

WESTERN MINING NETWORK LIMITED
ACN 144 079 667

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of eight (8) Shares for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share to raise up to \$2,182,516 (based on the number of Shares on issue as at the date of this Prospectus) (**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 securities 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 as speculative.

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1. CORPORATE DIRECTORY

Directors

Nathan Taylor (Non-Executive Chairman)
Andrew Houtas (Non-Executive Director) Budi
Santoso (Non-Executive Director)

Company Secretary

David Palumbo

Registered and Business Office

Level 11, London House
216 St George's Terrace
Perth WA 6000

Telephone: +61 8 9481 0389
Facsimile: +61 8 9463 6103
Website: <http://www.wmngraphite.com>

Auditor*

Bentleys
Level 3
216 St Georges Terrace
Perth WA 6000

Share Registry*

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6000

Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

Solicitors

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

Nominee*

LeMessurier Securities Pty Ltd
Suite 6.05, Level 6,
50 Clarence Street,
Sydney NSW 2000

AFSL: 296877

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

2. TIMETABLE

Event	Date
Lodgement of Prospectus with the ASIC	14 July 2016
Lodgement of Prospectus & Appendix 3B with ASX	14 July 2016
Notice sent to Optionholders	15 July 2016
Notice sent to Shareholders	18 July 2016
Ex date	19 July 2016
Rights start trading	19 July 2016
Record Date for determining Entitlements	5:00pm (WST) on 20 July 2016
Prospectus sent out to Shareholders & Company announces this has been completed	21 July 2016
Rights stop trading	25 July 2016
Shares quoted on a deferred settlement basis	26 July 2016
Last day to extend the Closing Date*	27 July 2016
Closing Date*	5:00pm (WST) on 2 August 2016
ASX notified of under subscriptions	5 August 2016
Issue date/Shares entered into Shareholders' security holdings	9 August 2016
Quotation of Shares issued under the Offer*	10 August 2016

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

3. IMPORTANT NOTES

This Prospectus is dated 14 July 2016 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

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

3.1 Risk factors

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

3.2 Forward-looking statements

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

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

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

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained

in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a renounceable entitlement issue of eight (8) Shares for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.001 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 2,182,516,136 Shares will be issued pursuant to this Offer to raise up to \$2,182,516.

As at the date of this Prospectus the Company has 8,906,250 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

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

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

4.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 4.3);
- (b) sell all of their Entitlement on ASX (refer to section 4.4);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 4.5);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 4.6);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to section 4.7); or
- (f) allow all or part of their Entitlement lapse (refer to section 4.8).

4.3 Taking up all of your Entitlement

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

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

If you wish to pay via BPAY®, payment should be made in accordance with section 4.11.

4.4 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 19 July 2016 and will cease on 25 July 2016.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

4.5 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3, or make a payment by BPAY® in accordance with section 4.11.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

4.6 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 4.3, or make a payment by BPAY® in accordance with section 4.11. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

4.7 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to **"Western Mining Network Limited – Share Issue Account"** and crossed "Not Negotiable" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

By Mail
Western Mining Network Limited
c/- Advanced Share Registry Ltd OR
PO Box 1156
Nedlands WA 6909

Hand Delivered
Western Mining Network Limited
c/- Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 4.3.

4.8 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

4.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

4.10 Payment by cheque/bank draft

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

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 4:00pm (WST) on the Closing Date.

4.11 Payment by BPAY®

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

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

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

4.12 Minimum subscription

There is no minimum subscription to the Offer.

4.13 Underwriting

The Offer is not underwritten.

4.14 Potential dilution to Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 89% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
Shareholder 1	500,000	0.18%	4,000,000	500,000	0.02%
Shareholder 2	1,000,000	0.37%	8,000,000	1,000,000	0.04%
Shareholder 3	5,000,000	1.83%	40,000,000	5,000,000	0.20%
Shareholder 4	15,000,000	5.50%	120,000,000	15,000,000	0.61%
Shareholder 5	25,000,000	9.16%	200,000,000	25,000,000	1.02%

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.15 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.001 being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for additional Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form.

