous** A time period approximately 354-298 million years ago.
- Chalcopyrite** A copper iron sulphide mineral (CuFeS₂).
- Chert** A fine-grained rock composed of cryptocrystalline silica.
- Chlorite** A group of hydrated aluminium iron magnesium silicate minerals.
- Colluvium/colluvial** A loose mass of soil and rock material deposited by slope processes.
- Conglomerate** A sedimentary rock type containing pebbles, cobbles or boulders.
- Costean** A trench to expose rock for sampling.
- Disseminated** A term used to describe fine particles of a mineral dispersed through the enclosing rock.

Dolerite/metadolerite A medium-grained mafic intrusive rock composed mainly of plagioclase and pyroxene or amphibole.

Ductile Deformation of rocks involving stretching or bending without much breaking.

Dyke A tabular intrusive body of igneous rock crosscutting the host strata.

Extrusive Pertaining to igneous rocks ejected at the earth's surface.

Fault A fracture in rock along which there has been relative displacement of the two sides either vertically or horizontally.

Feldspar A group of silicate minerals containing calcium, potassium, sodium and aluminium.

Felsic Descriptive of light coloured rocks containing an abundance of feldspar and quartz.

Gabbro A plutonic rock consisting of calcic plagioclase.

Geochemistry/geochemical The study of the abundance of elements in rocks by chemical methods.

Geophysics/geophysical Exploration methods which seek to locate mineral deposits by direct or indirect measurements of a large range of physical properties of the deposits or the rocks associated with them.

Gossan A rock composed of hydrated oxides of iron that has developed over sulphides of iron and other metals.

Granite A plutonic rock consisting essentially of alkalic feldspar and quartz.

Granitoid A general term for plutonic rocks consisting mainly of feldspar and quartz.

Gravity / gravity gradiometer survey A type of survey that measures the spatial variation of the earth's gravity field to determine the distribution of different rock masses.

Greenstone A field term for metamorphosed mafic and ultramafic igneous rocks.

Greywacke/Graywacke A type of sedimentary rock.

Ground magnetic Measurement of the earth's magnetic field from a ground-based survey, for the purpose of recording the magnetic characteristics of rocks.

Ha Hectares

Host rock/host sequence/host succession The rocks containing a mineral or mineral deposit.

Hydrothermal/hydrothermally Pertaining to heated water associated with the formation of mineral deposits or the alteration of rocks.

Intrusion A body of igneous rock that invades older rocks.

Intrusive Pertaining to igneous rocks emplaced below the earth's surface.

Komatiite Ultramafic igneous rocks characterized by high magnesium content.

Mafic Descriptive of dark coloured rocks composed dominantly of magnesium and iron silicate minerals.

Magnetite An iron oxide mineral (Fe₃O₄).

Mesothermal A hydrothermal mineral deposit formed at considerable depth and in the temperature range of 250°-450°C.

Mesozoic A time period between 251-65 million years ago.

Metamorphism/metamorphic The mineralogical, structural and chemical changes induced within solid rocks through the actions of heat, pressure or the introduction of new chemicals.

Mineralisation/mineralised The concentration of metals and their chemical compounds within a body of rock.

Mudstone A sedimentary rock usually composed essentially of mud-sized grains.

Muscovite A potassium aluminium hydroxide silicate mineral.

Neoproterozoic A time period approximately 1,000-545 million years ago.

Ore Mineral-bearing rocks that may be mined and treated at a profit.

Outcrop Surface expression of underlying rocks.

Pluton/plutonic A body of igneous rock that has formed beneath the earth's surface by consolidation from a magma.

Polymetallic Said of mineral deposits containing a range of precious and/or base metals of interest.

ppb Parts per billion (1000 million).

ppm Parts per million.

Proterozoic A time period approximately 2,500-545 million years ago.

Pyrite A common iron sulphide mineral (FeS₂).

Pyrrhotite An iron sulphide mineral which is magnetic (Fe_{1-x}S).

Quartz A mineral composed of silicon dioxide.

Quartzite A metamorphic rock composed predominantly of quartz.

RAB drilling. Rotary air blast drilling. A rotary drilling technique in which sample is returned to surface outside the rod string by compressed air.

RC drilling Reverse circulation drilling. A percussion drilling technique in which the cuttings are recovered through the drill rods with compressed air, thus minimising sample losses and contamination.

Reconnaissance A general examination or survey of a region with reference to its main features, usually as a prelude to more detailed surveys.

Regolith The layer of unconsolidated material and weathered rock which overlies bedrock.

Rock chip sampling The collection of representative samples of rock fragments from outcrops within a limited area.

Sandstone A sedimentary rock usually composed essentially of sand-sized grains.

Saprolite Weathered rock in which the original rock textures are still recognizable.

Schist/schistose A metamorphic rock with a platy or foliated texture.

Sediment Unconsolidated rock particles formed by the erosion of older rocks.

Sedimentary A term describing rocks formed from sediment.

Sericite Fine-grained white mica of similar composition to muscovite.

Serpentine A rock derived from the alteration of ultramafic rocks, and composed of hydrous iron magnesian silicate minerals.

Shear zone A fracture in rock similar to a fault.

Schist A foliated metamorphic rock easily split into sheets.

Silica Silicon dioxide.

Sill A tabular intrusive body of igneous rock oriented parallel to the host strata.

Soil sampling/geochemistry The determination of relative or absolute abundances of elements in soil.

Strike The course or bearing of a bed or layer of rock.

Structural Pertaining to geological structure, including faults, shear zones and folds.

Sulphide A general term to describe minerals containing sulphur commonly associated with mineralisation.

Syncline A fold in rock strata that is concave upwards with a core of younger rocks.

Synform A fold in rock strata that is concave upwards, but may not be cored by the youngest rocks.

Topography The physical features of a region.

Tuff A rock formed of compacted volcanic fragments, generally less than 4mm in diameter.

Ultramafic Igneous or metamorphic rocks containing virtually no quartz or feldspar and composed essentially of ferromagnesium silicates, including olivine, pyroxene, amphibole, talc and/or serpentine minerals.

Unconformity / unconformably A geological surface marked by angular differences in the disposition of younger and older rock units.

Vein A thin infill of a fissure or crack.

Volcanic Rocks originating from volcanic activity.

Volcaniclastic Pertaining to clastic rock containing volcanic material.

Volcano-sedimentary Mixed sequences of volcanic and sedimentary rocks.

9. INVESTIGATING ACCOUNTANT'S REPORT

31 July 2012

The Directors
EL Corporation Limited
Level 18
99 Mount Street
NORTH SYDNEY NSW 2060

Attention: Mr Isaac Ng – Chief Executive Officer

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of EL Corporation Limited (EL Corporation or the Company) for inclusion in a prospectus (the Prospectus) to be dated on or about 1 August 2012 relating to the proposed offer of 15,000,000 fully paid ordinary shares in the Company at an issue price of \$0.20 per share (the Offer), to raise \$3 million prior to costs of the Offer, and the reinstatement to trading of the shares of the Company on the Australian Securities Exchange Limited (ASX).

The Company may accept oversubscriptions for up to an additional 5,000,000 shares at an issue price of \$0.20 per share to raise an additional \$1 million prior to costs of the Offer. If the minimum subscription to the Offer of \$3 million has not been raised within 3 months after the date of the Prospectus, the Company will not issue any shares and will repay all application monies pursuant to Corporations Act 2001, without interest.

2. Basis of preparation

This Investigating Accountants Report (IAR or the report) has been prepared in accordance with the general disclosure requirements of the Corporations Act 2001 to assist investors make an informed assessment of the financial position of EL Corporation. The information presented in this report includes a statement of historical comprehensive income, statement of financial position and a pro-forma statement of financial position (together, the financial information). The financial information presented herein is unaudited.

The future prospects of EL Corporation, other than the preparation of the financial information, assuming completion of the proposed transactions set out at Section 7 of this report, are not addressed in this IAR.

This report does not address the rights attaching to the shares to be issued pursuant to the Prospectus, nor the risk associated with an investment pursuant to the Offer, and has been prepared based on the complete Offer being achieved. Neither RSM Bird Cameron Corporate Pty Ltd nor its related entities (RSM Bird Cameron and RSM Bird Cameron Partners) have been requested to consider the prospects of the Company, the shares to be issued under the Offer, nor the merits and risks associated with becoming a shareholder of the Company and accordingly have not done so, and do not purport to do so. Accordingly, RSM Bird Cameron takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this IAR.

All terms used in this report have the same meaning as those used in the Prospectus.

Unless otherwise noted all amounts in this report are in Australian dollars.

3. Background

The Company has entered into an agreement to acquire a Mining Lease and a Prospecting Licence in Western Australia (WA) together with related infrastructure and information, collectively known as the Birthday Mine (Birthday Mine).

