



TRAFFORD RESOURCES LIMITED
ABN 93 112 257 299

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata renounceable entitlement issue of one (1) Share for every ten (10) Shares held by Shareholders at an issue price of 12 cents per Share to raise approximately \$1,364,185 together with one free attaching option for every two (2) Shares issued, exercisable at 20 cents per Option on or before 20th May 2015 (**Entitlement Issue**). There is also an invitation to apply for Additional Shares.

This Offer closes at 5.00 pm Western Australia time on 11th November 2013 unless extended in accordance with the terms of the Offer.

IMPORTANT NOTICE

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

The Shares offered by this Prospectus should be considered speculative. Investors may lose some or all of their investment.

The Company will apply to ASX for quotation of the Shares within seven days after the date of this Prospectus.

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1. **SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES**

TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with ASIC	11 October 2013
Lodgement of Prospectus and Appendix 3B with ASX	14 October 2013
Notice sent to Shareholders	15 October 2013
Ex Date – rights trading commences	16 October 2013
Record Date for determining Shareholder entitlements	22 October 2013
Prospectus despatched to Shareholders	24 October 2013
Rights trading ceases	1 November 2013
Deferred Settlement commences	4 November 2013
Closing Date of Offer	11 November 2013
Notify ASX of under-subscriptions	13 November 2013
Issue date/Shares entered into shareholders security holdings	15 November 2013
Deferred Settlement ends	15 November 2013

* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days prior notice.

KEY OFFER DETAILS

Shares on issue at the date of the Prospectus	113,682,103
Shares offered pursuant to the Offer	11,368,210
Offer Price	12 cents
Shareholders Entitlement	1 new Share for every 10 Shares
Maximum amount to be raised under the Offer (before Offer costs)	\$1,364,185
Free attaching Option	5,684,105
Exercise Price	20 cents
Term	On or before 20 May 2015

This assumes that no Shares are issued pursuant to the exercise of existing options on or before the Record Date.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 11 October 2013 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

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

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.

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.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand.

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

2. **CORPORATE DIRECTORY**

Directors

Ian D. Finch
Managing Director

Mark Le Grange
Executive Director

Neil W. McKay
Non Executive Director

Dr. Allan Trench
Non Executive Director

Joint Company Secretaries

Neil W. McKay
Pragiyugi Gouw

Registered Office

Level 2
679 Murray Street
WEST PERTH WA 6005

Telephone: (08) 9485 1040
Facsimile: (08) 9485 1050

Email: admin@traffordresources.com

Website: www.traffordresources.com

Share Registry*

Advanced Share Registry Ltd
150 Stirling Highway
NEDLANDS WA 6009

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Solicitors*

Hunt & Humphry
15 Colin Street
WEST PERTH WA 6005

Auditor*

Bentleys
Level 1
12 Kings Park Road
WEST PERTH WA 6005

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

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company offers for subscription approximately 11,368,210 new Shares at an issue price of 12 cents per Share pursuant to a pro-rata renounceable entitlement issue to Shareholders of one (1) new Share for every ten (10) Shares held together with one (1) free attaching Option for every two (2) new Shares issued on the Record Date exercisable at 20 cents per Option on or before 20th May 2015. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 11,368,210. The Offer, if successful, will raise approximately \$1,364,185. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

Holders of existing Option will not be entitled to participate in the Offer. The Company currently has 24,900,135 Options on issue as at the date of this Prospectus. Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

3.2 Rights Trading

Entitlements to Shares pursuant to the Offer are renounceable and accordingly, rights will be traded on ASX. Details on how to sell your rights are set out in Section 3.3 below.

3.3 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.12 per Share);
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Alternatively, you can trade your Entitlement rights as follows:

- (a) to sell any or all of your Entitlement you will need to instruct a stockbroker to sell the Entitlement rights which you wish to renounce. If you wish to do so you must instruct your stockbroker by completing the panel headed "Instructions to your Stockbroker" on the back of the Entitlement and Acceptance Form and lodge that form with your stockbroker. Your stockbroker must sell those rights before the rights trading ceases; or
- (b) if you wish to transfer all or part of your rights to another person other than on ASX you must forward a completed renunciation form (which you can obtain by contacting the Company) together with the Entitlement and Acceptance Form.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Trafford Resources Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

3.4 **Maximum Subscription**

The maximum subscription in respect of the Offer is \$1,364,185.