Investors who are not Shareholders of the Company can apply for Shortfall Shares by completing the Shortfall Application Form accompanying this Prospectus.

The Directors reserve the right to issue Shortfall Shares at their absolute discretion. Accordingly, there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders. No Shareholder will be issued any Shortfall Shares if, as a result of such issue, their voting power in the Company would increase from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

4.16 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in section 2 of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any 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.

4.17 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out in section 2 of this Prospectus.

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

Pending the issue of the 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.

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

4.18 Overseas shareholders

This Prospectus is only intended to be distributed and made available to existing Shareholders of the Company and is personal to each Shareholder to whom it has been delivered. This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand and Indonesia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia, New Zealand and Indonesia.

New Zealand

The Offer is being made in New Zealand pursuant to the Securities act (Overseas Companies) Exemption Notice 2013.

Indonesia

A registration statement with respect to the Shares has not been, and will not be, filed with the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) of the Republic of Indonesia. Therefore, the Shares may not be offered or sold or be the subject of an invitation for subscription or purchase. Neither this Prospectus nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the Shares may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations in the Republic of Indonesia.

United States

This Prospectus and any Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Prospectus nor related documents may be distributed or released in the United States. The Shares have not been, nor will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of, a person in the United States. The Shares may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and the applicable securities laws of any state or other jurisdiction in the United States.

4.19 Nominee

Pursuant to Section 615 of the Corporations Act and ASX Listing Rule 7.7, the Company has appointed a nominee, LeMessurier Securities Pty Ltd to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company will obtain ASIC approval for the appointment of the nominee, as required by Section 615 of the Corporations Act.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other

expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse.

Shareholders resident in Australia, New Zealand or Indonesia holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

The nominee will receive a commission of 6.00% on the total gross dollar value of all Entitlements sold.

4.20 Commissions payable

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

4.21 Enquiries

Any questions concerning the Offer should be directed to David Palumbo, Company Secretary, on +61 8 9481 0389.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,182,516.

Assuming the Offer is taken up in full, the funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer ¹	\$25,000	1.1%
2.	Exploration Program ²	\$1,250,000	57.3%
3.	Review of acquisition opportunities	\$300,000	13.8%
4.	Corporate Overheads	\$300,000	13.8%
5.	Working capital ³	\$307,516	14%
	Total	\$2,182,516	100%

Notes:

1. Refer to section 9.7 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. As announced to ASX on 21 June 2016, due to the Company's recent focus on the Tamboli Graphite Project, the Company has dedicated limited resources and capital to the Persada Gold Project. However, as the Company has now terminated the option agreement to acquire an interest in the Tamboli Graphite Project, the Company is presently formulating a work plan for the Persada Gold Project.
3. The Company has agreed to issue 1,998,597 Shares to the Company's former Interim CEO, Mr David Putnam, who resigned on 26 April 2016, in full satisfaction of outstanding amounts owing to Mr Putnam. In the event of Shortfall, Mr Putnam may participate in the Shortfall Offer, the effect of which would be that the outstanding amounts owed to Mr Putnam would effectively be netted off against the cash subscription price for Shares under the Shortfall Offer for which Mr Putnam would subscribe. This will have the effect of reducing the amount of cash that the Company will practically receive under the Shortfall Offer, but will decrease the debt owing by the Company to Mr Putnam by the same amount. This process is the same as if Mr Putnam paid for the Shares under the Shortfall Offer and the Company then paid the outstanding amounts owing to Mr Putnam from the proceeds of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure regarding the Persada Gold Project) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. Given that the Company presently has a single asset focus, the Board has resolved to consider asset acquisition opportunities that may provide commodity and or jurisdictional diversification benefits. The Board reserves the right to alter the way funds are applied depending on the results received from the Persada Gold Project work plan and the Board's ongoing assessment of potential acquisition opportunities.

5.2 Effect of the Offer

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

- (a) increase the cash reserves by \$2,157,516 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 272,814,517 as at the date of this Prospectus to 2,455,330,653 Shares.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2016 and the unaudited pro-forma balance sheet as at 30 June 2016 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	UNAUDITED 30 June 2016	CONVERTIBLE LOAN FUNDS	COMPLETION OF OFFER	PROFORMA 30 June 2016
CURRENT ASSETS				
Cash	49,392	211,397	2,157,516	2,418,305
Trade and other receivables	4,072	-	-	4,072
TOTAL CURRENT ASSETS	53,464	211,397	2,157,516	2,422,377
NON-CURRENT ASSETS				
Plant and equipment	12,641	-	-	12,641
TOTAL NON-CURRENT ASSETS	12,641	-	-	12,641
TOTAL ASSETS	66,105	211,397	2,157,516	2,435,018
CURRENT LIABILITIES				
Trade and other payables ¹	288,603	(288,603)	-	-
Converting Loans ¹	-	500,000	(500,000)	-
TOTAL CURRENT LIABILITIES	288,603	211,397	(500,000)	-
TOTAL LIABILITIES	288,603	211,397	(500,000)	-
NET ASSETS (LIABILITIES)	(222,498)	-	2,657,516	2,435,018

	UNAUDITED 30 June 2016	CONVERTIBLE LOAN FUNDS	COMPLETION OF OFFER	PROFORMA 30 June 2016
EQUITY				
Share capital ^{1,2}	59,807,055	-	2,657,516	62,464,571
Reserves	7,257,546	-	-	7,257,546
Retained loss	(67,332,659)	-	-	(67,332,659)
Non-controlling interest	45,560	-	-	45,560
TOTAL EQUITY	(222,498)	-	2,657,516	2,435,018

Notes:

1. The Company announced on 8 July 2016, that it had secured \$500,000 in Converting Loans which would be applied against creditors and used for general working capital. In the event that at least \$2,000,000 is raised under the Offer and Shortfall Offer, the Converting Loans will convert to Shares (subject to Shareholder approval). In the event that less than \$2,000,000 is raised under the Offer, the Company will need to undertake a further equity capital raising, renegotiate the terms of the Converting Loans with the Lenders or repay the outstanding amount under the Converting Loans in cash. Further details of the Converting Loans are set out in section 8.1 of this Prospectus.

The Company intends to pay its outstanding creditors out of the funds raised from the Converting Loans.
2. Share capital will increase by \$2,157,516 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer.

5.4 Effect on capital structure

The Offer

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

Shares

	Number
Shares currently on issue	272,814,517
Shares offered pursuant to the Offer	2,182,516,136
Total Shares on issue after completion of the Offer	2,455,330,653

Options

	Number
Options currently on issue:	
Unquoted Options exercisable at \$0.60 on or before 30 June 2017	1,406,250
Unquoted options exercisable at \$0.27 on or before 30 June 2017	7,500,000
Total Options on issue after completion of the Offer	8,906,250

The capital structure on a fully diluted basis as at the date of this Prospectus would be 281,720,767 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 2,464,236,903 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

Converting Loans

As announced on 8 July 2016, the Company has entered into Converting Loan Agreements, pursuant to which investors have advanced \$500,000 to the Company. Should the Company raise at least \$2,000,000 under the Offer, then, subject to Shareholder approval, the outstanding Converting Loans (plus accrued interest) will convert into Shares, together with an attaching Option for each Share issued. The potential effect on the capital structure is set out below:

Shares

	Number
Total Shares on issue after completion of the Offer	2,455,330,653
Shares to be issued on conversion of the Converting Loans ¹	683,333,333
Shares on issue after conversion of the Converting Loans	3,138,663,986

Options

	Number
Total Options on issue after completion of the Offer:	
Unquoted Options exercisable at \$0.60 on or before 30 June 2017	1,406,250
Unquoted Options exercisable at \$0.27 on or before 30 June 2017	7,500,000
Options to be issued on conversion of the Converting Loans:	
Unquoted Options exercisable at \$0.0125 on or before the date that is 3 years from the conversion date	683,333,333
Options on issue after conversion of the Converting Loans	692,239,583

