



Prospectus

Northern Manganese Limited

ABN 24 119 494 772

For a non-renounceable pro rata offer to Eligible Shareholders of approximately 39,865,145 Loyalty Options on the basis of 2 Loyalty Options for every 5 Existing Shares held with each Loyalty Option to acquire one fully paid ordinary Share in Northern Manganese Limited at an issue price of \$0.001, with an exercise price of \$0.05 and expiry date of 30 April 2014.

ASX Code: NTM

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice: This Prospectus is dated 7 May 2013 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the Loyalty Options offered under this Prospectus within 7 days of this date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus: The Loyalty Options which will be issued pursuant to this Prospectus will, upon exercise, entitle the holder to the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Loyalty Options on the Company and the rights attaching to the Loyalty Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

Prospectus availability: Shareholders with a registered address in Australia and New Zealand can obtain a copy of this Prospectus during the Offer period on the Company's website at www.northernmanganesec.com.au or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.5 of this Prospectus for further information).

Foreign jurisdictions: 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. Failure to comply with these restrictions may violate securities

laws. 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. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

Disclaimer of representations: No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

Forward looking statements: This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Exposure Period This Prospectus is subject to an exposure period of 7 days from the date of lodgment with ASIC. This period may be extended by ASIC for a further period of up to 7 days. The purpose of this exposure period is to enable this Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, any Entitlement and Acceptance Forms received during the exposure period will be dealt with in accordance with section 724 of the Corporations Act. Entitlement and Acceptance Forms received prior to the expiration of the exposure period will not be processed until after the exposure period. No preference will be conferred on Entitlement and Acceptance Forms received in the exposure period and all Entitlement and Acceptance Forms received during the exposure period will be treated as if they were simultaneously received on the Opening Date.

Privacy: Please read the privacy information located in section 8.15 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions: Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

Enquiries: If you have any questions please call the Company Secretary on +61 8 9376 8133. Alternatively, consult your broker, accountant or other professional advisor.

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Corporate Directory

Directors

Mr Douglas Daws (Chairman, Non Exec Director)
Mr Lloyd Jones (Managing Director)
Mr David Ryan (Non Exec. Director)

Company Secretary

Mr Robert Marusco

Registered Office

Level 2, Spectrum, 100 Railway Road
Subiaco WA 6008

Business Office

Suite 9, Level 1, 25 Parap Rd
Parap NT 0820

Tel: +61 8 8941 8395

Email: admin@northernmanganese.com.au

www.northernmanganese.com.au

Share Registry

Computershare Investor Services Pty Limited
45 St George's Terrace
PERTH WA 6000

Tel: 1300 787 272

Fax: 08 9323 2033

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors to the Offer

Kings Park Corporate Lawyers
Suite 8, 8 Clive Street
West Perth WA 6005

*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

1 TIMETABLE TO THE OFFER

Lodgment Date	7 May 2013
Ex Date - Shares trade ex Entitlement	10 May 2013
Record date to determine Entitlement	16 May 2013
Offer opens for receipt of Applications	22 May 2013
Closing date for acceptances	5 June 2013
Deferred settlement trading	6 June 2013
Grant of Loyalty Options	13 June 2013
Dispatch of holding statements	14 June 2013
Trading of Loyalty Options expected to commence	17 June 2013
Last date to grant Shortfall Loyalty Options (see section 8.7)	5 September 2013

Note:

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the Listing Rules and Corporations Act.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue ¹	99,662,863
Options currently on issue	51,000,000
Loyalty Options offered under this Prospectus ¹	39,865,145
Amount raised under this Prospectus (before costs) ¹	\$39,865.15

Note:

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

3 CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of Northern Manganese Limited, I am pleased to invite you to participate in the 2 Loyalty Options for 5 Existing Shares non-renounceable pro-rata entitlement offer with each Loyalty Option to acquire one fully paid ordinary Share in Northern Manganese Limited at an issue price of \$0.001, and an exercise price of \$0.05 and expiry date of 30 April 2014.

This Prospectus and personalised Acceptance Form should be read carefully and in their entirety before deciding whether or not to participate in this Offer. In particular Eligible Shareholders should consider the key risk factors outlined in section 6 of this Prospectus.

On behalf of your Board, I invite you to consider this investment opportunity and thank you for your ongoing support for our Company.

Yours faithfully,



Douglas Daws OAM
Chairman

4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in Loyalty Options.