3.5 **Shortfall**

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall. Shareholders who wish to apply for Shares above their Entitlement can complete the Shortfall Application Form attached to the back of this Prospectus and return it, together with a cheque for the value of those Shortfall Shares (at 12 cents per Share) to the Company.

The offer of the Shortfall is a separate offer pursuant to this Prospectus. The issue price of any Shares offered pursuant to the Shortfall Offer shall be 12 cents being the price at which the Entitlement has been offered to Shareholders pursuant to this Prospectus together with one free attaching option for every two (2) Shares issued, exercisable at 20 cents per Option on or before 20th May 2015.

3.6 **Underwriting**

This Offer is not underwritten. The Directors reserve the right to place with parties selected by them any shares and attaching one free option for every two (2) Shares issued not taken up by the Shareholders. These will be placed within 3 months of the Closing Date on the same terms as are being offered to Shareholders pursuant to this Prospectus. The Shares and attaching one free option for every two (2) Shares issued, not taken up by Shareholders will not be placed to the Directors or any associates of Directors.

3.7 **Australian Securities Exchange 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 are not quoted on ASX before the expiration of 3 months after the date of issue of the Prospectus (or such period as modified by the ASIC) the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

3.8 **Allotment of Shares**

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant 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 monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.9 **Offer in New Zealand**

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.7, the Company will apply to the ASX for quotation of the Shares offered under this Prospectus. If quotation is granted, the Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

3.10 **Overseas Shareholders**

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

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

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

3.11 **Taxation Implications**

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

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

The Company will not be issuing share certificates. The Company will apply to ASX 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. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares 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.

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.

3.13 **Privacy Act**

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

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement 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.

4. UPDATE AND PURPOSE AND EFFECT OF THE OFFER

4.1 Update on the Company and Purpose of the Offer

The purpose of the Offer is to raise approximately \$1,364,185 (before expenses). The funds raised, after deducting the expenses of the Offer (of approximately \$20,353), will be used for:

Additional tin exploration, including a drilling programme at the Zealous Project, South Australia	\$900,000	66%
Twin Peaks project in Western Australia	\$350,000	26%
Acquisitions and strategic investments in exploration companies identified by the Company's technical team	\$93,832	7%
Expenses of the Offer	\$20,353	1%

Should the funds raised be less than the full offer amount, the Company, depending on the level of its cash resources will scale back some of the stated activities in the following order:

- Additional exploration, including a drilling programme for tin in South Australia.
- Joint venture expenditure at the Twin Peaks project in Western Australia.
- Acquisitions and strategic investments in exploration companies identified by the Company's technical team.

The Directors reserve the right to vary the application of funds in the best interests of all Shareholders.

4.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer will be to (assuming the Offer is fully subscribed):

- (a) increase the cash reserves by approximately \$1,364,185 immediately after completion of the Offer before deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 113,682,103, to approximately 125,050,313 Shares following completion of the Offer (assuming no Options are exercised prior to completion of the Offer).
- (c) Increase the number of Options on issue by approximately 5,684,105 Options.

4.3 Consolidated Balance Sheet

The audited Consolidated Balance Sheet as at 30 June 2013 and the unaudited Pro Forma Consolidated Balance Sheet as at 30 June 2013 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