Notes:

1. Interest on the Converting Loans accrues at a rate of 10% per annum accruing monthly and capitalised into the outstanding amount. Assuming that interest accrues for a period of three months (being the period of time provided under the Converting Loan Agreements for the Company to complete an equity capital raising of at least \$2,000,000), the outstanding amount under the Converting Loans which would be converted into Shares, is \$512,500. The table assumes that the Shares are issued at an issue price of \$0.00075 per Share, being a 25% discount to the price of Shares being offered under the Offer. Further details of the Converting Loans are set out in section 8.1 of this Prospectus.
2. The Options are free attaching with the Shares issued on conversion of the Converting Loans on a 1:1 basis and will be exercisable at a 50% premium to the issue price of the Shares. The table assumes that the issue price of Shares on conversion of the Converting Loans is \$0.00075.

5.5 Converting Loan Agreements

As detailed in section 8.1 of this Prospectus, pursuant to the terms of the Converting Loan Agreements, if the Company complete an equity capital raising of at least \$2,000,000, subject to Shareholder approval, the Converting Loans will be converted into Shares and Options.

The table below shows the maximum number of Shares and Options that may be issued to the Lenders under the Converting Loan Agreements (and the Lenders' resulting voting power in the Company) if the Converting Loans are converted:

Converting Loan Amount	Interest ¹	Issue Price ²	Number of Shares issued	Number of Options issued ³	Total Shares held by Lenders (fully diluted) ⁴	Total voting power of the Lenders ⁵
\$500,000	\$12,500	\$0.00075	683,333,333	683,333,333	1,366,666,666	37.76%

Notes:

1. Interest on the Converting Loans accrues at a rate of 10% per annum accruing monthly and capitalised into the outstanding amount. The table assumes that interest accrues for a period of three months (being the period of time provided under the Converting Loan Agreements for the Company to complete an equity capital raising of at least \$2,000,000).
2. The table assumes that the Shares are issued at an issue price of \$0.00075 per Share, being a 25% discount to the price of Shares being offered under the Offer.
3. Options will be issued free attaching to the Shares on a 1:1 basis.
4. Assumes that no other Shares or Options are held by the Lender.
5. Assumes that no other Shares are issued and only the Options issued to the Lenders are exercised and therefore the Company has 3,821,997,319 Shares on issue.

No Lender will be issued any Shares under the Converting Loans, or Shares on exercise of the attaching Options, if as a result of such issue, their voting power in the Company would increase from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

5.6 Details of substantial holders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Lanstead Capital LP	30,000,002	11.00
Kartika Tantra	23,690,102	8.68
Yongky Sutanto	22,890,100	8.39
Cynthia Sutanto	21,988,102	8.06
Danny Tanoto	17,748,397	6.50
Dana Henky Tantra	16,255,402	5.96
William Tanoto	15,813,401	5.79

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

By way of example, the following table sets out the Company's largest Shareholder, Lanstead Capital LP's (**Lanstead**), present relevant interest and changes under several scenarios, based on the assumption that Lanstead takes up its full Entitlement of 240,000,016 Shares under each scenario.

Event	Shares held by Lanstead	Voting power of Lanstead
Date of Prospectus	30,000,002	11.00%
Completion of Offer:		
Fully subscribed	270,000,018	11.00%
75% subscribed	270,000,018	14.14%
50% subscribed	270,000,018	19.79%
11.00% subscribed (being Lanstead's Entitlement)	270,000,018	52.65%

Lanstead has not provided any indication to the Company as whether it will take up some or all of its Entitlement under the Offer. The table above provides an example of how the Offer may potentially effect control of the Company. However, it is unlikely that no Shareholders, other than Lanstead, will take up Entitlements under the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

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

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

6.1 General meetings

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

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

6.2 Voting rights

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

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

6.3 Dividend rights

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

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

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

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

6.4 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.

6.5 Shareholder liability

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

6.6 Transfer of shares

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

6.7 Future increase in capital

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

6.8 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.