We understand the Birthday Mine consists of:

- mining lease 77/450 located in WA;
- prospecting licence 77/3982 located in WA;
- certain infrastructure located on the tenements; and
- certain mining information relating to the tenements.

The acquisition was approved at the annual general meeting of EL Corporation shareholders on 22 June 2012 and is conditional upon, inter alia, the company obtaining conditional approval for reinstatement of its shares to trading on the ASX, the vendor completing his acquisition of the assets and obtaining relevant consent under the Mining Act 1978 (WA) to transfer mining lease 77/450.

Any funds raised under the Prospectus are intended to be used to settle outstanding consideration, to fund ongoing exploration and feasibility studies in relation to the Birthday Mine and to provide the Company with additional working capital.

Further information in relation to the proposed acquisition of the Birthday Mine, the Offer and the intended uses of funds raised is contained in the Prospectus.

4. Scope of examination

You have requested RSM Bird Cameron Corporate Pty Ltd to prepare this IAR for inclusion in the Prospectus covering the following information:

- The unaudited statement of comprehensive income of EL Corporation for the period 1 January 2012 to 31 March 2012;
- The unaudited statement of financial position of EL Corporation as at 31 March 2012;
- The pro-forma statement of financial position as at 31 March 2012, assuming the completion of transactions summarised in Section 7 of this IAR; and
- The notes to the financial information.

The financial information has been prepared and presented in accordance with the accounting policies set out in Note 1 to the financial information.

Our review has been conducted in accordance with the Australian Auditing Standard on review engagements - ASRE 2405 – 'Review of historical financial information other than in a financial report'. We made such enquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- an analytical review of all the financial information presented, including a review of the reasonableness of the adjustments used to compile the unaudited pro-forma statement of financial position as at 31 March 2012;
- a comparison of consistency in the application of the recognition and measurement principles in Australian Accounting Standards (including Australian Accounting Interpretations) (AAS) and the accounting policies adopted by the Company and disclosed in Note 1 of Appendix A to this report;
- inspection of financial records; and
- enquiries of directors and management.

These procedures were substantially less in scope than that which would be required in an audit examination conducted in accordance with AAS, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

5. Responsibility

The Directors of the Company are responsible for the preparation of the historical and pro-forma financial information.

It is our responsibility to review the historical and pro-forma financial information and report thereon. We disclaim any responsibility for any reliance on this IAR or the financial information to which it relates for any other purpose other than for which it is prepared. This IAR should be read in conjunction with the balance of the Prospectus.

6. Subsequent events

Apart from the matters dealt with in this report, having regard to the scope of our work, to the best of our knowledge and belief, no material transactions or events outside the ordinary business of the Company have come to our attention that are not otherwise disclosed in the Prospectus, which require further comment upon or adjustment to, the information referred to in this report, or which would cause the information in this IAR to be misleading.

7. Assumptions adopted in compiling the pro-forma financial information

The pro-forma statement of financial position of EL Corporation has been included for illustrative purposes only.

The pro-forma statement of financial position as at 31 March 2012 has been prepared by adjusting the unaudited statement of financial position as at that date to reflect the financial effects of the following transactions, as if they had occurred at 31 March 2012:

- Consolidation of the issued shares in EL Corporation, on the basis that every 4 pre consolidation shares be consolidated into 1 post consolidation share, which was completed on 9 July 2012.

The balance of the pro-forma adjustments are presented on a post consolidation basis;

- The issue of 500,000 shares to Mr Isaac Ng on 9 July 2012 at a deemed issue price of \$0.20 in consideration for services rendered to the Company over the past 12 months in his capacity as an Executive Director;
- The issue of 3,100,000 shares to Mr Keong Chee Yam on 9 July 2012 at a deemed issue price of \$0.20 in satisfaction of a loan in the sum of \$620,000 previously made to the Company;
- The issue of 15,000,000 fully paid ordinary shares at \$0.20 each to raise \$3.0 million before costs of the Offer (minimum subscription) with a maximum of 20,000,000 fully paid ordinary shares at an issue price of \$0.20 to raise \$4.0 million before costs of the Offer.

We have presented the pro-forma adjustments assuming that the Offer is (a) fully subscribed and (b) fully oversubscribed;

- The payment of costs of the Offer. Based on the minimum subscription, the costs of the Offer are estimated to be \$450,000. Should the maximum subscription be reached those costs are expected to be \$515,000.

The costs of the Offer are to be offset against contributed equity;

- The proceeds from a loan of \$100,000 made to the Company by Mr Keong Chee Yam to allow payment of the final refundable deposit amount in relation to the acquisition of the Birthday Mine;
- In consideration for the acquisition of the Birthday Mine, EL Corporation will issue 2,250,000 shares to the vendor at a deemed issue price of \$0.20. These shares will be issued no later than 3 months after the date of the general meeting of the Company or at such later date as permitted by any ASX waiver or modification of the ASX Listing Rules; and
- In consideration for the acquisition of the Birthday mine, EL Corporation will make a final cash payment in the sum of \$500,000 to the vendor upon settlement. Initial cash deposits totalling \$750,000 were made to the vendor in 2011 and 2012 pursuant to the Agreement for Sale of Mining Assets dated on or about 24 November 2012 (as varied) on the basis that the initial cash deposits will be repaid if the Offer does not proceed.

8. Review statement on historical and pro-forma financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial information set out in Appendix A to this report does not present fairly:

- The unaudited statement of comprehensive income of EL Corporation for the period 1 January 2012 to 31 March 2012;
- The unaudited statement of financial position of EL Corporation as at 31 March 2012; and
- The unaudited pro-forma statement of financial position of EL Corporation as at 31 March 2012 adjusted to include the effects of the capital raising proposed in the Prospectus and the completion of the other transactions summarised in Section 7 of this report,

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable AAS and other mandatory professional reporting requirements in Australia

9. Declaration

RSM Bird Cameron Corporate Pty Ltd is a licensed investment adviser under the Corporations Act 2001 and is beneficially owned by the directors of RSM Bird Cameron, a national firm of chartered accountants.

Mr Ian Douglas is a director and representative of RSM Bird Cameron Corporate Pty Ltd and a director of RSM Bird Cameron. He has professional qualifications and experience appropriate to the advice offered.

RSM Bird Cameron Corporate Pty Ltd has acted as Investigating Accountant for the Company but has not been involved in the preparation of any other part of the Prospectus. Accordingly, we make no representations as to the completeness and accuracy of the information in any other part of the Prospectus. RSM Bird Cameron Corporate Pty Ltd has not made, and will not make, any recommendation, through the issue of this report, to potential investors in the Company as to the merits of the Offer.

RSM Bird Cameron Corporate Pty Ltd will receive a fee for the preparation of this report based on actual hours spent on the assignment at normal professional rates. RSM Bird Cameron Partners are the appointed auditors of the Company and will receive a fee for the audit service in line with standard professional rates.

With the exception of the above fees, neither Mr Ian Douglas nor RSM Bird Cameron Corporate Pty Ltd will receive any other benefits, either directly or indirectly, from the preparation of this report and have no pecuniary or other interest which could be regarded as affecting the ability to provide an unbiased opinion in relation to the proposed transaction.

RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this report in the Prospectus in the form and context in which it appears. At the date of this report, this consent has not been withdrawn.

Yours faithfully



Ian Douglas

Director and Authorised Representative

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Statement of comprehensive income For the period 1 January 2012 to 31 March 2012

	Unaudited period ended 31 Mar 2012 \$
Revenue	-
Accountancy and audit fees	(13,158)
Employee related costs	(9,752)
Other expenses	(18,502)
Total expenses	(41,412)
Loss before income tax	(41,412)
Income tax expense	-
Loss after income tax expense	(41,412)
Other comprehensive income net of tax	-
Total comprehensive loss for the period attributable to members	(41,412)

Note: The statement of comprehensive income shows the historical performance of the Company and should be read in conjunction with the notes to the financial information. Past performance is not a necessarily guide to future performance.

Appendix A – Historical and Pro-Forma Financial Information

EL Corporation Limited Statement of financial position as at 31 March 2012

Notes	Unaudited 31 March 12 \$	Pro-forma transactions (minimum) \$	Unaudited pro-forma (minimum) \$	Pro-forma transactions (maximum) \$	Unaudited pro-forma (maximum) \$	
Current assets						
Cash and cash equivalents	2	3,931	2,050,000	2,053,931	2,985,000	2,988,931
Trade and other receivables	3	651,823	(650,000)	1,823	(650,000)	1,823
Total current assets		655,754	1,400,000	2,055,754	2,235,000	2,990,754
Non-current assets						
Exploration & evaluation expenditure	4	-	1,700,000	1,700,000	1,700,000	1,700,000
Property plant & equipment		8,095	-	8,095	-	8,095
Total non-current assets		8,095	1,700,000	1,708,095	1,700,000	1,708,095
Total assets		663,849	3,100,000	3,763,849	4,035,000	4,698,849
Current liabilities						
Trade and other payables		88,592	-	88,592	-	88,592
Short term borrowings	5	635,000	(520,000)	115,000	(520,000)	115,000
Total current liabilities		723,592	(520,000)	203,592	(520,000)	203,592
Total liabilities		723,592	(520,000)	203,592	(520,000)	203,592
Net assets		(59,743)	3,620,000	3,560,257	4,555,000	4,495,257
Equity						
Issued capital	6	25,031,976	3,720,000	28,751,976	4,655,000	29,686,976
Reserves		(6,275)	-	(6,275)	-	(6,275)
Accumulated losses	7	(25,231,713)	(100,000)	(25,331,713)	(100,000)	(25,331,713)
Minority interest		146,269	-	146,269	-	146,269
Total equity		(59,743)	3,620,000	3,560,257	4,555,000	4,495,257

The unaudited pro-forma statements of financial position represents the unaudited statement of financial position as at 31 March 2012, as adjusted for the pro-forma transactions outlined in Section 7 relating to the issue of shares pursuant to the Prospectus and other transactions. The statements of financial position should be read in conjunction with the notes to the financial information.

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

1. Summary of significant accounting policies

The significant accounting policies that have been adopted in the preparation of financial information are:

a. Basis of preparation

The financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of Australian Accounting Standards (including Australian Accounting Interpretations) (AAS), and the *Corporations Act 2001*.

Historical cost convention

The financial information has been prepared under the historical cost convention, as modified by the revaluation of certain assets, where appropriate.

Critical accounting estimates and judgements

The preparation of financial information in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

b. Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by EL Corporation Limited at the end of the reporting period (the Group). A controlled entity is any entity over which EL Corporation Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

c. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

d. Income taxes

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Exploration and evaluation costs

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

f. Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial performance.

2. Cash and cash equivalents

	Unaudited 31 Mar 2012	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Cash and cash equivalents	3,931	2,053,931	2,988,931
Cash and cash equivalents at 31 March 2012		3,931	3,931
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Proceeds from the issue of ordinary shares pursuant to the Prospectus		3,000,000	4,000,000
Proceeds from a loan to the company from Mr Keong Chee Yam		100,000	100,000
Payment of final refundable deposit amount in relation to the acquisition of the Birthday Mine		(100,000)	(100,000)
Payment of capital raising costs		(450,000)	(515,000)
Final cash payment in relation to the acquisition of the Birthday Mine		(500,000)	(500,000)
		<u>2,050,000</u>	<u>2,985,000</u>
Pro-forma balance		<u>2,053,931</u>	<u>2,988,931</u>

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

3. Trade and other receivables

	Unaudited 31 Mar 2012	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Trade and other receivables	651,823	1,823	1,823
<hr/>			
Trade and other receivables at 31 March 2012		651,823	651,823
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Final refundable deposit amount in relation to the acquisition of the Birthday Mine		100,000	100,000
Extinguishment of the receivable relating to the cash deposit in relation to the acquisition of Birthday Mine		(750,000)	(750,000)
Pro forma balance		<u>1,823</u>	<u>1,823</u>

4. Investments

	Unaudited 31 Mar 2012	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Investments	-	1,700,000	1,700,000
<hr/>			
Investments at 31 March 2012		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Acquisition of the Birthday Mine pursuant to the amended acquisition agreement		1,700,000	1,700,000
Pro-forma balance		<u>1,700,000</u>	<u>1,700,000</u>

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

5. Short term borrowings

	Unaudited 31 Mar 2012	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Short term borrowing	635,000	115,000	115,000
Short term borrowings at 31 March 2012		635,000	635,000
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Satisfaction of an outstanding loan to the Company through the issue of shares to Mr Keong Chee Yam		(620,000)	(620,000)
Loan to the company from Mr Keong Chee Yam		100,000	100,000
Pro-forma balance		115,000	115,000

6. Contributed equity

	Unaudited 31 Mar 2012	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Contributed equity	25,031,976	28,866,976	29,802,976
	Number of ordinary shares	\$	Number of ordinary shares
			\$
Shares on issue at 31 March 2012 (pre consolidation)	124,742,765	25,031,976	124,742,765
Share consolidation ratio agreed to by shareholders)	4:1		4:1
Shares on issue at 31 March 2012 (post consolidation - rounded)	31,185,597	25,031,976	31,185,597
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
	Minimum		Maximum
Issue of share at \$0.20 pursuant to the Prospectus	15,000,000	3,000,000	20,000,000
Issue of shares at \$0.20 for \$nil consideration to Mr Isaac Ng in recognition for services to the Company	500,000	100,000	500,000
Issue of shares at \$0.20 for \$nil consideration to Mr Keong Chee Yam in satisfaction of a loan to the Company	3,100,000	620,000	3,100,000
Issue of shares at \$0.20 as consideration for the acquisition of the Birthday Mine	2,250,000	450,000	2,250,000
Capital raising costs of the Offer	-	(450,000)	-
	20,850,000	3,720,000	25,850,000
Pro-forma balance	52,035,597	28,751,976	57,035,597
	29,686,976		29,686,976

Appendix A – Historical and pro-forma financial information

EL Corporation Limited Notes to the financial information as at 31 March 2012

7. ACCUMULATED LOSSES

	Unaudited 30 Jun 2011	Unaudited pro-forma (minimum)	Unaudited pro-forma (maximum)
	\$	\$	\$
Accumulated losses	(25,231,713)	(25,331,713)	(25,221,713)
Accumulated losses as at 31 March 2012		(25,231,713)	(25,231,713)
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Issue of shares at \$0.20 for \$nil consideration to Isaac Ng in recognition for services to the Company		(100,000)	(100,000)
Pro-forma balance		(25,331,713)	(25,331,713)

8. RELATED PARTY DISCLOSURE

The Directors at the date of this IAR are Isaac Ng, Mark Howard-Browne, Sim Pin Quek, Hee Kok Chng and Rajen Raj. Directors' holdings of shares, remuneration and other interests are set out in the Prospectus.

9. COMMITMENTS AND CONTINGENT LIABILITIES

As discussed in the Prospectus, upon acquisition of the Birthday Mine, Group will have commitments for expenditure in relation to the acquired exploration tenements.

10. SOLICITOR'S REPORT ON TENEMENTS

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31 July 2012

EL Corporation Limited
Level 18
99 Mount Street
NORTH SYDNEY NSW 2060

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for inclusion in a prospectus for the issue of up to 15,000,000 shares in the fully paid ordinary share capital of EL Corporation Limited (**Company**) (**Shares**) at an issue price of \$0.20 per share to raise up to \$3,000,000 (**Prospectus**). The Company will accept over subscriptions for an additional 5,000,000 Shares to raise an additional \$1,000,000.

1. SCOPE

We have been requested to report on certain mining tenements the subject of an asset sale and purchase agreement between the Company and Mr Steve Shilkin dated on or about 24 November 2011, which was varied on or about 26 April 2012 and again on 20 July 2012, pursuant to which the Company has agreed to purchase Mining Lease 77/450 and Prospecting Licence 77/3982 (the **Tenements**) together with mining information relating to the Tenements (**Asset Sale and Purchase Agreement**). The Asset Sale and Purchase Agreement is summarised in Part II of this Report.

The Tenements are located in Western Australia. Details of the Tenements are set out in Part I of the attached Schedule, which forms part of this Report.

2. SEARCHES

For the purpose of this Report, we have conducted searches and made enquiries in respect of all of the Tenements as follows:

- (a) we have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum (**DMP**). These searches were conducted on 26 July 2012. Key details on the status of the Tenements are set out in Part I of the Schedule;

- (b) we have obtained extracts of registered native title claims and native title determinations that apply to the Tenements, as determined by the National Native Title Tribunal (NNTT). This material was obtained on 26 July 2012. Details of the results of the searches are set out in Section 7 of this Report;
- (c) we have obtained searches from the online Aboriginal Heritage Enquiry System maintained by the Western Australian Department of Indigenous Affairs (DIA) for Aboriginal heritage sites recorded in the Register of Aboriginal sites that overlap the Tenements. This material was obtained on 26 July 2012. Our searches did not reveal any Aboriginal heritage sites;
- (d) we have obtained searches from the Tengraph registers maintained by the Western Australian Department of Mines and Petroleum. These searches were conducted on 26 July 2012. Key details on the status of the Tenements are set out in Sections 7 and 8 of this report; and
- (e) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the DMP searches and have summarised the material terms, as set out in Part II of the Schedule. The ownership structure of the Tenements is set out in Part III of the Schedule.

3. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant searches:

- (a) (Ownership): this Report provides an accurate statement as to the current and proposed ownership structure in the Tenements;
- (b) (Good Standing): this Report provides an accurate statement as to the validity and good standing of the Tenements; and
- (c) (Third party interests): this Report provides an accurate statement as to third party interests, including encumbrances, in relation to the Tenements.

4. EXECUTIVE SUMMARY

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

- (a) (Company's Interest): the Company is not the registered holder of the Tenements. However, the Company has a contractual right to acquire the Tenements pursuant to the Asset Sale and Purchase Agreement, which agreement is summarised in Part II of the Schedule. The vendor under that agreement is not presently the registered holder of the Tenements (Vendor). The Vendor has acquired the Tenements, but the legal title to the Tenements has yet to be transferred to the Vendor. Refer to Part III of the Schedule for further details; and
- (b) (Bonds): a total of \$5,000 in unconditional performance bonds have been lodged against Mining Lease 77/450. Refer to Part 1 of the Schedule for details.

5. DESCRIPTION OF THE TENEMENTS

The Tenements comprise 1 prospecting licence and 1 mining lease granted under the *Mining Act 1978 (WA)* (**Mining Act**). Schedule I provides a list of the Tenements. The following provides a description of the nature and key terms of these types of mining tenements as set out in the Mining Act.

5.1 Prospecting Licence

Application: A person may lodge an application for a prospecting licence in accordance with the Mining Act. The mining registrar or warden decides whether to grant an application for a prospecting licence. An application for a prospecting licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

Rights: The holder of a prospecting licence is entitled to enter the land and undertake operations for the purposes of prospecting for minerals.

Term: A prospecting licence has a term of 4 years. Where the prospecting licence was applied for and granted after 10 February 2006, the Minister may extend the term by 4 years and if retention status is granted (as discussed below), by further term or terms of 4 years. Where a prospecting licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Retention Status: The holder of a prospecting licence applied for and granted after 10 February 2006 may apply for approval of retention status for the prospecting licence. The Minister may approve the application where there is an identified mineral resource within the prospecting licence, but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of a prospecting licence applied for or granted before 10 February 2006 can apply for a retention licence (see below).

Conditions: Prospecting licences are granted subject to various standard conditions including conditions relating to minimum expenditure, the payment of rent and observance of environmental protection and reporting requirements. These standard conditions are not detailed in the Schedule. A failure to comply with these conditions may lead to forfeiture of the prospecting licence.

Priority to apply for a Mining Lease: The holder of a prospecting licence has priority to apply for a mining lease over any of the land subject to the prospecting licence. An application for a mining lease must be made prior to the expiry of the prospecting licence. The prospecting licence remains in force until the application for the mining lease is determined.

Transfer: There is no restriction on transfer or other dealing in a prospecting licence.

Reversion Application: The Mining Act allowed the holder of a prospecting licence who had applied for a mining lease before 10 February 2006 to lodge an application between 11 February 2006 and 10 February 2007 for an exploration licence or prospecting licence in lieu of the grant of the mining lease. The Mining Act provides that reversion applications are deemed to be transferred to a transferee of the underlying prospecting licence.

5.2 Mining Lease

Application: Any person may lodge an application for a mining lease, although a holder of a prospecting licence, exploration licence or retention licence over the relevant area has priority. The Minister decides whether to grant an application for a mining lease.

The application, where made after 10 February 2006, must be accompanied by either a mining proposal or a "mineralisation report" indicating there is significant mineralisation in the area over which a mining lease is sought. A mining lease accompanied by a "mineralisation report" will only be approved where the Director, Geological Survey considers that there is a reasonable prospect that the mineralisation identified will result in a mining operation.

Rights: The holder of a mining lease is entitled to enter the land and undertake operations for the purposes of mining and extracting minerals. The holder has exclusive rights to the land for mining purposes.

Term: A mining lease has a term of 21 years and may be renewed for successive periods of 21 years. Where a mining lease is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

Conditions: Mining leases are granted subject to various standard conditions, including conditions relating to expenditure, the payment of prescribed rent and royalties and observance of environmental protection and reporting requirements. Mining leases granted or applied for before 10 February 2006 are subject to a condition that a mining proposal is lodged and approved before mining operations commence. An unconditional performance bond may be required to secure performance of these obligations. A failure to comply with these conditions may lead to forfeiture of the mining lease. These standard conditions are not detailed in the Schedule.

Transfer: The consent of the Minister is required to transfer a mining lease.

6. ABORIGINAL HERITAGE

Based on our searches there are no areas or objects of Aboriginal heritage located on the Tenements which are registered with the DIA. However, there may be areas or objects of Aboriginal heritage located on the Tenements which are not registered with the DIA as there is no formal requirement that any areas or objects of Aboriginal heritage located in Western Australia are registered with the DIA.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, it would be prudent for the Company (and it would accord with industry practice and Aboriginal expectations) to conduct heritage surveys to determine if any Aboriginal sites or objects exist within the area of the Tenements. Any interference with these sites or objects must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

6.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

6.2 Western Australian Legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons.

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

7. NATIVE TITLE

7.1 Introduction

This section of the Report examines the effect of native title on the Tenements.

The existence of native title rights held by indigenous Australians was first recognised in Australia in 1992 by the High Court in the case *Mabo v. Queensland (no.2) (1992) 175 CLR 1* (**Mabo no.2**).

Mabo no. 2 held that certain land tenure existing as at the date of that case, including mining tenements, where granted or renewed without due regard to native title rights, were invalid.

As a result of Mabo no. 2, the *Native Title Act 1993 (Cth)* (**NTA**) was passed to:

- (a) provide a process for indigenous people to lodge claims for native title rights over land, for those claims to be registered by the National Native Title Tribunal (NNTT) and for the Courts to assess native title claims and determine if native title rights exist. Where a Court completes the assessment of a native title claim, it will issue a native title determination that specifies whether or not native title rights exist;
- (b) provide (together with associated State legislation) that any land tenures granted or renewed before 1 January 1994 were valid despite Mabo no. 2. This retrospective validation of land tenure was subsequently extended by the NTA to include freehold and certain leasehold (including pastoral leases) granted or renewed before 23 December 1996; and
- (c) provide that an act that may affect native title rights (such as the grant or renewal of a mining tenement) carried out after 23 December 1996 (a Future Act) must comply with certain requirements for the Future Act

to be valid under the NTA. These requirements are called the **Future Act Provisions**.

The Future Act Provisions are summarised in Section 7.2 below, following which the Report identifies:

- (a) native title claims and determinations that are registered against the Tenements (see Section 7.4);
- (b) Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see Section 0);
- (c) Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see Section 0); and
- (d) Tenements which are yet to be granted and which may need to comply with the Future Act Provisions in order to be valid under the NTA (see Section 0).

Note that the grant of a Tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the Tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (e.g. in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a Tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land subject to the Tenement.

Where a Tenement has been retrospectively validated or validly granted under the NTA, the rights under the Tenement prevail over any inconsistent native title rights.

7.2 Compensation

The Mining Act provides that holders of mining tenements are liable for compensation in relation to native title. As a result, if it is determined that native title exists over any of the land the subject of the Tenements and the holders of the native title apply to the Federal Court for compensation, the holder of the mining tenements may be liable and directed to pay any compensation determined. To date, the Federal Court has not awarded compensation in relation to native title (please note that few compensation claims have been lodged).

7.3 Future Act Provisions

The Future Act Provisions vary depending on the Future Act to be carried out. In the case of the grant of a mining tenement, typically there are three alternatives:

- (a) the Right to Negotiate;
- (b) an Indigenous Land Use Agreement (ILUA);

- (c) the Infrastructure Process (defined below); and
- (d) the Expedited Procedure (defined below).

Each of these are summarised below.

Right to Negotiate

The Right to Negotiate involves a formal negotiation between the State, the applicant for the Tenement and any registered native title claimants and holders of native title rights. The aim is to agree the terms on which the Tenement can be granted. The applicant for the Tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title. The parties may also agree on conditions that will apply to activities carried out on the Tenement (e.g. in relation to heritage surveys). The classes of conditions typically included in a mining agreement are set out in section 7.6 below.

If agreement is not reached to enable the Tenement to be granted, the matter may be referred to arbitration before the NNTT, which has six (6) months to decide whether the State, the applicant for the tenement and any registered native title claimants and holders of native title rights have negotiated in good faith (only if the issue is raised by one of the parties) and then whether the tenement can be granted and if so, on what conditions. The earliest an application for arbitration can be made to the NNTT is six (6) months after the date of notification of commencement of negotiations by the DMP.