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

**Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet as at 30
June 2013**

	Note	30 Jun 2013	30 June 2013
		Actual	Pro-forma
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		1,742,429	3,086,261
Trade and other receivables		126,034	126,034
Loans to related entity		-	-
Financial assets		1,598,612	1,598,612
TOTAL CURRENT ASSETS		<u>3,467,075</u>	<u>4,810,907</u>
NON-CURRENT ASSETS			
Plant and equipment		118,763	118,763
Financial assets		-	-
Investments accounted for using the equity method		2,233,158	2,233,158
Exploration and evaluation expenditure		1,980,744	1,980,744
Deferred Tax Asset		-	-
TOTAL NON-CURRENT ASSETS		<u>4,332,665</u>	<u>4,332,665</u>
TOTAL ASSETS		<u>7,799,740</u>	<u>9,143,572</u>
CURRENT LIABILITIES			
Trade and other payables		758,964	758,964
Provisions		250,170	250,170
TOTAL CURRENT LIABILITIES		<u>1,009,134</u>	<u>1,009,134</u>
CURRENT LIABILITIES			
Provisions		34,453	34,453
Deferred tax liabilities		-	-
TOTAL CURRENT LIABILITIES		<u>34,453</u>	<u>34,453</u>
TOTAL LIABILITIES		<u>1,043,587</u>	<u>1,043,587</u>
NET ASSETS		<u>6,756,153</u>	<u>8,099,985</u>
EQUITY			
Issued capital		21,601,114	22,944,946
Reserves		1,978,286	1,978,286
Retained profits		(16,823,247)	(16,823,247)
TOTAL EQUITY		<u>6,756,153</u>	<u>8,099,985</u>

Notes:

1. Pro forma adjustment based on the Company receiving the proceeds from the issue of Shares under the Offer. The adjustments reflect the Offer being fully subscribed, and the Company receiving proceeds of \$1,364,185 via the issuance of 11,368,210 Shares at a price of 12 cents per Share. The Company's anticipated costs associated with the Entitlements Issue, being approximately \$20,353, have been applied against the proceeds received, giving a net cash inflow of \$1,343,832.

4.4 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

	Number
Shares on issue at date of Prospectus	113,682,103
Shares offered pursuant to the Offer	11,368,210
Total Shares on issue after completion of the Offer	125,050,313

Options

	Number
Unquoted exercisable at 56 cents on or before 28 November 2013	2,000,000
Unquoted exercisable at 11.03 cents on or before 10 March 2014	450,000
Quoted exercisable at 30 cents on or before 13 October 2014	2,919,635
Quoted exercisable at 20 cents on or before 20 May 2015	25,214,605
Total Options on issue after completion of the Offer	30,584,240

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES AND OPTIONS

5.1 Shares

(a) Terms of Shares

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

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

(b) General Meetings

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

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

(c) Voting Rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) 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
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(d) Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the Share is to the total amount payable in respect of the Shares (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as 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.

(e) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) **Transfer of Shares**

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

(g) **Future Increase in Capital**

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

(h) **Variation of Rights**

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

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

5.2 OPTIONS

Terms of the Options

- (a) Each option entitles the holder, on exercise, to one ordinary fully paid share in the Company.
- (b) Shares issued on exercise of options will rank equally with other ordinary shares of the Company.
- (c) Options are only freely transferable to related parties. Quotation of options on ASX will be sought and the Company will apply to ASX for official quotation of Shares issued on the exercise of options.
- (d) An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise satisfied
- (e) There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 9 Business Days after the issue is announced. Option holders shall be afforded the opportunity to exercise all options which they are entitled to prior to the date for determining entitlements to participate in any such issue.
- (f) If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("Bonus Issue"), each option holder, holding any options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those options the number of Shares which would have been issued under the Bonus Issue ("Bonus Shares") to a person registered as holding the same number of Shares as that number of Shares to which the option holder may subscribe pursuant to the exercise of those options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise). The Bonus Shares will be paid by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank pari passu in all respects with the other Shares issued upon exercise of the options.
- (g) In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any options, the number of options to which each option holder is entitled or the exercise price of his or her options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

6. RISK FACTORS

6.1 Risks Associated with Investment

Prospective investors should be aware that the market price of the Shares following official quotation may be influenced by many unpredictable factors and that subscribing for Shares involves various risks. The value of the Company's securities on the ASX may rise and fall depending on a range of factors, some of which are beyond the control of the Company.

The Company is in the exploration stage for the development of minerals. Any profitability in the future from the Company's business will be dependent upon the successful development, production and marketing of the mineral from the Company's projects.