Question	Response	Where to find more information
What is being offered?	<p>Under this Prospectus 39,865,145 Loyalty Options are offered to Eligible Shareholders (assuming no Options are exercised prior to the Record Date) on the basis of 2 Loyalty Options for every 5 Existing Shares held, with each Loyalty Option to acquire one fully paid ordinary Share, at an issue price of \$0.001, with an exercise price of \$0.05 and expiry date of 30 April 2014.</p> <p>Eligible Shareholders can, in addition to their Entitlement, also apply for Shortfall Loyalty Options.</p>	Section 5
How will the proceeds of the Offer be used?	<p>The Company intends to use the funds raised from the Offer to pay for the costs of the Offer and for working capital.</p> <p>Funds raised upon exercise of the Loyalty Options will be used for exploration and general working capital.</p>	Section 5.2
What are the key risks of a subscription under the Offer?	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none">• Exercise price more than market price - there is a risk that Loyalty Options will be out of money at the expiry date.• Moratorium on exploration - The Company's projects include the Northern Manganese Groote Eylandt Project and Blue Mud Bay Project (which consists of applications for four Islands and three offshore Exploration Licences). These projects are currently subject to a three year moratorium covering all coastal territory waters on all offshore exploration and sea bed mining. As a result the Company cannot explore its Northern Manganese Groote Eylandt Project and the applications with respect to the Blue Mud Bay Project cannot be granted.• Exploration risks - The Company's projects are early stage exploration tenements with significant exploration risk.	Section 6

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- The Company's future capital needs and additional funding may be required to complete the proposed exploration program.
 - As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks.

Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for Loyalty Options.

How do I apply for Loyalty Options under the Offer?	Applications can be made by Eligible Shareholders completing the personalised Entitlement and Acceptance Form and sending it to the Share Registry. Eligible Shareholders may also apply for Shortfall Loyalty Options by following the instructions in section 7.3.	Section 7.2
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How will the Shortfall Loyalty Options be allocated?	The Directors will allocate any Shortfall Loyalty Options at their discretion, including to Eligible Shareholders who apply for Shortfall Loyalty Options.	Section 8.7
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When will I know if my Application was successful?	A holding statement confirming your allocation under the Offer will be sent to you on or about the date set out in the timetable for the Offer, as set out in section 1.	Section 7
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How can I obtain further advice?	Contact the Company Secretary on +61 8 9367 8133 at any time between 8.00am and 5.00pm (WST time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.	
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5 PURPOSE AND EFFECT OF THE OFFER

5.1 Introduction

The Company is seeking to raise approximately \$39,865.15 before issue costs under the Offer, a non-renounceable pro rata offer to Eligible Shareholders on the basis of 2 Loyalty Options for every 5 Existing Shares held with each Loyalty Option to acquire one fully paid ordinary Share at an issue price of \$0.001, with an exercise price of \$0.05 and expiry date of 30 April 2014.

5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Working Capital	\$25,000
Costs of the Offer	\$14,000
Total	\$39,000

Notes:

This table is a statement of current intentions as at 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 way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.

Funds raised from the exercise of Loyalty Options will be used for exploration and general working capital.

5.3 Effect of the Offer

The effect of the Offer will, assuming that no Options are exercised and that Entitlements are taken up in full, be that:

- (a) cash reserves will increase by approximately \$25,000 (after costs);
- (b) the number of listed Options on issue will increase from nil to 39,865,145;
- (c) the number of Unlisted Options on issue will remain the same at 51,000,000; and
- (d) the number of Shares on issue will remain the same at 99,662,862.

5.4 Statement of unaudited financial position

Set out below is the Consolidated Statement of Financial Position of the Company (audited) and the Consolidated Pro-Forma Statement of Financial Position (unaudited), as at 31 December 2012 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 December 2012; and
- (b) no further Shares are issued (including by way of exercise of Options) other than all Shares offered under this Prospectus.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for year ended 30 June 2012.

Consolidated Statement of Financial Position

	Audited 31 December 2012 \$	Unaudited Pro forma 31 December 2012 \$
Current Assets		
Cash and cash equivalents	679,724	704,724
Trade and other receivables	39,840	39,840
Other current assets	623,015	623,015
Total Current Assets	1,342,579	1,367,579
Non-Current Assets		
Plant and equipment	105,907	105,907
Capitalised tenement acquisition costs	5,644,298	5,644,298
Total Non-Current Assets	5,750,205	5,750,205
TOTAL ASSETS	7,092,784	7,117,784
Current Liabilities		
Trade and other payables	80,233	80,233
Provisions	24,457	24,457
Borrowings	17,066	17,066
Total Current Liabilities	121,756	121,756
Non - Current Liabilities		
Borrowings	35,760	35,760
Total Non - current Liabilities	35,760	35,760
TOTAL LIABILITES	157,516	157,516
NET ASSETS	6,935,268	6,960,268
EQUITY		
Contributed equity	12,783,774	12,783,774
Reserves	4,729,700	4,754,700
Accumulated losses	(10,578,206)	(10,578,206)
TOTAL EQUITY	6,935,268	6,960,268

5.5 Consolidated capital structure

The Company has 99,662,863 Shares on issue. Assuming that Entitlements are taken up in full and that no Options are exercised prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Options	Number
Unlisted Options exercisable at \$0.20 on or before 1 December 2016	6,000,000
Unlisted Options exercisable at \$0.40 on or before 20 May 2015	45,000,000
Loyalty Options issued under this Prospectus	39,865,145
Total Options	90,865,145

5.6 Effect on control

The Loyalty Options confer no voting rights, and the Offer will not effect on control of the Company.

Whether the issue of Shares upon exercise of Listing Options will effect control of the Company depends upon the circumstances of the Company at the time the Listing Options are exercised.

6 RISK FACTORS

An investment in the Loyalty Options the subject of this Prospectus is highly speculative as the Company is a resource exploration company. Please consider the risks described below and the information contained in other sections of this Prospectus. You should also consider consulting with your professional advisers before deciding whether or not to apply for the Loyalty Options.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations.

6.1 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Exercise of Loyalty Options

The Company's Share price is currently less than the Loyalty Option exercise price and there is a risk that the Loyalty Options will be out of the money at their expiry date.

(b) Moratorium on exploration

The Company's projects include the Northern Manganese Groote Eylandt Project and Blue Mud Bay Project (which consists of applications for four Islands and three offshore Exploration Licences).

The Northern Territory Government announced a three year moratorium covering all coastal territory waters on all offshore exploration and sea bed mining on the 6 March 2012. As a result the Company cannot explore its Northern Manganese Groote Eylandt Project and the applications with respect to the Blue Mud Bay Project cannot be granted.

There is a risk that the moratorium may not be lifted either at all or within a period acceptable to the Company. As a consequence, there is a risk that the Company may not be able to recover its capitalized exploration and evaluation expenditure which will have an adverse effect on the Company's financial position.

(c) Exploration

Whilst considered highly prospective, the Company's tenements are early stage exploration tenements with limited exploration undertaken on them to date.

Exploration is a high risk undertaking. The Company does not give any assurance that exploration of its current projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

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

(d) Operations

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

(e) Resource estimates

The Company does not presently have any JORC Code compliant resources on its tenements. In the event a 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, 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.

(f) Future capital needs and additional funding

The funds raised by the Offer will primarily be used to fund exploration on the Company's projects. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

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

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

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

(g) Manganese and other commodity prices

As an explorer for Manganese and potentially other minerals, any earnings of the Company are expected to be closely related to the price of manganese and other commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and

demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(h) Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(i) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel.

Currently, the key personnel of the Company are a Managing Director, an environmental consultant and a geology consultant.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

6.2 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

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

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

6.3 Speculative investment

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

Therefore, the Loyalty Options 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 the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Loyalty Options pursuant to this Prospectus.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all of your Entitlement (see section 7.2); and
- (b) apply for Shortfall Loyalty Options (see section 7.3);
- (c) allow all or part of your Entitlement to lapse (see section 7.4).

7.2 To subscribe for all of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the Loyalty Options offered by this Prospectus before deciding to apply for Loyalty Options. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of Loyalty Options you are entitled to subscribe for.

7.3 To apply for Shortfall Loyalty Options

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Loyalty Options regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.7 for details of the manner in which Shortfall Loyalty Options will be allocated.

A cheque, bank draft or money order should be used for the application money for your Entitlement and the number of Shortfall Loyalty Options you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY^{®1}, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm Eastern Standard Time (3pm (WST)) on the Closing Date.

Any refunds of application moneys will be returned to Applicants as soon as practicable following the issue of all Loyalty Options.

7.4 Entitlements not taken up

If you are an Eligible Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or Loyalty Options and your Entitlement will become Shortfall Loyalty Options.

¹ [®] Registered to BPAY Pty Ltd ABN 69 079 137 518

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.5 Payment methods

Cheque, bank draft or money order

The completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Northern Manganese Limited' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.001 per Loyalty Option accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s), bank draft(s) clear in time for allocation) is insufficient to pay for the number of Loyalty Options you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of Loyalty Options as your cleared application money will pay for (and to have specified that number of Loyalty Options in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received at the following address by no later than 5pm Eastern Standard Time (3pm (WST)) on the Closing Date:

By Post To:

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001

BPAY

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm Eastern Standard Time (3pm (WST)) on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 5pm Eastern Standard Time (3pm (WST)) on the Closing Date. If you have more than one shareholding and consequently receive more than

one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

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

7.6 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application moneys, or by making a payment in respect of an Application by BPay, constitutes a binding offer to acquire Loyalty Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, or by making a payment in respect of an Application by BPay, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Loyalty Options to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Loyalty Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Loyalty Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the Loyalty Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the Loyalty Options.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as a valid application for Loyalty Options. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Loyalty Options than is indicated by the amount of the cheque for the application moneys.

8 DETAILS OF THE OFFER

8.1 Loyalty Options offered for subscription

By this Prospectus the Company offers approximately 39,865,145 Loyalty Options on the basis of 2 Loyalty Options for every 5 Existing Shares held with each Loyalty Option to acquire one fully paid ordinary Share at an issue price of \$0.001, with an exercise price of \$0.05 and expiry date of 30 April 2014. Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for Loyalty Options are set out at section 7.

A Share acquired through the exercise of any Loyalty Options issued under this Prospectus, will rank equally with existing Shares. The rights and liabilities of the Loyalty Options and the underlying Shares offered under this Prospectus are summarised in section 9.

8.2 No minimum subscription

There is no minimum subscription for the Offer.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

The Offer is not underwritten.

The Company will pay a stamping fee of 5% on all Applications received where the Entitlement and Acceptance Form bears the stamp of an AFSL licence holder approved by the Company.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5pm (WST) on the Record Date;
- (b) have a registered address in Australia or New Zealand;
- (c) subject to certain limited exceptions, are not in the United States or a US Person or acting for the account or benefit of a US Person (to that extent); and
- (d) are eligible under all applicable securities laws to receive an offer under this Prospectus,

or, in the Company's absolute discretion, they are persons resident in any other country who are reasonably able to demonstrate to the Company that they are otherwise eligible to participate in the Offer relying on a relevant exemption from, or are not otherwise subject

to, the lodgment, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they are resident or have a registered address.

It is the responsibility of each Applicant to ensure compliance with the laws of any country relevant to their Application. The Company, in its absolute discretion, reserves the right to determine whether a person is an Eligible Shareholder and therefore able to participate in the Offer, or an Ineligible Shareholder and therefore unable to participate in the Offer. To the maximum extent permitted by law, the Company disclaims all liability in respect of any determination as to whether a person is an Eligible Shareholder.

By returning the accompanying Entitlement and Acceptance Form along with the application money, or by making a payment in respect of an Application by BPay®, you will be taken to have represented and warranted that you satisfy the criteria above to be an Eligible Shareholder. The Company reserves the right to reject any Application that it believes comes from a person who is not an Eligible Shareholder.

However, in limited circumstances, and in the Company's absolute discretion, the Company may elect to treat as Eligible Shareholders certain institutional or sophisticated persons who would otherwise not be Eligible Shareholders because their registered addresses are not in Australia or New Zealand.

8.6 Rights trading

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for Loyalty Options under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

8.7 Shortfall Loyalty Options

Any Entitlements not taken up may become available as Shortfall Loyalty Options. The Directors reserve the right to, under this Prospectus, offer for issue Shortfall Loyalty Options at their discretion within 3 months after the Closing Date, including to those Eligible Shareholders who apply for Shortfall Loyalty Options in addition to their Entitlement.

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Loyalty Options regardless of the size of their present holding. It is possible that there may be few or no Shortfall Loyalty Options available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Shortfall Loyalty Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Company reserves the right to scale back any applications for Shortfall Loyalty Options in its absolute discretion and it is an express term of the Offer that applicants for Shortfall Loyalty Options will be bound to accept a lesser number of Shortfall Loyalty Options allocated to them than applied for. If a lesser number is allocated to them, excess application money will be refunded without interest as soon as practicable after all Shortfall Loyalty Options have been issued.