6.9 Alteration of constitution

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

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

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

7.2 Company specific

(a) Going Concern

The Company's 30 June 2015 annual report and 31 December 2015 half yearly report contained an 'emphasis of matter'. Based on the number of inherent uncertainties relating to the Company's future plans, including doubt as to the ability to raise equity capital in the current market, there is material uncertainty which may cast significant doubt regarding the ability of the Company to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

Notwithstanding the 'emphasis of matter' note included in the Company's 30 June 2015 annual report and 31 December 2015 half yearly report, the Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern. However, in the event that the Offer is not completed successfully or is delayed, there is significant uncertainty as to whether the Company can meet its commitments to its creditors and continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(b) Default risk – Converting Loan Agreements

The Company is currently a party to Converting Loan Agreements summarised at section 8 of this Prospectus.

Under the Converting Loan Agreements, the Company has obligations to repay outstanding amounts owed by the Company on the earlier to occur of the date that is 3 months after the date of execution of the Converting Loan Agreements and no later than 5 days after completion the Recapitalisation Raise, or, subject to Shareholder approval, issue Shares together with attaching Options, immediately upon completion of the Recapitalisation Raise.

Should the Company default on its obligations under any of these agreements (including the Company failing to obtain Shareholder

approval for the issue of Shares on conversion of the Converting Loans), the relevant debtor may demand immediate repayment, and trigger defaults in respect of the Converting Loan Agreements.

Should a default occur, and the Company is unable to raise sufficient funds or otherwise cure the defaults, the Company's creditors may seek immediate repayment of the debts and, this may result in the Company being insolvent.

(c) **Dilution Risk – Offer**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 272,814,517 currently on issue to 2,455,330,653. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.003 is not a reliable indicator as to the potential trading price of Shares after completion of the Offer.

(d) **Dilution Risk – Converting Loans**

As at the date of this Prospectus, the Company currently has Converting Loans of \$500,000. If the Offer is fully subscribed, the Company will convert the Converting Loans into Shares, each convertible (subject to Shareholder approval) at a 25% discount to the issue price under the Offer.

Shareholders will have their shareholding significantly diluted if, and to the extent, these Converting Loans are converted (assuming Shareholder approval is obtained). The terms of the Converting Loans are summarised at section 8.1 of this Prospectus.

In addition, subject to obtaining Shareholder approval, the Company has agreed to issue one attaching Option for each Share issued on conversion of the Converting Loans. Accordingly, Shareholders will be further diluted if all of these Options are issued and exercised.

(e) **Future Capital Needs and Additional Funding**

The funds raised by the Offer will be used to carry out the Company's objectives as detailed in this Prospectus and the Company's announcements to ASX.

Whilst the Company believes that the funds raised by the Offer, together with funds raised under the Converting Loan Agreements, will provide the Company with sufficient funds to meet its expenses, carry out its objectives and continue as a going concern, there is no guarantee that the Company will not be required to raise additional capital in the future.

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, feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

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.

7.3 Specific Risks relating to the Company's Indonesian Gold Project

(a) Tenure

Mining and exploration tenements are subject to periodic renewal. In particular, the tenement comprising the Persada Gold Project is due to expire on 12 August 2016. The Company has lodged a renewal application, and anticipates that the renewal will be granted in the coming weeks. If the tenement is not renewed, the Company may suffer significant damage through loss of the opportunity to develop and discover any minerals on the tenement.

The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(b) Domestic processing & refining obligation (DP&RO)

Regulation No. 7 of 2012 of the Minister and Energy and Mineral Resource issued 6 February 2012 prohibits the export of unprocessed raw materials/ore by IUP/IUPK holders. Thus, holders of Production IUP/IUPK are obliged to carry out processing and refining within the country.

The DP&RO is applicable to IUP production licenses only. As the Company's tenement is currently an exploration IUP, the DP&RO does not currently apply. Should the Company later achieve exploration success (warranting a mining operation) through, amongst other things, the granting of an IUP production, the DP&RO will take effect.

In the event that the Company achieves exploration success on its projects in the future, there is a potential risk to the viability of a mining operation due to these economic constraints.

(c) Divestiture of shares requirement under the New Mining Law

After 5 years of production, a PMA Mining Company must divest some of its shares (Divestiture Shares) to Indonesian parties, so that the Indonesian parties (being the Government, Regional Governments, BUMN, BUMD or BUMS National), hold not less than 20% of the PMA Company's issued shares (**Divestment Requirement**). The Company must also divest no less than 30% after 6 years of production, 37% after 7 years of production, 44% after 8 years of production and 51% after 9 years of production.

At this stage the divestment rules are not applicable as a foreign owned entity must start divesting to Indonesian interests only after production has taken place and only after 5 years.

In the event that the Company reaches production in the future, there is a potential risk to the Company's potential future cash flows from production.

(d) **Legal risks associated with operating in Indonesia**

The Company has tenements located in Indonesia which is subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements and collecting receivables through foreign and local systems;
- (ii) potential difficulties in protecting rights and interest in assets;
- (iii) increases in costs for mining, transportation and shipping;
- (iv) changes in governmental policies, restrictive governmental actions, such as imposition of trade quotas, proposed legislation seeking to ban the export of low rank coal from 2014, tariffs and other taxes; and
- (v) economic, social and political volatility.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

In addition, the Company's future operations may be impacted by currency fluctuations, political reforms, changes in Indonesian government policies and procedures, civil unrest, social and religious conflict and deterioration of economic conditions. The likelihood of any of these changes, and their possible effects, if any, cannot be determined by the Company with any certainty at the present time. However they may include disruption, increased costs and, in some cases, total inability to establish or to continue to operate mining exploration or development activities.

(e) **Sovereign risk**

The Company's activities are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

The risk of terrorism activities in Indonesia and the resulting impact upon any future projects is also a relevant risk factor.

(f) **Exploration risk**

There can be no assurance that exploration of the Company's tenements or other exploration properties that may be acquired by the Company in the future will result in the discovery of an economic resource. Even if an economic resource is discovered, there is no guarantee that the resource will be able to be commercially exploited by the Company.

(g) **Changes in Indonesian law**

Changes to the mining law or to the other government legislation and regulations in Indonesia, or to the division of regulatory powers between the Central Government in Jakarta and local and provisional bodies, may materially impact on the ability of the Company to operate in Indonesia and on the ultimate profitability of any potential projects to be developed in Indonesia. In the event that an economic resource is identified in any of the Company's projects there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted.

(h) **Community relations and landowners**

The Company's ability to undertake exploration on its tenements will depend in part on its ability to maintain good relations with the relevant local communities. Any failure to adequately manage community expectations with respect to compensation for land access, artisanal mining activity, employment opportunities, impact on local business and any other expectations may lead to local dissatisfaction, disruptions in the exploration program and potential losses to the Company.

7.4 General risks

(a) **Litigation risk**

The Company may be exposed to possible legal and/or other claims or disputes including, without limitation, contractual disputes relating to an asset acquisition, tenure disputes, environmental claims, occupational health and safety claims, shareholder claims and employee claims. Such claims and disputes may negatively impact the Company, which would be forced to incur costs associated with defending or settling such claims. Any such claim or dispute if proven, may adversely impact the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(b) **Operating risks**

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. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests.

(c) **Economic**

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

(d) **Market conditions**

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

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

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

(e) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transaction would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(g) **Taxation**

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

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with

respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.5 Speculative investment

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

8. MATERIAL CONTRACTS

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.1 Converting Loan Agreements

During July 2016, the Company completed a capital raising pursuant to which it entered into converting loan agreements with various lenders (**Lenders**), pursuant to which the Lenders have advanced a total of \$500,000 (**Converting Loans**) to the Company (**Converting Loan Agreements**).

The Company has entered into a Converting Loan Agreement with Nathan Taylor, a Director, pursuant to which, Mr Taylor has advanced \$100,000 to the Company. Other than Nathan Taylor, none of the Lenders are related parties of the Company.

The key terms of the Converting Loan Agreements are as follows:

- (a) **Conversion:** subject to the receipt of Shareholder approval (if required) all outstanding monies under the Converting Loan Agreements will convert into Shares immediately upon completion of an equity capital raising by the Company in quarter 3 of 2016 to raise at least \$2,000,000 (**Recapitalisation Raise**);
- (b) **Number:** the Company shall issue such number of Shares to the Lenders determined by dividing the outstanding monies by the price which is equal to a 25% discount to the price of Shares issued under the equity capital raising;
- (c) **Repayment:** subject to conversion of the Converting Loans into Shares, all outstanding monies shall be repaid by the Company to the Lenders, unless mutually agreed by the parties, on the earlier of:
 - (i) the date that is 3 months from the date of execution of the Converting Loan Agreements; and
 - (ii) no later than 5 days after the date of completion of the Recapitalisation Raise.

In the event that an event of default occurs under the Converting Loan Agreements, each Lender may, for so long as the event of default is continuing, by giving a notice to the Company, declare the outstanding monies to be immediately due and payable to that Lender.

- (d) **Interest:** interest will accrue daily at a rate of 10% per annum on the outstanding amount under each Convertible Loan Agreement and will be calculated on a monthly basis on the amount outstanding and capitalised into the outstanding monies. An interest rate of 15% per annum is payable on any overdue amounts and accrues from day to day from and including the due date for payment up until the actual date of payment. Overdue interest may be capitalised by each Lender at monthly intervals; and
- (e) **Attaching Options:** for every one Share issued by the Company to the Lender upon conversion of the Converting Loans, the Company will also issue to the Lender one attaching Option. Each Option will entitle the Lender to purchase one Share in the Company at a 50% premium to the issue price of Shares on conversion of the Converting Loans for a period of 3 years.

9. ADDITIONAL INFORMATION

9.1 Litigation

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

9.2 Continuous disclosure obligations

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

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

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

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

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

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

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

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

Date	Description of Announcement
11 Jul 2016	Capital Raising Initiatives - Clarification
08 Jul 2016	Notice Under Section 708A and Appendix 3B
08 Jul 2016	Company Update & Capital Raising Initiatives
01 Jul 2016	Expiry of Unlisted Options
21 Jun 2016	Termination of Agreements and Company Update
17 Jun 2016	Final Director's Interest Notice
17 June 2016	Non-Executive Director Resignation
01 Jun 2016	Initial Director's Interest Notice
01 Jun 2016	Nathan Taylor Joins the Board of WMN
29 Apr 2016	Quarterly Activities Report
29 Apr 2016	Quarterly Cashflow Report
27 Apr 2016	Resignation of Interim CEO
05 Apr 2016	Initial Director's Interest Notice
05 Apr 2016	Final Director's Interest Notice
05 Apr 2016	WMN Announces Change of Director & CEO Update
21 Mar 2016	Check Assays Completed on the Tamboli Project
17 Mar 2016	Results of Meeting
16 Mar 2016	Half Year Accounts
14 Mar 2016	Investor Presentation
10 Mar 2016	Company Presentation – March 2016
12 Feb 2016	Notice of General Meeting/Proxy Form
29 Jan 2016	Quarterly Activities Report
29 Jan 2016	Quarterly Cashflow Report
08 Jan 2016	Final Director's Interest Notice
08 Jan 2016	Board Changes

05 Jan 2016	Appendix 3B
30 Dec 2015	Notice Under Section 708A
29 Dec 2015	Appendix 3B
22 Dec 2015	Definitive agreement executed for acquisition of PT Grafindo
04 Dec 2015	Extension Agreed for Acquisition of PT Grafindo Nusantara
30 Nov 2015	Results of Meeting
30 Nov 2015	Initial Director's Interest Notice
30 Nov 2015	Final Director's Interest Notice
30 Nov 2015	Andrew Houtas joins the Board
04 Nov 2015	Change of registered address and Company Secretary
30 Oct 2015	Quarterly Activities and Cashflow Report
30 Oct 2015	Cleansing Notice
29 Oct 2015	Placement to Raise A\$6 million
22 Oct 2015	Notice of Annual General Meeting/Proxy Form
07 Oct 2015	Company Presentation – October 2015

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.

9.3 Market price of shares

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

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

	(\$)	Date
Highest	\$0.051	19 April 2016
Lowest	\$0.003	12 July 2016
Last	\$0.003	14 July 2016

9.4 Interests of Directors

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

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

- (ii) the Offer; or
- (c) the Offer,

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

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

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

Director	Shares	Options	Entitlement	\$
Nathan Taylor ¹	Nil	Nil	Nil	Nil
Andrew Houtas	Nil	Nil	Nil	Nil
Budi Santoso	Nil	Nil	Nil	Nil

Note:

- As set out in section 8.1 of this Prospectus, Nathan Taylor has entered into a Converting Loan Agreement with the Company, pursuant to which he has advanced \$100,000 to the Company. Assuming that interest accrues for a period of three months (being the period of time provided under the Converting Loan Agreements for the Company to complete an equity capital raising of at least \$2,000,000), the outstanding amount under Mr Taylor's Converting Loan which would be converted into Shares, is \$102,500. Assuming that Shareholder approval is obtained and the Shares are issued at an issue price of \$0.00075 per Share, being a 25% discount to the price of Shares being offered under the Offer, 136,666,667 Shares and 136,666,667 Options would be issued to Mr Taylor (or his nominee) on conversion of the Converting Loan. Further details of the Converting Loans are set out in section 8.1 of this Prospectus

The Board recommends all Shareholders take up their Entitlement.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY2017	FY2016	FY2015
Nathan Taylor ¹	\$60,000	\$5,000	n/a
Andrew Houtas ²	\$30,000	\$17,500	n/a
Budi Santoso ³	\$30,000	\$85,000	\$52,500

Notes:

1. Nathan Taylor was appointed as non-executive chairman on 1 June 2016.
2. Andrew Houtas was appointed as non-executive Director on 30 November 2015.
3. Budi Santoso was appointed as executive Director on 8 December 2014, becoming executive chairman on 8 January 2016 and non-executive Director on 1 June 2016.

9.5 Interests of experts and advisers

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

- 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;
- promoter of the Company; or
- underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offer; or
- the Offer,

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

- the formation or promotion of the Company; or
- the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding

GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$24,905 (excluding GST and disbursements) for legal services provided to the Company.

LeMessurier Securities Pty Ltd has been appointed as the nominee under ASX Listing Rule 7.7.1(c) and Section 615 of the Corporations Act. LeMessurier Securities Pty Ltd will be paid for this service on standard industry terms and conditions.

9.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

LeMessurier Securities Pty Ltd has given and has not withdrawn its consent to be named as the Company's nominee under ASX Listing Rule 7.7.1(c) and Section 615 of the Corporations Act. LeMessurier Securities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.7 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$25,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,983
ASX fees	8,587
Legal fees	5,000
Printing and distribution	4,576
Miscellaneous	3,854
Total	25,000

9.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 89491 0389 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.wmngraphite.com>.

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

9.9 Financial forecasts

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

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

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

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

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

9.11 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 holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

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

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

10. DIRECTORS' AUTHORISATION

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

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

Nathan Taylor
Non-Executive Chairman
For and on behalf of
WESTERN MINING NETWORK LIMITED

11. GLOSSARY

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

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

Application means an application to subscribe for Shares under this Prospectus.

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

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Western Mining Network Limited (ACN 144 079 667).

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

Converting Loan Agreements has the meaning given in section 8.1 of this Prospectus.

Converting Loans has the meaning given in section 8.1 of this Prospectus.

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

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

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

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.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Indonesia.

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Recapitalisation Raise has the meaning given in section 8.1 of this Prospectus.

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

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

Shareholder means a holder of a Share.

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

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

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 4.15 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

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