ILUA

An ILUA is a contractual arrangement governed by the NTA. Under the NTA, an ILUA must be negotiated with all registered native title claimants for a relevant area. The State and the applicant for the Tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which a tenement can be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants and holders of native title in return for the grant of the Tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

Infrastructure Process

The NTA establishes a simplified process for the carrying out of a Future Act that is the creation of a right to mine for the sole purpose of the construction of an infrastructure facility (**Infrastructure Process**). The NTA defines infrastructure facility to include a range of transportation, marine, aeronautical, electrical, oil, gas, mineral and communication facilities. In Western Australia, the DMP applies the Infrastructure Process to two classes of mining tenements:

- (a) miscellaneous licences for most purposes under the Mining Regulations 1981 (WA) but, notably, not for a minesite administration facility or a minesite accommodation facility (both of which are dealt with under the Right to Negotiate) or for a search for groundwater (which is dealt with under the Expedited Procedure); and

- (b) most general purpose leases.

The State commences the Infrastructure Process by giving notice of the proposed grant of the tenement to any registered native title claimants or native title holders in relation to the land, to be subject to the tenement. Those registered native title claimants or holders have two (2) months after the notification date to object in relation to the effect of the grant of the tenement on any registered or determined native title rights. Any objection is lodged with the DMP.

If a registered native title claimant or holder objects, the applicant for the tenement must consult with that claimant or holder about:

- (a) ways of minimising the effect of the grant of the tenement on any registered or determined native title rights;
- (b) if relevant, any access to the land; and
- (c) the way in which anything authorized by the tenement may be done.

If the registered native title claimant or holder does not subsequently withdraw their objection, the State is required to ensure that the objection is heard by an independent person (in Western Australia, this is the Chief Magistrate). The independent person must determine whether or not the registered native title claimant's or holder's objection should be upheld or other conditions should be imposed on the tenement.

Expedited Procedure

The NTA establishes a simplified process for the carrying out of a Future Act that is unlikely to adversely affect native title rights (**Expedited Procedure**). The grant of a tenement can occur under the Expedited Procedure if:

- (a) the grant will not interfere directly with the carrying on of the community or social activities of the persons who are the holders of native title in relation to the land;
- (b) the grant is not likely to interfere with areas or sites of particular significance, in accordance with their traditions, to the persons who are holders of native title in relation to the land; and
- (c) the grant is not likely to involve major disturbance to any land or waters concerned or create rights whose exercise is likely to involve major disturbance to any land.

If the State considers the above criteria are satisfied, it commences the Expedited Procedure by giving notice of the proposed grant of the Tenement in accordance with the NTA. Persons have until three (3) months after the notification date to take steps to become a registered native title claimant or native title holder in relation to the land to be subject to the Tenement.

If there is no objection lodged by a registered native title claimant or a native title holder within four (4) months of the notification date, the State may grant the Tenement.

If one or more registered native title claimants or native title holders object within that four (4) month notice period, the NNTT must determine whether the grant is an act attracting the Expedited Procedure. If the NNTT determines that the Expedited Procedure applies, the State may grant the Tenement. Otherwise, the

Future Act Provisions (e.g. Right to Negotiate or ILUA) must be followed before the Tenement can be granted.

The State of Western Australia currently follows a policy of granting prospecting and exploration licenses under the Expedited Procedure where the applicant has entered into a standard Aboriginal heritage agreement with the relevant registered native title claimants or native title holders. The standard Aboriginal heritage agreement provides a framework for the conduct of Aboriginal heritage surveys over the land, the subject of the tenement, prior to the conducting of ground-disturbing work and conditions that apply to activities carried out within the tenement.

7.4 Exception to requirement to comply with Future Act Provisions

The grant of a tenement does not need to comply with the Future Act Provisions if in fact native title has never existed over the land covered by the tenement, or has been validly extinguished prior to the grant of the tenement. We have not undertaken the extensive research needed to determine if in fact native title does not exist, or has been validly extinguished in relation to the Tenements.

Unless it is clear that native title does not exist (e.g. in relation to freehold land), the usual practice of the State is to comply with the Future Act Provisions when granting a tenement. This ensures the grant will be valid in the event a court determines that native title rights do exist over the land that is subject to the tenement.

Where a tenement has been retrospectively validated or validly granted under the NTA, the rights under the tenement prevail over any inconsistent native title rights.

7.5 Application to the Tenements

The following sections of the Report identify:

- (a) any native title claims, native title determinations and ILUAs that are registered against the Tenements (see section 7.6);
- (b) any Tenements which have been retrospectively validated under the NTA as being granted before 23 December 1996 (see section 0); and
- (c) any Tenements which have been granted after 23 December 1996 and as such will need to have been granted following compliance with the Future Act Provisions to be valid under the NTA. This Report assumes that the Future Act Provisions have been complied with in relation to these Tenements (see section 0).

7.6 Registered Native Title Claims and Determinations

Our searches indicate that none of the Tenements are subject to registered native title claims or determinations.

Registered native title claimants (and holders of native title under the determinations) are entitled to certain rights under the Future Act Provisions in respect of land in which native title may continue to subsist.

Non-freehold land

Native title may continue to subsist in certain parcels of non-freehold land or 'Crown land', including pastoral leases, vacant/unallocated Crown land and

certain Crown reserves that were not vested prior to 23 December 1996 and which have not been subsequently developed as public works.

The whole of each of the Tenements is Crown land.

We would expect there to be an Aboriginal heritage agreement in relation to each of the Tenements, as it appears that they were each granted pursuant to the Expedited Procedure. However, the Company has advised that there is no such agreement. Although this is unusual, it does not affect the validity of this tenement and there is no obligation for the Company to enter into any such agreement in future.

If the Company wishes to undertake mining activities on any of the above-mentioned parcels, we would expect the Right to Negotiate to apply. The obligations imposed under a typical native title mining agreement negotiated pursuant to the Right to Negotiate are referred to below.

Native title mining agreement

A typical native title mining agreement would impose obligations on the Company in relation to the matters set out below.

- (a) **(Compensation):** The Company would be required to make a number of milestone payments prior to commencement of production (e.g. at signing of the agreement and at decision to mine). It is currently typical for these payments to total between \$150,000 and \$350,000. The Company would be required to make a payment based on mineral production, which would be likely to be calculated as a percentage of the 'Royalty Value' of the mineral, as defined by the *Mining Regulations 1981(WA)*. It is currently typical for these payments to be 0.5% of the 'Royalty Value' although they vary by commodity and project. Over the past several years they have ranged between 0.25% and 1%+ of the 'Royalty Value'.
- (b) **(Aboriginal heritage):** The Company would be required to give notice prior to any ground-disturbing activities and to conduct an Aboriginal heritage survey through the relevant registered native title claimants prior to doing so. The Company's right to apply to disturb Aboriginal sites under the WA Heritage Act would be subject to, as a minimum, an obligation to consult with the registered native title claimants prior to doing so.
- (c) **(Access):** The Company would be required to avoid unreasonably restricting the registered native title claimants' rights of access to the relevant areas.
- (d) **(Environment):** The Company would be required to provide copies of all of its environmental approvals to the registered native title claimants. The Company may be required to consider funding the participation of the registered native title claimants in its environmental survey and monitoring processes.
- (e) **(Training, employment and contracting):** The Company would be required to provide certain training, employment and contracting benefits to the registered native title claimants, which may include measures such as funding for Aboriginal scholarships or traineeships, implementation of an Aboriginal training and employment policy and business development assistance for Aboriginal contractors or entities

that work with Aboriginal contractors (e.g. in joint venture arrangements).

- (f) **(Cross-cultural awareness):** The Company would be required to ensure that all of its employees and contractors participate in cross-cultural awareness training, which would be likely to be coordinated by the registered native title claimants.
- (g) **(Social impact):** The Company may be asked to fund a study into the social impact of its operations, including the social impact on the registered native title claimants.

7.7 Validity of Tenements under the NTA

The sections below examine the validity of the Tenements under the NTA.

Tenements granted before 23 December 1996

Our searches indicate that Mining Lease 77/450 was granted on 17 September 1990, being before 1 January 1994, and as such has been retrospectively validated under the NTA and that no Tenement was granted after 1 January 1994 but before 23 December 1996.

Tenements granted after 23 December 1996

Our searches indicate that Prospecting Licence 77/3982 was granted after 23 December 1996. We have assumed that this Tenement were granted in accordance with the Future Act Provisions and as such are valid under the NTA.

Tenements renewed after 23 December 1996

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act Provisions in order to be valid under the NTA.

An exception is where the renewal is the first renewal of a mining tenement that was validly granted before 23 December 1996 and the following criteria are satisfied:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the old mining tenement; and
- (c) the rights to be created are not greater than the rights conferred by the old mining tenement.

In such cases, the mining tenement can be renewed without complying with the Future Act Provisions. It is currently uncertain whether this exemption applies to a second or subsequent renewal of such a mining tenement.

Our searches indicate that Mining Lease 77/450 was renewed after 23 December 1996, and as such, the renewal would have been required to comply with the Future Act Provisions for that Tenement to be validly renewed. We have assumed that the Future Act Provisions were complied with to the extent necessary.

Renewals of Tenements in the future will need to comply with the Future Act Provisions in order to be valid under the NTA. If there are any registered native title claimants and holders of native title identified in the future, they will need to be involved as appropriate under the Future Act Provisions.

8. ACCESS

We have been informed by the Department of Regional Development and Lands that they have received an application for a grazing lease that overlaps the area of land covered by the Tenements.

The Mining Act:

- (a) prohibits the carrying out of mining activities on or near land in actual occupation without the permission of the lease holder. Accordingly, if the lease holder is in actual occupation, mining activities could not be conducted within 100 metres of that land, without the lease holder's permission;
- (b) imposes certain restrictions on a mining tenement holder passing through Crown land, including requiring that all necessary steps are taken to notify the occupier of any intention to pass over the Crown land and that all necessary steps are taken to prevent damage to improvements and livestock; and
- (c) provides that the holder of a mining tenement must pay compensation to an occupier of Crown land (i.e. the holder of the grazing lease) in certain circumstances, in particular to make good any damage to improvements, and for any loss suffered by the occupier from that damage or for any substantial loss of earnings suffered by the occupier as a result of, or arising from, any exploration or mining activities, including the passing and re-passing over any land.

The Company has advised that if the grazing lease referred to above is granted it will enter into discussions with the grazing lease holder with a view to entering into an access and compensation agreement in order for the Company to carry out its intended activities on the Tenements.

9. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all Tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNTT;
- (b) we assume that the registered holder of a Tenement has valid legal title to the Tenement;
- (c) we have assumed that Mr Steve Shilkin has valid contractual rights to acquire the Tenements;
- (d) we have assumed that the signed transfers, that we have sighted, which are for the transfer of each current registered holder's interest in each Tenement to Mr Shilkin are validly executed and are in registrable form;
- (e) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from our searches and the information provided to us;
- (f) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those

who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

- (g) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements complied with the applicable Future Act Provisions;
- (h) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (i) unless apparent from our searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain a Tenement in good standing;
- (j) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey; and
- (k) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the Prospectus.

Yours faithfully



STEINPREIS PAGANIN

PART I

TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER	SHARES HELD	COMMENCEMENT DATE	EXPIRY DATE	AREA SIZE	ANNUAL RENT	MINIMUM ANNUAL EXPENDITURE	MATERIAL ENCUMBRANCES/ DEALINGS/ BONDS	MATERIAL NOTES	NATIVE TITLE CLAIMS/ DETERMINATIONS/ ILUAs
P77/3982	Lynette Fradl/ Jagem Pty Ltd	50/50	04/05/2010	03/05/2014	3.5 HA	Paid in full for this tenement year \$22.50 due for next tenement year on or before 03/05/2013	No expenditure lodged and no exemption lodged for previous tenement year. \$2,000 due for this tenement year on or before 03/05/2013	Caveat 401597 to protect the Company's interest.	1-8	Nil
M77/450	Lynette Fradl/ Jagem Pty Ltd	50/50	20/09/1990	19/09/2032	54.25 HA	Paid in full for this tenement year \$847 due for next tenement year on or before 19/09/2012	Expended in full for last tenement year \$10,000 due for this tenement year on or before 19/09/2012	Bond Requirement 323463 - \$5,000 Caveat 401596 to protect the Company's interest.	2, 4, 5, 6 and 9 to 21	Nil

Key to Tenement Schedule

- P - Prospecting Licence
- M - Mining Lease

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

References to numbers in the "Notes" column refers to the notes following this table.

Notes:

1. The Licensee's attention is drawn to the provisions of the Aboriginal Heritage Act 1972 and any Regulations thereunder.
2. The Licensee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
3. All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe immediately after completion.
4. All disturbances to the surface of the land made as a result of exploration, including costeans, drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, Department of Mines and Petroleum (DMP). Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DMP.

5. All waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings being removed from the mining tenement prior to or at the termination of exploration program.
6. Unless the written approval of the Environmental Officer, DMP is first obtained, the use of drilling rigs, scrapers, graders, bulldozers, backhoes or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
7. The Licensee notifying the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs; water carting equipment or other mechanised equipment.
8. The Licensee or transferee, as the case may be, shall within thirty (30) days of receiving written notification of:
 - the grant of the Licence; or
 - registration of a transfer introducing a new Licensee;
 advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.
9. Compliance with the provisions of the Aboriginal Heritage Act, 1972 to ensure that no action is taken which would interfere with or damage any Aboriginal site.
10. No developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DMP for assessment; and until his written approval has been obtained.
11. Mining on any road or road reserve being confined to below a depth of 15 metres from the natural surface.
12. The construction and operation of the project and measure to protect the environment being carried out generally in accordance with the document titles "Birthday – Carinthian Gold Project – Notice of Intent" dated 14 June 1996 and retained on Department of Minerals and Energy File No. 2111/96. Where a difference exists between the above document and the following conditions, then the following conditions shall prevail.
13. The development and operation of the project being carried out in such a manner so as to create the minimum practicable disturbance to the existing vegetation and natural landform.
14. All topsoil being removed ahead of all mining operations from sites such as pit areas, waste disposal areas, ore stockpile areas, pipeline, haul roads and new access road and being stockpiled for later respreading or immediately respread as rehabilitation progresses.
15. At the completion of operations, all buildings and structures being removed from site or demolished and buried to the satisfaction of the State Mining Engineer.
16. All rubbish and scarp being progressively disposed of in a suitable manner.
17. At the completion of operations, or progressively where possible, all access roads and other disturbed areas being covered with topsoil, deep ripped and revegetated with local native grasses, shrubs and trees to the satisfaction of the State Mining Engineer.
18. Any alteration or expansion of operations within the lease boundaries beyond that outlined in the above document(s) not commencing until a plan of operations and a program to safeguard the environment are submitted to the State Mining Engineer for his assessment and until his written approval to proceed has been obtained.
19. The lessee arranging lodgement of an Unconditional Performance Bond executed by a Bank or other approved financial institution in favour of the Minister for Mines for due compliance with the environmental conditions of the lease in the sum of:
 - \$5,000
20. The lessee submitting to the State Mining Engineer, a brief annual report outlining the project operations, mine site environmental management and rehabilitation work undertaken in the previous 12 months and the proposed operations, environmental management plans and rehabilitation programmes for the next 12 months. This report to be submitted each year in:
 - May
21. A Mine Closure Plan is to be submitted in the Annual Environmental Reporting month specified in tenement conditions in the year specified below, unless otherwise directed by an Environmental Officer, DMP. The Mine Closure Plan is to be prepared in accordance with the "Guidelines for Preparing Mine Closure Plans" available on DMP's website:
 - 2014.

MATERIAL CONTRACT SUMMARY – TENEMENT ACQUISITION AGREEMENT

On or about 24 November 2011, the Company and Mr Steven Shilkin entered into an agreement (which was varied on or about 26 April 2012 and again on or about 20 July 2012) (**Agreement**) pursuant to which the Company agreed to purchase from Mr Shilkin (**Vendor**) his 100% legal and beneficial interest in:

- (a) mining lease 77/450 and prospecting licence 77/3982, both located in Western Australia (**Tenements**);
 - (b) certain infrastructure located on the Tenements; and
 - (c) certain mining information in relation to the Tenements,
- (the **Assets**).

The material terms of the Agreement are as follows:

- (a) The consideration payable by the Company to the Vendor for the Assets comprises:
 - (i) refundable cash deposits totaling \$750,000. These deposits have already been paid and are refundable in full if the Conditions Precedent (defined below) are not capable of being satisfied on or before 30 September 2012 (or such other date as agreed to by the parties in writing);
 - (ii) \$500,000 cash to be provided to Mr Shilkin upon settlement of the sale and purchase of the Assets (**Settlement**); and
 - (iii) the issue of 2,250,000 fully paid ordinary shares in the capital of the Company to Mr Shilkin (or his nominee) upon Settlement.
- (b) The Agreement is conditional upon to following occurring (or being waived unless otherwise stated) on or before 30 September 2012 (or such other date as agreed to by the parties in writing):
 - (i) the Company obtaining shareholder approvals pursuant to the ASX Listing Rules and the Corporations Act as necessary. The necessary shareholder approvals were obtained on 22 June 2012 at the Company's annual general meeting of shareholders for the financial year ending 31 December 2011;
 - (ii) the Company complying with the requirements of Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3 and obtaining conditional approval for re-instatement of its securities to Official Quotation on the ASX on conditions normally imposed by ASX;
 - (iii) Mr Shilkin completing the asset sale agreements for the acquisition of 100% beneficial and legal ownership in the Assets such that he is entitled to be the registered holder of the Tenements. See Part III of this Schedule for further details in relation to the Vendor's purchase of the Assets; and
 - (iv) the Company obtaining the consent of the Minister under the Mining Act 1978 (WA) for the transfer of mining lease 77/450 to the Company. This condition precedent has now been satisfied,

(**Conditions Precedent**).

- (c) Settlement is due to occur 5 Business days after the last of the Conditions Precedent is satisfied or waived and the Company currently anticipates Settlement will occur in September 2012.
- (d) The Agreement also contains standard warranties which would be expected for an agreement of this type.

PART III - OWNERSHIP STRUCTURE

The Company has a contractual right to purchase the Tenements from Mr Steve Shilkin pursuant to the Asset Sale and Purchase Agreement as summarised in Part II of this Schedule. Mr Shilkin is not the registered holder of the Tenements.

As set out in Part I of this Schedule, each Tenement is registered as held by Jagem Pty Ltd (holding a 50% interest) together with Ms Lynette Fradl (also holding a 50% interest).

Mr Shilkin currently has in his possession the following executed transfers:

- (a) the transfer of 50 shares (a 50% interest) in Mining Lease 77/450 from Jagem Pty Ltd to Mr Shilkin;
- (b) the transfer of 50 shares (a 50% interest) in Prospecting Licence 77/3982 from Jagem Pty Ltd to Mr Shilkin;
- (c) the transfer of 50 shares (a 50% interest) in Mining Lease 77/450 from Ms Fradl to Mr Shilkin; and
- (d) the transfer of 50 shares (a 50% interest) in Prospecting Licence 77/3982 from Ms Fradl to Mr Shilkin.

We have sighted copies of each of the above transfers.

11. CORPORATE GOVERNANCE

11.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website (www.elcorporation.com).

11.1.1 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

11.1.2 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

11.1.3 Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

11.1.4 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

11.1.5 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

11.1.6 Remuneration arrangements

The remuneration of an executive Director will be 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 of each non-executive Director. This amount has been set at an amount not to exceed \$300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

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 Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

11.1.7 Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

11.1.8 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

11.1.9 Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

11.1.10 Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspective.

11.2 Departures from Recommendations

Once the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations as at the date of this Prospectus are set out on the following pages.

PRINCIPLES AND RECOMMENDATIONS		COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	<p>The Board is collectively responsible for promoting the success of the Company and enhancing Shareholder value through its key functions of overseeing the management of the Company.</p> <p>Two executives are employed by the Company, Mr Isaac Ng, who is also the chief executive officer of the Company and, Mr Mark Howard-Browne, who is also the chief financial officer of the Company. All other functions such as financial management and corporate secretarial are provided to the company on an outsourced basis.</p> <p>Moving forward, it is currently intended that Mr Isaac Ng will continue as the chief executive officer of the Company and will continue to manage the Company's operations day to day. Also, Mr Mark Howard-Browne will continue as the chief financial officer.</p>
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board monitors the performance of any senior executives who are not Directors, including measuring actual performance against planned performance. The chair monitors the Board.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1.	<p>Explanation of departures from Principles and Recommendations 1.1 and 1.2 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 1.1 and 1.2 (if any) in its future annual reports.</p> <p>The Corporate Governance Manual, which includes the Board Charter, is posted on the Company's website.</p>
2.	<i>Structure the board to add value</i>	
2.1.	A majority of the board should be independent directors.	The board currently has 5 Directors and 3 of which are independent. Thus, a majority of the Board are independent.
2.2.	The chair should be an independent director.	The chair is an independent Director.
2.3.	The roles of chair and chief executive officer should not be exercised by the same individual.	The roles of the chair and the chief executive officer are not exercised by the same person.

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
2.4.	The board should establish a nomination committee.	<p>No formal nomination committee has been established by the Company as yet. The Board, as a whole, currently serves as the nomination committee.</p> <p>The Company's Corporate Governance Manual includes a Nomination Committee Charter, which discloses the specific responsibilities of the committee once established.</p> <p>Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.</p>
2.5.	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	<p>The chair will review the performance of the Board, its committees (if any) and individual Directors to ensure that the Company continues to have a mix of skills and experience necessary for the conduct of its activities. The Company will appoint a lead independent Director to take over the role of the chair when the chair is unable to act in that capacity as a result of his or her lack of independence.</p>
2.6.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 2</i> .	<p>The Company has provided details of each Director, such as their skills, experience and expertise relevant to their position in this Prospectus and will also provide these details on its website and in future annual reports. Explanation of departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 2.1, 2.2, 2.3, 2.4 and 2.5 (if any) in its future annual reports. Future annual reports will disclose whether such a performance evaluation has taken place in the relevant reporting period and whether it was in accordance with the process disclosed.</p> <p>The Corporate Governance Manual, which includes the Nomination Committee Charter, is posted on the Company's website.</p>

PRINCIPLES AND RECOMMENDATIONS		COMMENT
3.	Promote ethical and responsible decision-making	
3.1.	<p>Companies should establish a code of conduct and disclose the code or a summary of the code as to:</p> <ul style="list-style-type: none"> the practices necessary to maintain confidence in the company's integrity the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. 	The Company's Corporate Governance Manual, including the Code of Conduct and Trading Policy, is available on the Company's website.
3.2.	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company's Corporate Governance Manual includes a Diversity Policy, which provides a framework for establishing measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.
3.3.	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	This Recommendation came into effect on 1 January 2011. The Company has not complied with this Recommendation for the previous 2 financial years. During the previous 2 financial years, the Company's operations have had very little activity. As such, the Company has not had a workforce or senior managers. The Company will consider its gender diversity policy when seeking to make future appointments to its Board moving forward. The Company intends to comply with this Recommendation in its future annual reports.
3.4.	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	This Recommendation came into effect on 1 January 2011. The Company has not complied with this Recommendation for the previous 2 financial years. During the previous 2 financial years, the Company's operations have had very little activity. As such, the Company has not had a workforce or senior managers. The Company will consider its gender diversity policy when seeking to make future appointments to its Board moving forward. Future annual reports will disclose the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

PRINCIPLES AND RECOMMENDATIONS		COMMENT
3.5.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 3</i> .	Explanation of departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 3.1, 3.2, 3.3 and 3.4 (if any) in its future annual reports. The Corporate Governance Manual, which includes the Corporate Code of Conduct and Diversity Policy, is posted on the Company's website.
4.	<i>Safeguard integrity in financial reporting</i>	
4.1.	The board should establish an audit committee.	No formal audit committee has been established by the Company as yet. The Board, as a whole, currently serves as the audit committee.
4.2.	The audit committee should be structured so that it: <ul style="list-style-type: none"> • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members. 	Whilst the audit committee is not structured in the manner set out in the Principles and Recommendations, the Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation as it would be cost prohibitive and counterproductive. As the operations of the Company develop the Board will reassess the formation of the audit committee.
4.3.	The audit committee should have a formal charter.	The Company's Corporate Governance Manual includes an Audit Committee Charter, which discloses its specific responsibilities.
4.4.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 4</i> .	Explanation of departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) are set out above. The Company will also explain any departures from Principles and Recommendations 4.1, 4.2 and 4.3 (if any) in its future annual reports. The Corporate Governance Manual, which includes the Audit Committee Charter, is posted on the Company's website.
5.	<i>Make timely and balanced disclosure</i>	
5.1.	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has and will comply with continuous disclosure requirements set out in chapter 3 of the ASX listing rules. The Board, employees and consultants of the Company are required to adhere to the procedure set out in the Company's Continuous Disclosure Policy to ensure compliance with the ASX listing rules. The Corporate Governance Manual, which includes the Continuous Disclosure Policy, is posted on the Company's website.

PRINCIPLES AND RECOMMENDATIONS		COMMENT
5.2.	Companies should provide the information indicated in <i>Guide to Reporting on Principle 5</i> .	The Company has not currently departed from Principle and Recommendation 5.1. The Company will provide an explanation of any departures from Principle and Recommendation 5.1 (if any) in its future annual reports. The Corporate Governance Manual, which includes the Continuous Disclosure Policy, is posted on the Company's website.
6.	<i>Respect the rights of shareholders</i>	
6.1.	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company's Corporate Governance Manual includes a shareholders communication strategy, which aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.
6.2.	Companies should provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The Company has not currently departed from Principle and Recommendation 6.1. The Company will provide an explanation of any departures from Principle and Recommendation 6.1 (if any) in its future annual reports. The Corporate Governance Manual, which includes a shareholders communication strategy, is posted on the Company's website.
7.	<i>Recognise and manage risk</i>	
7.1.	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company's Corporate Governance Manual includes a risk management policy. The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.
7.2.	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The Company's Corporate Governance Manual includes a risk management policy. The Board will require either the chief executive officer or the chief financial officer to provide a report at the relevant time.

PRINCIPLES AND RECOMMENDATIONS		COMMENT
7.3.	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board will seek this relevant assurance from the chief executive officer at the relevant time.
7.4.	Companies should provide the information indicated in <i>Guide to Reporting on Principle 7</i> .	The Company has not currently departed from Principles and Recommendations 7.1, 7.2 and 7.3. The Company will provide an explanation of any departures from Principles and Recommendations 7.1, 7.2 and 7.3 (if any) in its future annual reports. The Corporate Governance Manual, which includes a risk management policy, is posted on the Company's website.
8.	Remunerate fairly and responsibly	
8.1.	The board should establish a remuneration committee.	<p>The Board has not established a formal remuneration committee at this point in the Company's development. It is considered that the size of the Board along with the level of activity of the Company renders this impractical and the Board, acting without the affected director participating in the decision making process, currently serves as a remuneration committee.</p> <p>The Company's Corporate Governance Manual includes a Remuneration Committee Charter, which discloses its specific responsibilities. Remuneration to the executive directors is by way of salary or fees only and to non-executive directors by way of director fees only, with the level of such salary or fees as the context requires, having been set by the Board to an amount it considers to be commensurate for a company of its size and level of activity.</p> <p>There is currently no link between performance and remuneration, however, it is the intention of the Board to re-assess this if the Company re-commences mining operations on the Birthday Mine. The Company does not currently intend to re-commence mining operations on the Birthday Mine. Further there are no schemes for retirement benefits in existence.</p>

	PRINCIPLES AND RECOMMENDATIONS	COMMENT
8.2.	<p>The remuneration committee should be structured so that it:</p> <ul style="list-style-type: none"> • consists of a majority of independent directors • is chaired by an independent director • has at least three members 	<p>Although no formal remuneration committee has been established, the Board currently serves as the remuneration committee. The Board is comprised of a majority of independent Directors, has at least three members, and can source external advice and information on appropriate market rates. An affected Director does not participate in the decision making process.</p>
8.3.	<p>Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>	<p>The Board has distinguished the structure of non executive Director's remuneration from that of executive Directors and senior executives. The Company's new constitution, adopted at the Annual General Meeting for year end 31 December 2011, provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum set by the constitution and subsequently varied by resolution at a general meeting of shareholders. The Board is responsible for determining the remuneration of executive directors and senior executives (without the participation of the affected director). It is the Board's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating executive directors and senior executives fairly and appropriately with reference to relevant employment market conditions and by linking the nature and amount of executive directors' and senior executives emoluments to the Company's financial and operational performance.</p>
8.4.	<p>Companies should provide the information indicated in the <i>Guide to reporting on Principle 8</i>.</p>	<p>Explanation of departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) are set out above. The Company will also provide an explanation of any departures from Principles and Recommendations 8.1, 8.2 and 8.3 (if any) in its future annual reports.</p> <p>The Corporate Governance Manual, which includes the Remuneration Committee Charter, is posted on the Company's website.</p>

12. RIGHTS ATTACHING TO SHARES

The following is a summary of the more significant rights attaching to Shares. 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 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.

12.1 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.

12.2 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:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) 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
- (c) 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 the Share, 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).

12.3 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.

12.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or 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 of the Company, 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.

12.5 Shareholder liability

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

12.6 Transfer of Shares

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

12.7 Variation of rights

Pursuant to 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.

12.8 Alteration of Constitution

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.

13. ADDITIONAL INFORMATION

13.1 Litigation

As at the date of this Prospectus:

- (a) 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; and
- (b) the Company is not aware of any legal proceedings involving the Assets and the Directors are not aware of any legal proceedings pending or threatened involving the Assets.

13.2 Material Contracts

13.2.1 Asset Sale and Purchase Agreement

A summary of the Asset Sale and Purchase Agreement is set out in Part II of the Solicitor's Report on Tenement set out in Section 10 of this Prospectus.

13.2.2 Executive Services Agreement – Isaac Ng

A summary of the Company's executive services agreement with Mr Isaac Ng is set out in Section 3.19(a) of this Prospectus.

13.2.3 Deeds of indemnity, insurance and access - Directors

A summary of a deed of indemnity, insurance and access proposed to be entered into with each Director is set out in Section 3.19(b) of this Prospectus.

13.3 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.

13.4 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offer or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

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:

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

Martin Dormer operating under the business name Uearthed Elements has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 8 of this Prospectus. The Company estimates it will pay Martin Dormer a total of \$14,220 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Martin Dormer has not received fees from the Company for any other services.

RSM Bird Cameron Corporate Pty Ltd have acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay RSM Bird Cameron Corporate Pty Ltd a total of approximately \$15,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron Corporate Pty Ltd has received nil fees from the Company. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron Partners (an entity related to RSM Bird Cameron Corporate Pty Ltd) have received any a total of approximately \$40,000 in fees from the Company.

Steinepreis Paganin have acted as the solicitors to the Company in relation to the Offer and have prepared the Solicitor's Report on Tenements which is included in Section 10 of this Prospectus. The Company estimates it will pay

Steinepreis Paganin approximately \$60,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin have received fees totalling approximately \$85,757 from the Company.

13.5 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes 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.

Martin Dormer trading as Unearthed Elements has given his written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geologist's Report in Section 8 of this Prospectus in the form and context in which the report is included and the inclusion of statements contained in Section 2.7, the Chairman's Letter in Section 4, Investment Overview in Section 3 and Section 6.3 of this Prospectus in the form and context in which those statements are included. Martin Dormer has not withdrawn his consent prior to lodgement of this Prospectus with the ASIC.

RSM Bird Cameron Corporate Pty Ltd have given it written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report is included. RSM Bird Cameron Corporate Pty Ltd have not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin have given their written consent to being named as the solicitors to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Tenements in Section 10 of this Prospectus in the form and context in which the report is included. Steinepreis Paganin have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

13.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$450,000 for Full Subscription or \$515,000 for Full Over-Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)	Full Over - Subscription (\$)
ASIC fees	2,171	2,171
ASX fees	27,070	31,670
Broker commissions*	180,000	240,000
Legal fees	60,000	60,000
Independent Geologist's fees	14,220	14,220

Investigating Accountant's fees	15,000	15,000
Corporate advisor fees	115,000	115,000
Printing, design and distribution	30,000	30,000
Miscellaneous	6,539	6,939
TOTAL	450,000	515,000

* Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company (refer to Section 5.9 of this Prospectus for further information). The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offer will be reduced and the additional funds will be put towards working capital.

13.7 Continuous disclosure obligations

Following re-instatement of the Company's Shares to Official Quotation on ASX, the Company will be a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be 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.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

13.8 Electronic Prospectus

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.elcorporation.com.

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.

13.9 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.

13.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares allotted 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 CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. 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.

13.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including 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 share registry.

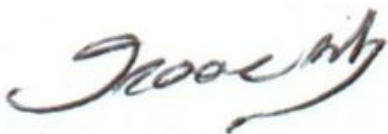
You can access, correct and update the personal information that the Company holds about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

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 Shares, the Company may not be able to accept or process your application.

14. 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.



Isaac Ng
Chief Executive Officer
For and on behalf of
EL Corporation Limited

15. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means Australian dollar.

Annual General Meeting has the meaning given to that term in Section 2.1 of this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

Asset has the meaning given to that term in Section 3.1 of this Prospectus.

Asset Sale and Purchase Agreement has the meaning given to that term in Section 3.1 of this Prospectus.

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

ASX Listing Rules means the official listing rules of ASX.

Birthday Mine has the meaning given to that term in Section 3.1 of this Prospectus.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means EL Corporation Limited (ACN 002 737 733).

Constitution means the constitution of the Company.

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

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

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Full Over-Subscription means \$4,000,000 being the maximum aggregate value of all valid Application Forms applying for Shares under the Offer, and accepted by the Company, in accordance with this Prospectus that may be accepted under this Prospectus.

Full Subscription means \$3,000,000 being the minimum aggregate value of all valid Application Forms applying for Shares under the Offer, and accepted by the Company, in accordance with this Prospectus.

Notice of Meeting has the meaning given to that term in Section 3.1 of this Prospectus.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 5.1 of this Prospectus.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means 9 August 2012.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

Transaction means the transaction the subject of the Asset Sale and Purchase Agreement.

Tenement has the meaning given to that term in Section 3.1 of this Prospectus.

Vendor has the meaning given to that term in Section 3.1 of this Prospectus.

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