The Shares being offered under this Prospectus are considered speculative due to the present exploration stage of the Company. This Prospectus carries no guarantee with respect to the return of capital or price at which the Shares will trade.

The factors detailed below should be considered by any potential investors; however, this is by no means an exhaustive list of the risks that may affect the Company.

6.2 **Share Market**

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 including but not limited to the following:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) mineral price fluctuations;
- (e) changes in investor sentiment toward particular market sectors;
- (f) the demand for, and supply of, capital;
- (g) terrorism or other hostilities; and
- (h) other factors beyond the control of the Company.

6.3 **Exploration and Development Risk**

Whilst independently audited resources exist (as disclosed and announced on ASX) on some of the Company's mineral properties, there can be no assurance that a feasibility study will lead to the delineation of economic resources or that any resources can be extracted at a cost that is economically viable for the Company.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions made by the Company will be realised in practice, which may materially and adversely affect the Company's viability and the market value of the Shares.

The Company is in the exploration stage for the development of minerals. Any profitability in the future from the Company's business will be dependent upon the successful development, production and marketing of the mineral from the Company's projects, which is by its nature is an uncertain and speculative endeavor. The Directors are aware of many of the difficulties and risks associated with mineral exploration and development and will use their best business judgment to minimise the impact of development risk on the Company.

The successful exploration of mineral properties is speculative. Most exploration projects do not result in the discovery of commercially viable deposits. The mineral tenements of the Company are at various stages of exploration. There can be no assurance that further exploration of tenements held or acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited into a producing mine.

The exploration costs of the Company 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.

6.4 **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify 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.

6.5 **Commercialisation Risks**

Even if the Company discovers commercial quantities of minerals, there is a risk the Company will not achieve a commercial return. The Company may not be able to transport the minerals at a reasonable cost or may not be able to sell the minerals to customers at a rate which would cover its operating and capital costs. The Company has to receive regulatory and environmental approval to convert its exploration permits into production concessions. There is a risk that these approvals may not be obtained.

6.6 **Future Capital Needs**

Further funding of projects will likely be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and, consequently, its performance and market value of Shares. A failure to meet cash calls under any joint venture or similar agreement would likely result in a default of joint venture obligations which, if not remedied, could result in forfeiture of permits or concessions.

6.7 **Economic and Government Risks**

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- (a) general economic conditions in Australia and its major trading partners;
- (b) changes in Government policies, taxation and other laws;
- (c) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities

(resources) sector;

- (d) movement in, or outlook on, interest rates and inflation rates; and
- (e) natural disasters, social upheaval or war in Australia or overseas.

6.8 **Compliance Risk**

The Company has acquired and presently holds an interest in various mining tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the minimum annual expenditure commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk that the terms and conditions attaching to each of the tenements it has acquired an interest in are not complied with. These policies and procedures ensure that the Company will comply with not only the terms and conditions of its tenements but legal obligations throughout its operations.

6.9 **Commodity Price and Exchange Rate Risk**

As the Company's potential earnings will be derived from the sale of mineral commodities, either in processed or concentrate forms, the Company's future market value, revenues and cash flows will be impacted by changes in the prices of these commodities. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States dollars while the Company's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

6.10 **Reliance on Key Management and Personnel**

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

In particular, the experience of each Board member is significant to the future success of the Company's operations. Accordingly if one of those key personnel were to leave the Company, the Company would likely suffer delay in replacing the particular skill set of the leaving Board member.

More generally, in the event that the Company progresses the development and commercialisation of any of its assets toward production, it is likely to require a large number of personnel for these operations. There is currently a significant shortage of skilled workers in Australia's mining industry, and a high level of demand for skilled workers from existing operators. As such, there is a risk that the Company may not be able to procure the required number of skilled

workers for any of its future operations which could have an adverse impact on the Company.

6.11 **Insurance Risks**

Insurance coverage of all risks associated with minerals exploration, development and production is not always available and, where available, the cost can be high. The Company will have insurance in place considered appropriate for the Company's needs. The Company will not be insured against all possible losses, either because of the unavailability of cover or because the Directors believe the premiums are excessive relative to the benefits that would accrue. The Directors believe that the insurance they have in place is appropriate. The Directors will continue to review the insurance cover in place to ensure that it is adequate.