8.8 Offer outside Australia and New Zealand

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Loyalty Options or the Offer or otherwise to permit an offering of the Loyalty Options in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the *US Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.9 Treatment of overseas Shareholders

Given the small number of Shareholders with registered addresses outside Australia or New Zealand and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to any Shareholder, as at the Record Date, whose registered address is not situated in Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Loyalty Options.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.10 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in sections 8.8 and 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for Loyalty Options does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person,

that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.11 Allotment and application money

Loyalty Options will be issued only after all application money has been received and ASX has granted permission for the Loyalty Options to be quoted. It is expected that Loyalty Options will be issued on 13 June 2013 and normal trading of the Loyalty Options on ASX is expected to commence on 17 June 2013.

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Loyalty Options are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.12 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Loyalty Options offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the Loyalty Options offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the Loyalty Options offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

A decision by ASX to grant official quotation of the Loyalty Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Loyalty Options.

Quotation, if granted, of the Loyalty Options offered by this Prospectus will commence as soon as practicable after statements of holdings of the Loyalty Options are dispatched.

8.13 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including Loyalty Options issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

8.14 Taxation and duty implications

The Directors do not consider that it is appropriate to give Eligible Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Eligible Shareholders applying for Loyalty Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Eligible Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Eligible Shareholders in the Offer. Eligible Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for Loyalty Options under this Prospectus.

8.15 Privacy

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

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

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.16 Enquiries

Any queries regarding the offer or the Entitlement and Acceptance Form should be directed to the Company Secretary on +61 8 9367 8133 from 8.00am to 5.00pm (WST) Monday to Friday.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

Full details of the rights and liabilities attaching to Loyalty Options and Shares in the Company are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares and Loyalty Options. 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.

9.1 Rights attaching to Loyalty Options

The Loyalty Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) The exercise price of the Loyalty Options is \$0.05 each.
- (b) The expiry date of the Loyalty Options is 30 April 2014.
- (c) The Loyalty Options may be exercised at any time prior to the expiry date, in whole or in part, upon payment of the exercise price per Loyalty Option.
- (d) The Loyalty Options will be transferable and application will be made for Loyalty Options to be quoted.
- (e) The Company will provide to each Optionholder a notice that is to be completed when exercising the Loyalty Options (**Notice of Exercise**). Loyalty Options may be exercised by the Optionholder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Optionholder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
- (f) All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to the ASX within 7 business days after the date of issue of all Shares pursuant to the exercise of the Loyalty Options to be admitted to quotation.
- (g) There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Loyalty Options. The Company will ensure, for the purposes of determining entitlements to any issue, that Optionholder will be notified of a proposed issue after the issue is announced. This will give Optionholders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in such issues.

- (h) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of his or her Loyalty Options a holder will be entitled to have issued to him or her (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise) the number of securities which would have been issued to him or her under that Bonus Issue if the Loyalty Options had been exercised before the record date for the Bonus Issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Optionholder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

9.2 Rights attaching to Shares

Full details of the rights and liabilities attaching to Shares issued on exercise of Options are:

- (a) detailed in the Company's Constitution a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the 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

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the Shares to be issued upon exercise of the Loyalty Options offered under this Prospectus are fully paid Shares.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

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

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

There must be a minimum of 3 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. If the Company has less than 3 Directors, one Director must retire from office together with any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

The Loyalty Options to be issued under the Prospectus entitle the holder to a fully paid Share. The right to exercise a Loyalty Option to obtain a Share will be forfeited upon expiry of the Loyalty Options.

(l) Alteration to the 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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgment of the Company's annual financial statements of the Company for the financial year ended 30 June 2012 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial statements of the Company for the financial year ended 30 June 2012 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgment of that annual report and before the lodgment of this Prospectus; and
 - (iii) any continuous disclosure notices given by the Company after the lodgment of the financial statements referred to in paragraph (i) and before the lodgment of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since 30 June 2012 audited financial statements:

Date	Description of Announcement
26/04/2013	Quarterly Activities Report - March 2013
26/04/2013	Quarterly Cashflow Report - March 2013
14/03/2013	December 2012 Half Year Financial Report
27/02/2013	Further Analytical Tests on Wounded Knee Drill Samples
12/02/2013	Wounded Knee Project Drilling Update
31/01/2013	Activities Report for the December 2012 Quarter
31/01/2013	Cashflow Report for December 2012 Quarter
21/12/2012	Change of Director's Interest Notice for Mr Jones
04/12/2012	ASIC Form 484 Cancelling 10 Million Escrowed Shares
03/12/2012	Appendix 3B for the Cancellation of Escrowed Shares
26/11/2012	Results of 2012 Annual General Meeting
31/10/2012	September 2012 Quarter Cashflow Report
31/10/2012	September 2012 Quarterly Activity Report
29/10/2012	Notice of 2012 Annual General Meeting/Proxy Form
02/10/2012	Drilling to Commence at Wounded Knee on 3 October 2012
28/09/2012	30 June 2012 Annual Report

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

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Douglas Daws	Lloyd Jones	David Ryan

Shares	96,530	757,659	242,990
Options	NIL	6,000,000	NIL
Entitlement	38,612	303,063	97,196

Remuneration paid to Directors in the two years prior to the date of this Prospectus¹

Douglas Daws	Actual to 30 June 2011	Actual to 30 June 2012	Estimated to 30 June 2013
Short term	\$80,000	\$77,996	\$80,000
Long term	NIL	NIL	NIL
Lloyd Jones			
Short term	\$20,278 ²	\$280,000	\$280,000
Long term	NIL	NIL	NIL
Non-Monetary Benefits	NIL	\$8,991	\$9,000
Share Based Payments	NIL	\$87,964	NIL
David Ryan			
Short term	\$13,500 ³	\$35,999	\$36,000
Long term	NIL	NIL	NIL

Notes:

¹ The Chairman was appointed as an executive director on 6 June 2011 which subsequently changed to a non-executive role.

² Mr Jones was appointed as executive managing director on 20 June 2011.

³ Mr Ryan was appointed as a non-executive director on 14 February 2011.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgment of this Prospectus with ASIC, any interest in:

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

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

10.3 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

Kings Park Corporate Lawyers has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$8,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. Kings Park Corporate Lawyers has received fees for services to the Company of approximately \$7,000 (excluding GST) in the 2 years prior to the date of this Prospectus.

10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Kings Park Corporate Lawyers	Lawyers
Computershare Investor Services Pty Limited	Share Registry

10.5 Expenses of the Offer

The total expenses of the Offer are estimated to be \$14,000, consisting of the following:

Cost	\$
Legal fees	\$8,000
ASX fees	\$1,500
ASIC fees	\$2,171
Other expenses	\$2,329
Total	\$14,000

These expenses have or will be paid by the Company.

10.6 Litigation

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

11 DIRECTORS' RESPONSIBILITY AND CONSENT

Each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 7 May 2013

A handwritten signature in blue ink, appearing to read "Douglas Daws". The signature is written in a cursive style with a large initial 'D'.

Signed for and on behalf of
Northern Manganese Limited by
Douglas Daws

12 GLOSSARY

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

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
Applicant	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
Application	a valid application made on an Entitlement and Acceptance Form to subscribe for Loyalty Options pursuant to this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Board	the board of Directors.
Closing Date	means the date set out in section 1.
Company or Northern Manganese	Northern Manganese Limited (ABN: 24 119 494 772).
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a director of the Company.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement	a Shareholder's entitlement to subscribe for Loyalty Options offered by this Prospectus.
Entitlement and Acceptance Form	the personalised Entitlement and Acceptance Form accompanying this Prospectus.
Ex Date	means the date set out in section 1.
Existing Share	a Share issued as at 5pm (WST) on the Record Date.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the listing rules of the ASX.

Loyalty Options	Options offered pursuant to this Prospectus.
Offer	an invitation made in this Prospectus to subscribe for Loyalty Options.
Official List	the official list of the ASX.
Opening Date	means the date set out in section 1.
Option	an option to purchase a Share.
Optionholder	means the holder of Options in the Company.
Prospectus	this Prospectus and includes the electronic prospectus.
Record Date	means the date set out in section 1.
Rights	the right of an Eligible Shareholder to take up Loyalty Option pursuant to this Prospectus.
Share	a fully paid ordinary share in the Company.
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277).
Shareholder	the registered holder of Shares in the Company.
Shortfall	will occur if the Company does not hold successful valid Applications for all the Loyalty Options offered by the Company under this Prospectus by the Closing Date.
Shortfall Loyalty Options	Loyalty Options for which valid Applications have not been received by the Closing Date.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended.
WST	Western Standard Time, Western Australia.