6.12 **Competition Risk**

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

6.13 **Carbon Tax**

The carbon tax, effective from 1 July 2012, is likely to contribute towards increased overheads in the future financial years, the extent of which is unclear. The present Australian Government is taking steps to abolish the carbon tax.

6.14 **NGERS reporting regime**

The Company's operations may be subject to reporting and other requirements under the National Incentive and Energy Reporting scheme (NGERS). Changes to the Company's operations and/or this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

6.15 **Changes to workplace occupational health and safety legislation**

It is not possible to anticipate the effect on the Company's business from any changes to workplace occupational health and safety legislation. Changes to this legislation may have an adverse impact on the financial performance and/or financial position of the Company.

6.16 **Access to infrastructure**

There is currently limited capacity and high demand for rail and port services for the export of mineral products in Australia. In the event that the Company progresses to production, there is no guarantee that suitable and affordable rail and port capacity will be available, which could have a material adverse impact on the Company.

In the event that the Company progresses the development and commercialisation of any of its assets towards production, it will also require the use of both power and water infrastructure. Due to high demand for power and water access, there is a risk that the Company may not be able to procure

access to power and water which could have a material adverse impact on the Company.

6.17 **Liquidity Risk**

There is no guarantee that there will be an ongoing liquid market for Shares. Accordingly, there is a risk that, should the market for Shares become illiquid, Shareholders will be unable to realise their investment in the Company.

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 pursuant to this Prospectus. Therefore, 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 securities.

6.18 **Sovereign Risk**

The Company has invested in an Australian company which has its major assets in Brazil. While Brazil is considered to be one of South America's most politically stable and prosperous nations, it may nevertheless subject to social and economic uncertainty which could affect that Australian company's access to its projects and subsequent exploration and development. Adverse changes in legislation and Brazilian government policies relating to foreign involvement in mineral exploration and production may affect the investment.

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

7. **ADDITIONAL INFORMATION**

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2011 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 statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2011 lodged with ASIC before the issue of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

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

The Company has lodged the following announcements with ASX since lodging the last annual report for the year ended 30 June 2013:

Date	ASX Announcement
01/07/2013	Appendix 3Y x 4
01/07/2013	Lapse of Performance Share Rights
05/07/2013	Amended Appendix 3Y x 2
22/07/2013	Diamond Drilling Commences at Oxy' Bore Copper Prospect
31/07/2013	Quarterly Cashflow Report
31/07/2013	Quarterly Activities Report
05/08/2013	Latest Drilling Intersects High Grade Tin at Zealous

02/09/2013	Annual Report to shareholders
04/09/2013	AMEC 2013 Conference Presentation
10/09/2013	Notice of Annual General Meeting/Proxy Form
10/09/2013	Response to ASX Price Query
20/09/2013	Release from Escrow
24/09/2013	Tin and Uranium intersections at Zealous
02/10/2013	IFE: Wilcherry Hill Iron Ore Project Update

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

The announcements are also available through the Company's website www.traffordresources.com

7.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (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,
- (d) and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director;
- (e) to induce him to become, or to qualify him as, a Director; or
- (f) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

All Directors have stated that they intend to take up their full Entitlement under the Offer. The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Ian D. Finch	1	4,571,795	-	1,275,000
Mark Le Grange	172,097	-	500,000	-
Neil W. McKay	159,210	2,746,071	-	620,000
Dr. Allan Trench	-	91,000	-	30,000

- (a) Ian D. Finch has received cash fees of \$272,500 (inclusive of superannuation) for the 2013 financial year.
Ian D. Finch has received cash fees of \$68,281 (inclusive of superannuation) for the period of 1 July 2013 – 30 September 2013, prior

to the day before the date of this Prospectus.

- (b) Neil W. McKay has received cash fees of \$184,319 (inclusive of superannuation) for the 2013 financial year.
Neil W. McKay has received cash fees of \$59,842 (inclusive of superannuation) for period of 1 July 2013 – 30 September 2013, prior to the day before the date of this Prospectus.
- (c) Mark Le Grange has received cash fees of \$283,400 (inclusive of superannuation) for the 2013 financial year.
Mark Le Grange has received cash fees of \$71,013 (inclusive of superannuation) for the period of 1 July 2013 – 30 September 2013, prior to the day before the date of this Prospectus.
- (d) Dr. Allan Trench has received cash fees of \$52,320 (inclusive of superannuation) for the 2013 financial year.
Dr. Allan Trench has received cash fees of \$13,080 (inclusive of superannuation) for the period of 1 July 2013 – 30 September 2013, prior to the day before the date of this Prospectus
- (e) The annual financial report for the period ended 30 June 2013 details amounts paid to Directors prior to 1 July 2013.
- (f) The Company has effected Directors' and Officers' Liability and Corporate Reimbursement insurance on behalf of the Directors. The Company intends to maintain this insurance.

7.3 **Interests and Consents of Experts and Advisers**

Other than as set out below or elsewhere 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 with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, 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 of Shares pursuant to this Prospectus; or
- (c) the Offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any 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 this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Hunt and Humphry has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Hunt and Humphry has not caused or authorised the issue of this

Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Pursuant to Section 716 of the Corporations Act, Bentleys has given, and has not withdrawn its consent to being named as Auditor to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Bentleys has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Pursuant to Section 716 of the Corporations Act, Advanced Share Registry Limited has given, and has not withdrawn its consent to being named as the share registry to the Company in the Corporate Directory of this Prospectus the form and context in which it is named. Advanced Share Registry Limited has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

7.4 **Legal Proceedings**

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.5 **Estimated Expenses of Offer**

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,225
ASX fees	5,628
Legal & compliance expenses	2,500
Printing and other expenses	<u>10,000</u>
Total	<u>20,353</u>

7.6 **Market Price of Shares**

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

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

Highest: 21 cents on 10 September 2013
Lowest: 9 cents 12 July and 15 to 31 July 2013

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 12.5 cents on 10th October 2013.

7.7 **Electronic Prospectus**

Pursuant to Class Order 00/044, 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 phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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

8. **AUTHORITY OF DIRECTORS**

8.1 **Directors' Consent**

Each of the Directors of Trafford Resources Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 11th day of October 2013.

A handwritten signature in black ink, appearing to read 'I. D. Finch', is written over a horizontal line.

**Signed for and on behalf of
Trafford Resources Limited
Mr. Ian D. Finch
Managing Director**

9. **DEFINITIONS**

Applicant means a Shareholder who applies for Shares pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

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

ASX means the ASX Limited (ACN 008 624 691).

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

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5.00pm (WST) on 11 November 2013 (unless extended).

Company means Trafford Resources Limited (ABN 93 112 257 899

Constitution means the Company's Constitution as at the date of this Prospectus.

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

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

Dollar or "\$" means Australian dollars.

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

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

Issue means the issue of Shares offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the renounceable entitlement offer pursuant to the Prospectus of one (1) new Share for every ten (10) Share held by a Shareholder on the Record Date issued to raise \$ 1,364,185.

Offer Period means the period commencing on the Record Date and ending on the Closing Date.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5.00pm (WST) on 22nd October 2013.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means Shares and Options.

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

Shareholder means a shareholder of the Company.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

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

WST means Western Standard Time.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Shortfall Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Shortfall Application Form, please telephone the Company. The Form must be received by the Share Registry no later than **5.00pm on the date which is 3 months after the Closing Date (or such earlier date as directed by the Company)**.

A. Application for Shares

The Shortfall Application Form must only be completed in accordance with instructions included in the Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Shortfall Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Trafford Resources Limited – Trust Account" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Shortfall Application Form.

H. Declaration

By completing the Shortfall Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Shortfall Application Form does not need to be signed.

If a Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Shortfall Application Form, and how to construe, amend or complete it, shall be final. A Shortfall Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

**Trafford Resources Limited
C/O Advanced Share Registry Ltd
PO Box 1156
NEDLANDS WA 6909**

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Shortfall Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Shortfall Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners' personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund