



White Star Resources Limited
ACN 123 511 017
To be renamed Spookfish Limited

PROSPECTUS

For the offer of up to 145,000,000 Shares each at an issue price of \$0.035, together with one free Attaching Option for every two Shares issued, to raise \$5,075,000 (before costs).

Re-compliance with Chapters 1 and 2

In addition to the purpose of raising funds under the Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities.

Conditional Offer

This Offer is conditional upon the Conditions of the Offer outlined in Section 6.2 being satisfied. In the event that the Conditions of the Offer are not satisfied the Company will not proceed with the Offer and the Company will repay all application monies received.

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 Securities offered by this Prospectus should be considered as speculative.

Lead Manager to the Offer

FORREST Capital

Contents

1.	Important Information	1
2.	Corporate Directory	3
3.	Key Information and Indicative Timetable	4
4.	Investment Summary	5
5.	Letter from the Board.....	23
6.	Details of the Offer.....	24
7.	Directors, Key Management and Corporate Governance.....	34
8.	Company and Spookfish Overview	49
9.	Financial Information	53
10.	Investigating Accountant's Report	56
11.	Patent Report.....	77
12.	Risk Factors.....	81
13.	Material Contracts	88
14.	Additional Information.....	91
15.	Directors' Authorisation	106
16.	Glossary	107

1. Important Information

1.1 Important Notice

This Prospectus is dated 19 December 2014 and was lodged with the ASIC on that date. The ASX, ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is that date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No Securities may be issued on the basis of this Prospectus after the Expiry Date.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the Shares the subject of this Prospectus.

Persons wishing to apply for Securities pursuant to the Offer must do so using the Application Form as provided with a copy of this Prospectus. The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary before deciding whether to invest. The Securities the subject of this Prospectus should be considered speculative. Please refer to Section 12 for details relating to risk factors that could affect the financial performance and assets of the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having authorised by the Company or the Director in relation to the Offer.

1.2 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.whitestarresources.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must only access this Prospectus from within Australia.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Forms. If you have not, please contact the Company on +61 8 9380 6789 and the Company will send you, at no cost, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.whitestarresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant

supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.3 Overseas Applicants

The offer of Shares made pursuant to this Prospectus is not made to persons to whom, or places in which, it would be unlawful to make such an offer of Shares. No action has been taken to register or qualify the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek legal advice on, and observe, any of those restrictions. Failure to comply with these restrictions may violate securities laws.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

2. Corporate Directory

Directors

Mr Stephen Anastos (Non Exec. Chairman,
Director) (resigning post Acquisition)
Mr Jason Marinko (Executive Director)
Ms Shannon Robinson (Non Exec. Director)

Company Secretary

Ms Shannon Robinson

Proposed Directors

Mr Stephen Rice
Mr Mike von Bertouch

Proposed Joint Company Secretaries

Ms Shannon Robinson
Mr Ian Magee

Registered Office

Level 1, Suite 5, The Business Centre,
55 Salvado Road
Subiaco WA 6008

Investigating Accountant

RSM Bird Cameron Corporate Pty Ltd
8 St Georges Terrace
Perth WA 6000

Patent Attorneys

Watermark
362 Rokeby Road
Subiaco WA 6008

Auditors

RSM Bird Cameron
8 St Georges Terrace
Perth WA 6000

Lawyers

GTP Legal
Level 1, 28 Ord Street
West Perth WA 6005

Lead Manager

Forrest Capital Pty Ltd
Unit 8-9
88 Forrest Street
Cottesloe WA 6011

Share Registry*

Advanced Share Registry Services
110 Stirling Hwy
Nedlands WA 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723

Website

www.whitestarresources.com.au

ASX Code

Current: WSR
Proposed: SFI

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

3. Key Information and Indicative Timetable

Description	
Price per Share under the Offer	\$0.035
Shares offered under the Offer	145,000,000
Amount to be raised under the Offer (before costs)	\$5,075,000
Total cash on completion of the Offer (before costs)	\$7,325,000
Shares on issue before completion of the Offer	368,085,005
Shares to be issued to Vendors	160,000,000
Shares to be issued to Advisors	8,400,000
Shares to be issued to Loan Investors	20,000,000
Total Shares on issue upon completion of the Offer	701,485,005
Market capitalisation on completion of the Offer at the price per Share under the Offer	\$24,551,975

Note: Please refer to Section 6.8 for further details relating to the proposed capital structure of the Company.

Indicative timetable	
Lodgement of this Prospectus with ASIC	19 December 2014
Opening Date for the Offer	19 December 2014
General Meeting of the Company	23 December 2014
Closing Date for the Offer	9 January 2014
Completion of Acquisition and issue of Shares to Vendor	22 January 2015
Issue of Securities under the Offer	22 January 2015
Dispatch of holding statements	27 January 2015
Expected date for Shares to be reinstated to trading on ASX	2 February 2015

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

4. Investment Summary

This Section is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Securities.

Topic	Summary	More information
Introduction		
Who is the issuer of the Prospectus?	White Star Resources Limited ACN 123 511 017 (Company) (to be renamed "Spookfish Limited").	Section 8.7
Who is the Company and what does it do?	The Company is a public company that has been listed on the ASX since 19 April 2007. The Company's principal activities previously involved mineral exploration. In light of difficult market conditions for junior exploration companies, the Company has been evaluating high quality and value adding investment opportunities outside the commodities industry.	Section 8.7
What is the Company's strategy?	<p>The Company is proposing to acquire the remaining share capital in Spookfish that it does not already own (the Company currently owns 12.5% of Spookfish) and 100% of the share capital in Geospatial Investments (Geospatial Investments has an option to acquire an 18.96% interest in Spookfish). Spookfish is a company focused on the development of premium geospatial imagery products and services. Spookfish is seeking to redefine the global geospatial industry by aiming to provide quick and easy subscription based access to high quality geospatial imagery and textured 3D models to the government and corporate sectors at significantly improved levels of resolution, accuracy, cost effectiveness and consistency compared to current industry offerings.</p> <p>Following reinstatement to quotation on the Official List of ASX, the Company's primary focus will be to develop the business of</p>	Sections 8.1, 8.2 13.1, 13.2 and 13.3

Topic	Summary	More information
	<p>Spookfish in line with its business model.</p> <p>The Company may also undertake further acquisitions that complement Spookfish's business.</p>	
What are the Company's key assets?	<p>The Company currently owns a strategic suite of exploration licenses in Chile.</p> <p>Following completion of the Offer, the Company will seek either a strategic partner for, or divestment of, its interest in these licenses.</p> <p>Via the Acquisition, the Company intends to acquire Spookfish and its assets, which include patents applications relating to the business of Spookfish.</p>	Sections 8.1 and 8.7
What is the Offer?	<p>The Company is offering 145,000,000 Shares each at an issue price of \$0.035 together with one free Attaching Option for every two Shares issued.</p> <p>The Offer is not underwritten.</p>	Sections 6.1 and 6.9
What are the conditions of the Offer?	<p>The Offer is conditional upon the following events occurring:</p> <ul style="list-style-type: none"> • completion of legal, technical and commercial due diligence to the satisfaction of the Company; • the Company raising the amount of the Offer (being \$5,075,000); • Shareholders approving the resolutions at the December General Meeting; • completion of the Acquisition; and • ASX approving the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules. <p>If any of the Conditions of the Offer are not satisfied then the Company will not proceed with the Offer and the Company will repay all Application Monies received.</p>	Section 6.2
Why is the Offer being conducted?	<p>The purposes of the Offer are to:</p> <ul style="list-style-type: none"> • meet the requirement that the 	Section 6.6

Topic	Summary	More information
	<p>Company re-complies with the ASX's admission requirements in accordance with Chapters 1 and 2 of the Listing Rules;</p> <ul style="list-style-type: none"> • provide funding for the continued development of the Spookfish Technology as well as to fund development of infrastructure to operate the Spookfish Technology; • meet the expenses of the Offer; and • provide administration expenditure and working capital. • 	
Acquisition		
What is the Acquisition?	The Acquisition involves the Company's proposed acquisition of the remaining issued capital of Spookfish that it does not already own (the Company currently owns 12.5% of Spookfish) and 100% of the issued capital of Geospatial Investments pursuant to the Acquisition Agreements.	Sections 8.1 and 13
What are the key terms of the Acquisition?	<p>The key terms of the Acquisition are as follows:</p> <ul style="list-style-type: none"> • the Company will issue 160,000,000 Shares, 160,000,000 Milestone 1 Shares and 200,000,000 Milestone 2 Shares (on satisfaction of the applicable milestone) (Vend Securities) to the Vendors as consideration for the remaining share capital of Spookfish that it does not already own (the Company currently owns 12.5% of Spookfish) and to acquire 100% of the share capital of Geospatial Investments; • Issue 8,400,000 Shares, 11,200,000 Milestone 1 Shares and 14,000,000 Milestone 2 Shares (on satisfaction of the applicable milestone) (Facilitation Securities) to the Advisors in respect of the introduction and facilitation of the 	Section 6.2, 6.8, 13.1, 13.2, 13.3 and 13.4

Topic	Summary	More information
	<p>Acquisition to the Company;</p> <ul style="list-style-type: none"> • Spookfish will be entitled to appoint two directors to the Board (being Mr Stephen Rice and Mr Mike von Bertouch. • Completion of the Acquisition is subject to a number of conditions which have been satisfied with the exception of the following conditions which remain outstanding at the date of this Prospectus: <ul style="list-style-type: none"> - completion of legal, technical and commercial due diligence to the satisfaction of the Company; - the Company raising \$5,075,000 pursuant to the Offer; - Shareholder approval of the Acquisition at the December General Meeting; and - the Company obtaining all necessary regulatory approvals required in relation to the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules. 	
<p>What approvals will be sought at the General Meeting?</p>	<p>At the December General Meeting to be held on 23 December 2014, the Company will seek Shareholder approval to:</p> <ul style="list-style-type: none"> • the change in nature and scale of the activities of the Company; • the issue of the Vend Securities and the Facilitation Securities to the Vendors and the Advisors; • the Offer under this Prospectus; • the change of the Company's name to "Spookfish Limited"; • the appointment of Messrs Stephen Rice and Mike von Bertouch to the Board and the re-election of Mr Jason Marinko; • the issue of Shares to loan investors; and 	<p>Section 6.3</p>

Topic	Summary	More information
	<ul style="list-style-type: none"> the establishment of a Performance Rights Plan. 	
Why is the Company required to re-comply with Chapters 1 and 2 of the Listing Rules	<p>At the Company's December General Meeting, the Company will seek Shareholder approval for, amongst other things, a change in the nature and scale of the Company's activities as a result of the Acquisition. To give effect to these changes, the ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.</p> <p>The Company will be suspended from trading from the time of the December General Meeting and will not be reinstated until the Company has satisfied the Conditions of the Offer, including re-compliance with Chapters 1 and 2 of the Listing Rules.</p> <p>There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the Conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offer and will repay all Application Monies received (without interest).</p>	Section 6.5
Who is Spookfish?	Spookfish is developing a suite of geospatial imagery technologies which capture, store and reproduce aerial imagery, which it intends to develop and if successful commercialise. Spookfish is more than simply a collection of technologies bolted together. It is a complete business capability to plan, capture, process, store and distribute high quality imagery.	Sections 8.2 and 8.3
What is Spookfish's business model?	Following completion of the Offer, the Company will focus on growing Spookfish's business by prioritising funds towards development of the Spookfish Technology. The Company's initial focus will be on the	Section 8.4

Topic	Summary	More information
	<p>test flight and pilot programs for the Technology Demonstrator and development of phase two of its technology roadmap; a scaled-up, high altitude system.</p> <p>Assuming successful development and commercialisation of the Spookfish Technology, the Company's revenue model will be based upon sales to the existing substantial government and large corporate market. This mature market is well established, persistently growing and currently serviced by both satellite and a very large number of aerial imagery providers. However investors should note that Spookfish is a start up company with no revenue to date and which is still in the development phase. Accordingly revenue is not expected in the near term.</p> <p>The early stages of development includes operational trials, pilot programs and bespoke project based surveys which may provide for key early customers.</p> <p>In addition, the Company will consider opportunities for growth through acquisitions of competitors and complementary businesses.</p> <p>Investors should note, given Spookfish's limited operating history, the ability to achieve its objectives is high risk.</p>	
Key risks		
<p>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 12, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This Section summarises only some of the risks which apply to an investment in the Company and investors should refer to Section 12 for a more detailed summary of the risks.</p>		
Conditional Acquisition	<p>The Company's securities will be suspended from the time of the December General Meeting. It is anticipated that the Company's securities will remain suspended until completion of the Acquisition and Offer, re-compliance by the Company with</p>	Section 12.1(a)

Topic	Summary	More information
	<p>Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from quotation.</p> <p>It is noted that the Offer remains subject to completion of legal, technical and commercial due diligence to the satisfaction of the Company. The primary due diligence outstanding at the date of this Prospectus is completion of the initial trials of the Spookfish Technology Demonstrator. Further it is noted that not all Spookfish shareholders have signed letter agreements with the Company at the date of this Prospectus (although all Spookfish shareholders have approved the Acquisition). Completion of the Offer remains subject to the Company acquiring all of the shares in Spookfish that it does not already own.</p>	
<p>Limited trading history</p>	<p>Spookfish is essentially a start-up company with limited trading history. Spookfish has to date principally developed its software and product as well as seeking patent protection. However Spookfish is still developing and testing its technology and has yet to commence the commercialisation phase of the business cycle and as such carries the normal risks of a start up business. Given the limited trading history of Spookfish, no assurance can be given that Spookfish will achieve development success followed by commercial viability through the implementation of its business plan.</p> <p>The information surrounding the business model of Spookfish as set out in Section 8 represents Spookfish's current plans and strategies for the development and if successful the commercialisation of the Spookfish Technology given its limited history to date. Spookfish's ability to achieve its objectives depends on the ability of the Directors and Proposed Directors and</p>	<p>Section 12.1(b)</p>

Topic	Summary	More information
	officers to implement the proposed business plan and to respond in a timely and appropriate manner to any unforeseen circumstances.	
Technology and product development	<p>Technology Demonstrator: - The success of the Company is dependent on the successful enhancement and deployment of the Spookfish Technology Demonstrator, which is in the final stages of development. Should the testing and verification of the Spookfish Technology Demonstrator not be completed to the satisfaction of the procedures specified by the Company, then Spookfish will have to expend additional time and resources to rectify any outstanding issues which will delay the development of the next stage of development or at the very worst, if unassailable barriers are encountered, require Spookfish to abandon the project entirely.</p> <p>Next phase technology development. - After the Spookfish Technology Demonstrator phase, Spookfish will then develop the first high altitude stage of its aerial image acquisition system. Any inability to execute on this next stage of development will hamper or obstruct Spookfish's ability to develop a commercial offering capable of earning revenue. The main risk in developing future stages lies in encountering unexpected problems not identified and solved in the previous stage or in the Spookfish Technology Demonstrator.</p> <p>Viable commercialisation - risks are involved in the ability to translate the developed technology in to a solution that provides the expected quality of data in a cost effective manner to support the price needed to make an impact in the marketplace. The main factors that may introduce risk include but are not limited to data storage costs, costs of producing, maintaining and operating aircraft, and the efficient functioning of the image processing software and computing resources.</p>	Section 12.1(c)

Topic	Summary	More information
Building the delivery platform	Spookfish is building a sophisticated, state of the art, online delivery platform comprising of advanced image storage and delivery technology combined with an e-commerce engine with the ability for the customer to configure their needs and have the resultant output delivered to them at turnaround times that exceed current offerings in the market. As with any such undertaking, breaking new ground poses risks that include reducing the Spookfish competitive position. There is a risk that Spookfish may only be able to deliver image output at turnaround times worse, equivalent or only marginally better than services that are available at the time which will affect its competitiveness. This may have a material adverse effect on the financial performance of the Company.	Section 12.1(d)
Market adoption and sales and marketing	Use of proceeds post completion will focus efforts on development of the Spookfish Technology. Should this be successful then the Company will seek to commercialise the Spookfish Technology. Spookfish does not currently have any contracts in place to become revenue generating, there are no guarantees of success in obtaining sales contracts and new business. Following development of its product, the success of the commercialisation of Spookfish will relate to the acceptance of its offerings for routine use within its target markets. Take up of the products will involve education of market participants and marketing programmes to raise the profile of Spookfish and its products.	Section 12.1(e)
Competition and new technologies	Spookfish is confident that its product will provide a unique market proposition in providing an existing, qualified market place with new levels of quality, price and availability. Spookfish also expects to be able to extend its market by offering the same service internationally. Notwithstanding this, the industry in which Spookfish operates is competitive and includes companies with significantly greater	Section 12.1(f)

Topic	Summary	More information
	financial, technical, human, research and development, and marketing resources than currently available to Spookfish. Numerous entities around the world may resist Spookfish's efforts to develop and possibly commercialise products that may compete with their own offerings. Spookfish's competitors may develop products: in advance of Spookfish; that are more effective than those developed by Spookfish; or have greater market acceptance. As a consequence, Spookfish's current and future technologies and products may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.	
Reliance on key personnel	The Company and Spookfish currently employ or engage as consultants a number of key management and personnel, and the Company's future depends on retaining and attracting suitable qualified personnel. In particular Messrs Mike von Bertouch and Simon Cope are the inventors and main founders of the business. Mr von Bertouch's background in aeronautical engineering and Mr Cope's background in geospatial imagery and software development are significant advantages and the reason for the successful lodging of patents applications and development of the Spookfish Technology. In the short term Mr von Bertouch and Mr Cope will be responsible for development, enhancement and testing of Spookfish Technology as well as being the main drivers of business development initiatives, new products and development. There is no guarantee that the Company will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects.	Section 12.1(g)
Patent rights	Spookfish relies somewhat for its success on its ability to obtain and maintain patent protection for its technology. Spookfish has pending patent applications covering core	Section 12.1(n)

Topic	Summary	More information
	<p>technology which present commercialisation opportunities. The prospect of attaining patent protection for products and the technology such as those proposed is highly uncertain and involves complex and continually evolving factual and legal questions. These include:</p> <ol style="list-style-type: none"> 1. legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect Spookfish' ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by Spookfish. As a result, Spookfish ' patent application may not proceed to issued patents and, if issued, may not be of commercial benefit to Spookfish, or may not afford Spookfish adequate protection from competing products; and 2. since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, Spookfish cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent applications for such inventions was the first to be filed. <p>Even if Spookfish succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third</p>	

Topic	Summary	More information
	parties.	
Infringement of third party intellectual property rights	<p>If a third party accuses Spookfish of infringing its intellectual property rights or if a third party commences litigation against Spookfish for the infringement of patent or other intellectual property rights, Spookfish may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that Spookfish incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.</p> <p>In addition, parties making claims against Spookfish may be able to obtain injunctive or other equitable relief that could prevent Spookfish from further developing discoveries or commercialising its products. It is noted that initial proceedings have been commenced by nearmap Limited against Spookfish, Simon Cope, Guy Perkins and Michael von Bertouch (being former employees and consultants of nearmap Limited) seeking preliminary discovery of information for the purpose of determining whether there has been any breaches of confidentiality by these parties. Spookfish believes the application for preliminary discovery is misconstrued and inappropriate. The Company does not believe there is any merit to the potential allegations regarding breaches of confidentiality. However in the event of a successful claim of infringement against Spookfish, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company from developing the Spookfish Technology and could cause it to incur substantial expenditure.</p>	Section 12.1(o)

Topic	Summary	More information
Sufficiency of funding	<p>The Company's growth through development of the Spookfish Technology and possible commercialisation activities will require substantial expenditure and may not result in profitability being achieved. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.</p> <p>If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that Spookfish will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Spookfish or at all.</p> <p>Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. If the Company is unable to raise capital if and when needed, it could delay or suspend the Company's business strategy and could have a material adverse effect on its activities.</p>	Section 12.1(p)
Proposed use of funds and other key terms of the Offer		
What is the proposed use of funds raised under the Offer?	<p>The proposed use of funds raised under the Offer is to:</p> <ul style="list-style-type: none"> • fund development of the Spookfish Technology; • fund development of infrastructure to operate the Spookfish Technology; • meet the expenses of the Offer; and • provide administration expenditure & working capital. 	Section 6.7
Will the Company be adequately	The Directors are satisfied that on completion of the Offer, the Company will	Section 6.7

Topic	Summary	More information
funded after completion of the Offer?	have sufficient working capital to carry out its business objectives as set out in the row above.	
What rights and liabilities attach to the Shares being offered?	All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in Section 14.1.	Sections 14.1
What terms and conditions attach to the Attaching Options being offered?	The Attaching Options will each be exercisable at \$0.05 on or before 30 November 2018 and otherwise have the terms and conditions in Section 14.3.	Section 14.3
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 6.9
Who is the lead manager to the Offer?	The Company has appointed Forrest Capital as Lead Manager to the Offer. The Lead Manager will receive 6% of the value of the Shares placed to its clients under the Offer, this amount includes any fees paid to brokers.	Sections 6.16 and 13.5
Will the Securities issued under the Offer be listed?	The Company will apply for listing of the Shares on the ASX under the ASX code 'SFI' within seven days of the date of this Prospectus. Completion of the Offer is conditional on ASX approving this application. The Company will not apply for listing of the Attaching Options on the ASX.	Section 6.5
What are the tax implications of investing in Securities under the Offer?	The tax consequences of any investment in Securities will depend upon your particular circumstances. Prospective investors should obtain their own tax advice before deciding to invest.	Section 6.22
What is the Company's dividend policy?	The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the Spookfish business. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend	Section 6.11

Topic	Summary	More information
	upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.	
How do I apply for Securities under the Offer?	Applications for Securities under the Offer must be made by completing an Application Form and must be accompanied by a cheque in Australian dollars (or an electronic transfer to the bank account advised by the Company) for the full amount of the application being \$0.035 per Share. Cheques must be made payable to "White Star Resources Limited – Share Offer Account" and should be crossed "Not Negotiable".	Section 6.12
When will I receive confirmation that my application has been successful?	It is expected that holding statements will be sent to successful Applicants by post on or about 27 January 2015.	Sections 3 and 6.18
How can I find out more about the Prospectus or the Offer?	Questions relating to the Offer can be directed to the Company on +61 8 9380 6789.	Section 6.23
Board and management		
Who are the Directors of the Company?	<p>The Existing Directors of the Company are:</p> <ul style="list-style-type: none"> • Stephen Anastos – Non-Executive Director • Jason Marinko – Executive Director • Shannon Robinson – Non-Executive Director & Company Secretary <p>On completion of the Acquisition and the Offer, changes will be made to the Board, with the resignation of Mr Stephen Anastos and the appointment of the Proposed Directors, such that the Board will then comprise:</p> <ul style="list-style-type: none"> • Jason Marinko – Executive Chairman 	Section 7.1

Topic	Summary	More information
	<ul style="list-style-type: none"> • Stephen Rice – Executive Director & CEO • Mike von Bertouch – Executive Director & Strategic Operations Director • Shannon Robinson – Non-Executive Director & Joint Company Secretary <p>Refer to Section 7.1 for details of the relevant experience and expertise of the Directors.</p> <p>Following completion of the Offer and the Acquisition, the Board will seek to identify new candidates with the necessary skills and experience to complement the Board.</p>	
Who are the key management personnel?	<p>From completion of the Acquisition, the key management personnel of the Company will include:</p> <ul style="list-style-type: none"> • Jason Marinko – Executive Chairman • Stephen Rice – Executive Director & CEO • Mike von Bertouch – Executive Director & Strategic Operations Director • Shannon Robinson – Non-Executive Director & Joint Company Secretary • Anthony Grist – Subsidiary Chairman • Simon Cope – Subsidiary Director & Chief Technical Officer • Guy Perkins – Subsidiary Director & Strategic Sales Director <p>Refer to Sections 7.1 and 7.5 for details of the relevant experience and expertise of the key management personnel.</p>	Section 7.1
What are the significant interests of Directors?	<p>The interests of the Existing Directors and Proposed Directors are detailed in Section 7.2.</p> <p>The security holdings of the Existing Directors and Proposed Directors are set out in Section 7.3.</p>	Sections 7.2, and 7.3
Are there any	Entities related to the two directors of the	Section 7.6

Topic	Summary	More information
<p>relationships between the Company and parties involved in the Acquisition or Offer that are relevant to investors?</p>	<p>Lead Manager hold shares in the Company and Geospatial. Accordingly, these entities will receive a portion of the Vend Securities as well as a portion of the Facilitation Securities (as nominees of one of the Advisors) and a portion of the Shares to be issued on conversion of funds drawn pursuant to the Geospatial Investments Loan Facility on completion of the Acquisition (being 29,200,000 Shares, and a right to 12,100,000 Milestone 1 Shares and 15,800,000 Milestone 2 Shares in total). These entities currently also hold 16,000,000 Shares in the Company.</p> <p>An entity related to the proposed Chairman of a subsidiary of the Company is a shareholder of Geospatial Investments. Accordingly, this entity will receive a portion of the Vend Securities as well as a portion of the Shares to be issued on conversion of funds drawn pursuant to the Geospatial Investments Loan Facility on completion of the Acquisition (being 13,100,000 Shares, and a right to 4,050,000 Milestone 1 Shares and 5,400,000 Milestone 2 Shares in total). Entities related to Mr Grist currently also hold 8,300,000 Shares in the Company.</p> <p>An entity associated with Proposed Director, Mr Mike von Bertouch, provides ongoing aeronautical engineering services to Spookfish pursuant to a service provider agreement and also owns the aircraft currently hired by Spookfish to obtain aerial imagery. In addition this entity has provided technical due diligence services to the Company during the option period, further details are set out in section 7.6(c).</p> <p>Proposed Directors, Mr Mike von Bertouch and Mr Stephen Rice (and related entities) are shareholders of Spookfish. Accordingly, they will receive a portion of the Vend Securities on completion of the Acquisition (being 47,651,883 Shares, and a right to 53,150,178 Milestone 1 Shares and 65,979,531 Milestone 2 Shares in total).</p> <p>Further details of these existing agreements</p>	

Topic	Summary	More information
	are set out in Section 7.6.	
Miscellaneous		
What material contracts is the Company a party to?	<p>The material contracts of the Company comprise:</p> <ul style="list-style-type: none"> • Spookfish Option Agreement and Spookfish Shareholder Letter Agreements • Geospatial Investments Option and Facility Deed • Geospatial Investments Share Sale Agreement • Facilitation Letter • Lead Manager and Placement Mandate 	Section 13
What is the financial position of the Company and Spookfish post completion of the Offer and the Acquisition?	<p>The Company is currently listed on ASX and its financial history, including its 2014 Annual Report is available on its website (www.whitestarresources.com.au).</p> <p>Spookfish's historical operations have been limited with nominal revenue for the past two financial years (FY 2013 since incorporation in October 2012).</p> <p>Further financial information regarding the Company and Spookfish is considered in Section 9 of this Prospectus and the Investigating Accountant's Report in Section 10 of this Prospectus.</p>	Sections 8.7 and 9
Will any Shares be subject to escrow?	<p>No Shares issued under the Offer will be subject to escrow.</p> <p>Subject to the Company's Shares being reinstated to trading on the ASX, certain Shares, including the Milestone Shares and the Facilitation Securities will be required to be held in escrow for up to 24 months from the date of reinstatement.</p> <p>Refer to Section 6.10 for further details of the escrow arrangements.</p>	Section 6.10

5. Letter from the Board

Dear Investor

On behalf of the Directors, I am pleased to present this Prospectus and to offer you the opportunity to invest in White Star Resources Limited, to be renamed Spookfish Limited (**Company**).

Spookfish is an Australian company focused on development and if successful commercialisation of premium geospatial imagery products and services. It is seeking to redefine the already large and fast growing global geospatial industry by aiming to provide the highest quality aerial imagery at significantly improved levels of resolution, accuracy, cost effectiveness and consistency compared to current industry offerings.

Spookfish has planned a clear, pragmatic, staged approach to develop, evolve and, if successful, commercialise its suite of technologies over the next few years. The Company has a world-class management and technical team with a high degree of knowledge in geospatial, engineering aeronautics, data processing, data storage, control systems, communications, optics and sensor devices. These skills will be employed to perform the first demonstration step for launching commercial operations in 2015.

This Prospectus has been issued by the Company for a public offering of 145,000,000 Shares each at an issue price of \$0.035 together with one free Attaching Option (\$0.05; 30 November 2018) for every two Shares issued to raise \$5,075,000 (before costs) (**Offer**).

The funds will be used in 2015 to finance the pilot programme of the Spookfish Technology Demonstrator and the development of the phase two higher altitude offering.

In addition to the purpose of raising funds under the Offer, this Prospectus is issued for the purpose of re-complying with the admission requirements under Chapters 1 and 2 of the Listing Rules following a change to the nature and scale of the Company's activities from a mineral exploration company to a geospatial imagery company.

This Prospectus includes details of the Offer, the Company, the assets and proposed operations together with a statement of the risks associated with investing in the Company. I recommend that you study the document carefully and seek independent professional advice before investing in the Company.

On behalf of the board of Directors, I recommend this offer to you and look forward to welcoming you as a shareholder of the Company.

Yours sincerely,



Jason Marinko
Executive Director

6. Details of the Offer

6.1 The Offer

By this Prospectus the Company offers 145,000,000 Shares each at an issue price of \$0.035 together with one free Attaching Option for every two Shares issued to raise \$5,075,000 (before costs) (**Offer**).

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. Please refer to Section 14.1 for further information regarding the rights and liabilities attaching to the Shares.

The Attaching Options will have an exercise price of \$0.05 and expire on 30 November 2018. The terms and conditions of the Attaching Options are outlined in Section 14.3.

Applications for Securities must be made on the Application Form as provided with a copy of this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Securities should refer to Section 6.12 for further details and instructions.

6.2 Conditions of Offer

The Offer is conditional upon the following events occurring:

- (a) completion of legal, technical and commercial due diligence to the satisfaction of the Company;
- (b) the Company raising the amount of the Offer (being \$5,075,000) (see Section 6.4);
- (c) Shareholders approving the resolutions at the December General Meeting (see Section 6.3);
- (d) Completion of the Acquisition; and
- (e) ASX approving the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules and receiving conditional approval for re-quotation of its Shares on the ASX (refer to Section 6.5);

(together the **Conditions of the Offer**)

If the Conditions of the Offer are not achieved then the Company will not proceed with the Offer and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

6.3 December General Meeting

At the December General Meeting to be held on 23 December 2014, the Company will seek Shareholder approval to:

- (a) the change in nature and scale of the activities of the Company as a result of the Acquisition;
- (b) the issue of the Vend Securities and the Facilitation Securities to the Vendors and the Advisors (and/or their nominees);
- (c) the Offer under this Prospectus;
- (d) the change of the Company's name to "Spookfish Limited";
- (e) the appointment of Messrs Stephen Rice and Mike von Bertouch to the Board and the re-election of Mr Jason Marinko;
- (f) the issue of Shares to the Loan Investors; and
- (g) the establishment of a Performance Rights Plan.

6.4 Minimum Subscription

The minimum level of subscription for the Offer is the amount of the Offer, 145,000,000 Shares (together with free Attaching Options) to raise \$5,075,000. No Shares will be issued until the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any Shares under this Prospectus and will repay all Application Monies received (without interest) in accordance with the Corporations Act.

6.5 Re-compliance with Chapters 1 and 2 of the Listing Rules

At the Company's December General Meeting, the Company will seek Shareholder approval for, amongst other things, a change in the nature and scale of the Company's activities as a result of the Acquisition. To give effect to these changes, the ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

The Company will be suspended from trading from the time of the December General Meeting and will not be reinstated until the Company has satisfied the Conditions of the Offer, including re-compliance with Chapters 1 and 2 of the Listing Rules.

There is a risk that the Company may not be able to meet the requirements for re-quotation on the ASX. In the event the Conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offer and will repay all Application Monies received (without interest).

The Company will apply to ASX no later than seven days from the date of this Prospectus for Official Quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies will be refunded in full (without interest) in accordance with the Corporations Act. The Company will not apply to ASX for quotation of the Attaching Options.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

6.6 Purpose of the Offer

The purpose of this Offer is to:

- (a) meet the requirements of ASX to re-comply with the ASX's admission requirements under Chapters 1 and 2 of the Listing Rules;
- (b) provide funding for the continued development of the Spookfish Technology as well as to fund development of infrastructure to operate the Spookfish Technology;
- (c) meet the expenses of the Offer; and
- (d) provide administration expenditure and working capital.

6.7 Use of Funds

The table below sets out the intended use of funds raised under the Prospectus on the basis of the Company raising the amount of the Offer (\$5,075,000) in the twelve months following completion of the Offer:

Use of Funds	
Cash on Hand of the Company and Spookfish	2,250,000 ⁽¹⁾
Capital Raised	5,075,000
Total Funds Available	7,325,000
Development of the Spookfish Technology ⁽²⁾	3,254,000
Development of Infrastructure to operate the Spookfish Technology ⁽³⁾	2,575,000
Expenses of the Offer	440,000
Administration Expenditure and Working capital	1,056,000
Total	7,325,000

- 1 As at the date of this Prospectus, the Company had approximately \$1,500,000 cash on hand and Spookfish had approximately \$250,000 cash on hand, and will have an additional \$500,000 following draw down of the Geospatial Investments Loan Facility which is proposed to occur prior to the completion of the Offer.
2. The development of the Spookfish Technology includes the testing and verification of the Spookfish Technology Demonstrator, the development of the next phase technology, pilot programmes, aircraft costs, personnel and capital equipment.

3. The development of infrastructure to operate the Spookfish Technology includes development of sales and marketing collateral and building of a scalable eCommerce web delivery platform and product distribution system, software development, data management, processing and delivery systems, personnel and capital equipment.

The information in the Financial Information Section (Section 9) and the Investigating Accountant's Report (Section 10) is based on 30 June 2014 figures. Given the time period that has elapsed since then, the Company's cash at hand in the table above and the Company's pro forma cash position as at 30 June 2014 are different. Firstly it is noted that the cash position in the table above is stated without costs of the Offer being deducted whereas the pro forma cash position is inclusive of costs of the Offer. In addition to matters noted in the pro forma adjustments in the Investigating Accountant's Report approximately a further \$560,000 has been expended by the Company on general operating costs incurred and payment of creditors in the ordinary course of business. The majority of these costs incurred relate to salary and wages, expenditure in developing and maintaining the Company's exploration tenements in Chile and administration expenses.

The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives as set out in the table above.

The use of further debt or equity funding will only be considered by the Board where it is appropriate to accelerate a specific project or capitalise on further opportunities.

6.8 Capital Structure

The proposed pro forma capital structure of the Company following completion of the Offer, on the basis of the Company raising the amount of the Offer (\$5,075,000) and the Acquisition is as follows:

Capital Structure	
Existing Shares on issue at date of this Prospectus ⁽¹⁾	368,085,005
Shares to be issued pursuant to the Offer	145,000,000
Shares to be issued to the Vendors ⁽²⁾	160,000,000
Shares to be issued to the Advisors ⁽³⁾	8,400,000
Shares to be issued to the Loan Investors ⁽⁴⁾	20,000,000
Total Fully Paid Ordinary Shares (Post Offer – Undiluted)	701,485,005
Attaching Options to be issued pursuant to the Offer ⁽⁵⁾	72,500,000
Total Fully Paid Ordinary Shares (Post Offer – Fully diluted)	773,985,005

Notes

- 1 In addition the Company has agreed to issue up to 25,000,000 Shares to Mr Jason Marinko on satisfaction of vesting conditions pursuant to his incentive share package. As at the date of this Prospectus the Company has issued 7,500,000 Shares in total to Mr Marinko pursuant to the incentive share package upon the satisfaction of tranches 1 and 2 vesting conditions.
- 2 Shares to be issued to the Vendors as part of the Consideration for the Acquisition. In addition, the Vendors may be issued up to 360,000,000 Milestone Shares if the relevant milestones are satisfied prior to the expiry date for the right to be issued the Milestone Shares. Refer to Sections 13 and 14.2 for details of the right to be issued the Milestone Shares.
- 3 Shares to be issued to the Advisors on completion of the Acquisition. In addition, the Advisors may be issued up to 25,200,000 Milestone Shares if the relevant milestones are satisfied prior to the expiry date for the right to be issued the Milestone Shares. Refer to Section 13.4 for details of the Facilitation Letter and Sections 13 and 14.2 for details of the right to be issued the Milestone Shares.
- 4 As at the date of this Prospectus, Spookfish has drawn down \$500,000 pursuant to the Geospatial Investments Loan Facility. In the event that the facility is fully drawn and Geospatial Investments elects to convert the loan funds into Shares under the terms of the Geospatial Investments Loan Facility, then the maximum number of Shares to be issued on conversion would be 20,000,000 Shares at Completion, subject to shareholder approval at the December General Meeting. Refer to Section 13.2 for details of the Geospatial Investments Loan Facility.
- 5 The Company has also agreed to issue 7,500,000 unlisted options to Directors to recognise the efforts of existing and former Directors over the past 18 months, subject to shareholder approval at the January General Meeting.

Refer to Sections 14.1, 14.2 and 14.3 for the rights and obligations attaching to the Shares, the right to be issued the Milestone Shares and the terms and conditions of the Attaching Options.

6.9 No underwriting

The Offer is not underwritten.

6.10 Restricted Securities

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

The securities likely to be subject to escrow are Shares and/or Milestone Shares to be issued to Vendors, Advisors and Loan Investors.

It is estimated that 157,865,465 Shares will be subject to escrow for 24 months from the date of the re-compliance with the Listing Rules (primarily held by Directors and promoters, including certain shareholders of Spookfish, the shareholders of Geospatial Investments, the Advisors and the Loan Investors).

It is estimated that 171,200,000 Milestone 1 Shares will be subject to escrow for 24 months from the date of the re-compliance with the Listing Rules (primarily held by Directors and promoters, including the Vendors and the Advisors).

It is estimated that 214,000,000 Milestone 2 Shares will be subject to escrow for 24 months from the date of the re-compliance with the Listing Rules (primarily held by Directors and promoters, including the Vendors and the Advisors).

Prior to the Company's Shares being reinstated to trading on the ASX, the Company will enter into escrow agreements with the recipients of the restricted securities in accordance with Chapter 9 of the Listing Rules, and the Company will announce to ASX full details (quantity and duration) of the Shares and Milestone Shares required to be held in escrow.

6.11 Dividend Policy

The Company does not expect to declare any dividends in the near future as its focus will primarily be on using cash reserves to grow and develop the Spookfish business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances can be given by the Company in relation to the payment of dividends or that franking credits may attach to any dividends.

6.12 Applications

Applications for Securities under this Prospectus may only be made using the Application Form. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications for Securities must be for a minimum of 60,000 Shares (\$2,010) and thereafter in multiples of 10,000 Shares (\$350). Cheques must be made payable to **"White Star Resources – Share Offer Account"** and should be crossed **"Not Negotiable"**.

Completed Application Forms and accompanying cheques (or payment to the bank account advised by the Company) must be received by the Company before 5.00pm (WST) on the Closing Date at either of the following addresses:

Delivered to:

White Star Resources Limited
Level 1, Suite 5, The Business Centre, 55 Salvado Road, Subiaco WA 6008

or

Mailed to:

White Star Resources Limited
PO Box 131
Subiaco WA 6904

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form for Securities together with a cheque or a payment to the bank account advised by the Company for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe, amend or complete the Application Form is final. However an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque or electronic transfer for the Application Monies.

6.13 Application Monies to be held on Trust

Until the Securities are issued under this Prospectus, the Application Monies for Securities will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. If the Shares to be issued under this Prospectus are not admitted to quotation within three months after the date of this Prospectus, no Securities will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

6.14 Allocation of Securities

The Directors will determine the recipients of the Shares (and Attaching Options) under the Offer in consultation with the Lead Manager. The Directors (in conjunction with the Lead Manager) reserve the right to reject any application or to issue a lesser number of Shares than that applied for. If the number of Shares (and Attaching Options) allocated is less than that applied for, or no issue is made, the surplus Application Monies will be promptly refunded by cheque to the Applicant (without interest).

Subject to ASX granting approval for quotation of the Shares, the issue of Securities will occur as soon as practicable after the Offer closes. Holding statements will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Securities.

Applicants who sell the Securities before they receive their holding statement will do so at their own risk.

6.15 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

6.16 Lead Manager

Forrest Capital has been appointed as lead manager to the Offer. Forrest Capital will receive 6% of the value of the Shares placed to its clients under the Offer. Refer to Section 13 for a summary of the terms of the Lead Manager Agreement between the Company and Forrest Capital.

6.17 Commissions on Application Forms

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

6.18 CHESS and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (CHESS). All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement Pty Ltd (ASXS), a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASXS will send a CHESS statement.

The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Securityholding changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

6.19 Risks

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 12 of this Prospectus. The Securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

6.20 Forecast Financial Information

Given the nature of the Spookfish business and the fact it is in an early stage of development, there are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the Company's growth strategies and the general nature of the industry in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On this basis and after considering Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared and accordingly have not included financial forecasts in this Prospectus.

6.21 Privacy Statement

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

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (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 Form for Securities, the Company may not be able to accept or process your Application.

6.22 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

6.23 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Securities under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offer can be directed to the Company on +61 8 9380 6789.

7. Directors, Key Management and Corporate Governance

7.1 Director Profiles

Subject to the completion of the Acquisition it is intended that the Board of the Company will be comprised of Mr Jason Marinko, Ms Shannon Robinson and Messrs Stephen Rice and Mike von Bertouch as nominees of Spookfish. Mr Stephen Anastos intends to resign as a director of the Company following completion of the Acquisition and the Board will seek to identify new candidates with the necessary skills and experience to complement the Board.

In addition, the board of the subsidiary company, Spookfish, which is the entity that holds and develops the intellectual property for the Spookfish Technology, will be comprised of Messrs Anthony Grist, Stephen Rice, Mike von Bertouch, Simon Cope, Guy Perkins and Jason Marinko.

Brief profiles of the Directors of the Company and its subsidiary following Completion are set out below.

Jason Marinko (MBA, GAICD, F Fin, B.Com), Executive Chairman

Mr Marinko has extensive senior corporate executive and equity capital markets experience. He previously held associate director positions at Azure Capital, where he managed equity capital raisings for private and public companies, and Euroz Corporate, where he advised on small and mid-cap mergers, acquisitions and equity capital raisings. Mr Marinko was formally the CEO of Little World Beverages Limited and Little Creatures Brewing Pty Ltd and has held senior corporate strategy roles with Qantas and SingTel Optus. He is a fellow of the Financial Services Institute of Australasia (FINSIA), a graduate of the Australian Institute of Company Directors (AICD), and has an MBA from INSEAD Business School in France.

Shannon Robinson (LLB, B.Com, AGIA, MAICD), Non-Executive Director & Joint Company Secretary

Ms Robinson is a former corporate lawyer and corporate advisor with over 10 years' international experience in providing general corporate, capital raising, transaction and strategic advice to numerous ASX / AIM listed and unlisted companies. Ms Robinson has also been a director of several ASX and AIM listed resource companies including Black Mountain Resources Limited and Kaboko Mining Ltd.

Stephen Rice, Executive Director & CEO

Mr Rice has over 30 years' experience in commercialisation, innovation, emerging and disruptive technologies as well as online businesses and eCommerce. Mr Rice is a member of the Federal Government's Commercialisation Australia Expert Network panel and a founding member of eGroup Association, an industry ecosystem representing WA's digital economy. Mr Rice is non-executive chairman of Global Mind Screen, a multi-channel Internet health business and is a board member of several private companies.

Mike von Bertouch (BEng, MBA), Executive Director & Strategic Operations Director

Mike von Bertouch is responsible for all image acquisition systems hardware, aeronautics and flight operations for Spookfish. He is a highly respected engineering and business professional with a proven track record delivering complex projects across a variety of industries. Mr von Bertouch holds a Bachelor of Engineering (Aerospace) degree with Honours from the Royal Melbourne Institute of Technology and an MBA (Technology Management) from La Trobe University.

Mr von Bertouch has in excess of 20 years of professional experience across a wide range of industries and organisations. His experience includes being an Australian Civil Aviation Safety Authority (CASA) Authorised Person holding a broad range of design approval authorities which Mr von Bertouch has used in approving modifications for survey and aeromedical operators and he has acted as a consultant to Nearmap Ltd. Mr von Bertouch is also a director of Structured Design Pty Ltd, a provider of technical and technology-management consulting services to companies and government departments including the Australian Defense Forces.

Anthony Grist (B.Com, A.Fin, FAICD), Subsidiary Chairman

Mr Grist has extensive experience in the capital markets. He has been involved in the management of publicly listed companies across a range of industries both in Australia and overseas. Mr Grist is a former Head of Corporate Finance at an Australian Stock Broking company. In 1990 he founded what became Albion Capital Partners. He holds a Bachelor of Commerce from the University of Western Australia, is an Associate of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors.

Mr Grist was co-founder and currently serves as the Chairman of ASX listed Amcom Telecommunications Ltd, a leading fibre optic telecommunications carrier. Until the recent specie distribution of its iiNet shareholding to Amcom shareholders, Amcom was the largest shareholder of iiNet Ltd, Australia's 2nd largest DSL internet service provider. Mr Grist was a director of iiNet Ltd from July 2006 to 6 September 2011.

Simon Cope, Subsidiary Director & Chief Technical Officer

Mr Cope is a recognised senior technology leader with a proven track record in delivering market disrupting technologies and innovative products in the geospatial imagery sector from prototype stage through to large-scale commercial production. Mr Cope has a diverse blend of skills acquired and honed over 20 years working in the geospatial technology field, having performed a range of roles in early stage start-ups to multi-nationals including chief architect at Landgate, Western Australia's primary source of land information and geographic data; spatial architect at Ajilon, a leading IT services consultancy; chief technical officer at Nearmap Ltd; chief technologist at ERDAS LLC, a division of Swiss based Leica Geosystems; founder of fotoMuse Pty Ltd which was acquired by Leica Geosystems; and chief software architect at Earth Resource Mapping Ltd which was acquired by Swedish based Hexagon, a global provider of design, measurement and visualisation technologies.

Guy Perkins (B.Eng (Civil)), Subsidiary Director & Strategic Sales Director

Mr Perkins has over 25 years' experience in the global geospatial industry including in Europe, Asia, North America and Australia/NZ. He has worked with ESRI, MapInfo, ER Mapper, Hexagon, NearMap and 1Spatial in various executive management roles. MapInfo, Hexagon, NearMap and 1Spatial are listed entities. Mr Perkins is a civil engineer (UWA) with extensive business know-how and GeoSpatial Industry Knowledge.

Mr Perkins is an active participant in the GeoSpatial Industry community and was a founding director of the Australian Spatial Information Business Association (SIBA). He was a member of the Research Investment Review Board of the Cooperative Research Centre - Spatial Information (CRC-SI) and other industry advisory bodies. He was recently appointed Chairman of the Advisory Board to Curtin University, School of Spatial Sciences.

7.2 Directors' Interests

Other than as set out 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) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (c) the Offer.

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any Director, either to induce that Director to become, or to qualify them as a director of the Company, or otherwise, for services rendered by them in connection with the formation or promotion of the Company or the Offer.

7.3 Directors' Security Holdings

Directors are not required under the Company's Constitution to hold any Shares. Set out in the table below are details of the existing relevant interests of the Existing Directors and Proposed Directors in Shares at the date of this Prospectus and the anticipated relevant interests of the Existing Directors and Proposed Directors in the Shares upon completion of the Offer (assuming the full amount is raised under the Offer (\$5,075,000).

Director	Existing Shares	Shares upon completion of the Offer	% interest upon completion of the Offer
Stephen Anastos	8,200,000	8,200,000 ⁽¹⁾	1.17%
Jason Marinko	10,000,000 ⁽²⁾	10,000,000	1.43%
Shannon Robinson	Nil	Nil	0%
Stephen Rice	1,600,000	22,406,416 ⁽⁴⁾	3.19%

Mike von Bertouch	6,370,000	33,215,467 ⁽⁵⁾	4.73%
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Notes

- 1 Mr Anastos or his nominee will be issued 4,500,000 Director Options subject to shareholder approval at the January General Meeting.
- 2 The Company has agreed to issue Mr Marinko or his nominee up to 22,500,000 Incentive Shares on satisfaction of vesting conditions by August 2018. As at the date of this Prospectus, 7,500,000 Incentive Shares have been issued pursuant to tranches one and two on satisfaction of the relevant vesting conditions. Refer to Section 7.5(a) for further details.
- 3 Ms Robinson or her nominee will be issued 2,000,000 Director Options subject to shareholder approval at the January General Meeting.
- 4 Mr Rice will receive 20,806,416 Shares and have a right to up to 52,016,041 Milestone Shares on completion of the Acquisition. Refer to Section 7.6(d) for further details.
- 5 Mr von Bertouch will receive 26,845,467 Shares and have a right to up to 67,113,668 Milestone Shares on completion of the Acquisition. Refer to Section 7.6(d) for further details.

7.4 Remuneration of Directors

The Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting of Shareholders.

The remuneration of Executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee. The Board has resolved that the Directors' fees will be \$50,000 per annum for the Chairman and \$30,000 per annum for non-executive Directors (exclusive of statutory superannuation contributions).

The remuneration of the executive Directors and key management will be determined by the Board. A summary of Mr Marinko's (Executive Chairman following completion of the Acquisition), Mr Rice's (the proposed Executive Director and CEO of the Company) and Mr von Bertouch's (the proposed Executive Director and Strategic Operations Director of the Company) employment agreements are set out in Section 7.5.

The annual remuneration (exclusive of superannuation) payable to each of the Existing Directors as at the date of this Prospectus is as follows:

Director	Annual Remuneration
Stephen Anastos	\$50,000
Jason Marinko	\$202,500 ⁽¹⁾

Shannon Robinson

\$30,000⁽²⁾

Notes

- 1 In addition Mr Marinko has an Incentive Share Package as part of his employment, details of which is summarised in section 7.5 below.
- 2 In addition Ms Robinson receives \$120,000 pa (exclusive of superannuation) in respect of corporate and company secretarial services provided to the Company.

The annual remuneration (exclusive of superannuation) payable to each of the Directors following completion of the Acquisition and the Offer is as follows:

Director	Annual Remuneration
Jason Marinko	\$250,000 ⁽¹⁾
Stephen Rice	\$185,000 ⁽²⁾
Mike von Bertouch	\$150,000 ⁽³⁾
Shannon Robinson	\$30,000 ⁽⁴⁾

Notes

- 1 In addition Mr Marinko has an Incentive Share Package as part of his employment, details of which is summarised in section 7.5 below.
- 2 Mr Rice is engaged via a consulting agreement and does not receive superannuation entitlements. In addition Spookfish receives a grant of up to \$175,000 pa pursuant to an executive grant that is paid to Mr Rice. Spookfish expects that it will receive the grant for a period of 2 years expiring June 2016. Further details are summarised in section 7.5 below.
- 3 Mr von Bertouch is engaged via a consulting agreement and does not receive superannuation entitlements. In addition Mr von Bertouch has an interest in consulting arrangements, details of which are summarised in section 7.6(c) below.
- 4 In addition Ms Robinson receives \$120,000 pa (exclusive of superannuation) in respect of corporate and company secretarial services provided to the Company, details of which is summarised in section 7.5 below.

For details of the Directors' interests in securities in the Company refer to Section 7.3 above.

7.5 Key Terms of Agreements with Directors, Senior Management or other Interested Parties

(a) Agreements with Directors

Jason Marinko – Proposed Executive Chairman

The Company and Mr Jason Marinko entered into a director appointment agreement dated 21 August 2014 whereby Mr Marinko was appointed as an

executive director until completion of the Acquisition. The executive package for Mr Marinko includes an annual salary of \$202,500 per annum (excluding superannuation entitlements) together with an executive placement to Mr Marinko of 2,500,000 ordinary shares at an issue price of \$0.035, raising \$87,500.

In addition, the right to the following ordinary shares on satisfaction of the milestones set out below within 5 years and payment pursuant to a non-interest bearing loan with the Company at a vesting price of \$0.04 per share ("Incentive Shares"):

- (a) 2,500,000 shares on the date of appointment;
- (b) 5,000,000 shares on the Company's share price trading at a 5 day vwap of \$0.05 or more;
- (c) 5,000,000 shares the Company's share price trading at a 5 day vwap of \$0.07 or more;
- (d) 7,500,000 shares the Company's share price trading at a 5 day vwap of \$0.10 or more; and
- (e) 5,000,000 shares the Company's share price trading at a 5 day vwap of \$0.15 or more.

As at the date of this Prospectus the Company has issued 7,500,000 Shares in total pursuant to the incentive share package upon the satisfaction of tranches 1 and 2 vesting conditions.

The Company has since entered into an executive services agreement with Mr Marinko pursuant to which Mr Marinko will be appointed as Executive Chairman effective from completion of the Acquisition.

Mr Marinko will receive a salary of \$250,000 per annum (inclusive of superannuation) for his role as Executive Chairman of the Group pursuant to the agreement effective from completion of the Acquisition. In addition, Mr Marinko may qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement will commence from, and is subject to, the successful completion of the Acquisition, Mr Marinko remaining a Director of the Company and unless otherwise terminated earlier in accordance with the employment agreement. Either party may terminate the agreement with at least 6 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

Stephen Rice – Proposed Executive Director and CEO

The Company has entered into a consultancy services agreement for services to be provided by Optim8 Pty Ltd, via its nominee, Mr Stephen Rice. Mr Rice will be appointed as Executive Director and CEO of the Group effective from completion from the Acquisition.

Mr Rice will receive \$185,000 per annum for his role as Executive Director and CEO of the Group. In addition pursuant to an experienced executive grant from Commercialisation Australia received by Spookfish on 16 June 2014 for a period of two years Spookfish receives up to \$175,000 per annum which it pays to Mr Rice. Spookfish has advised Commercialisation Australia details of the Acquisition and anticipates that the grant will continue until its expiry in June 2016. The Company will review the annual fee payable in line with market at the end of the grant. Mr Rice may also qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement will commence from, and is subject to, the successful completion of the Acquisition and will continue unless otherwise terminated in accordance with the consultancy agreement. Either party may terminate the agreement with at least 6 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

Mike von Bertouch – Proposed Executive Director and Strategic Operations Director

The Company has entered into a consultancy services agreement for the services to be provided by Structured Design Pty Ltd, via its nominee, Mr Mike von Bertouch. Mr von Bertouch will be appointed as an Executive Director and Strategic Operations Director of the Group effective from completion from the Acquisition.

Mr von Bertouch will receive \$150,000 per annum for his role as Director and Strategic Operations Director of the Group. In addition, Mr von Bertouch may qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement will commence from, and is subject to, the successful completion of the Acquisition and will continue unless otherwise terminated earlier in accordance with the employment agreement. Either party may terminate the agreement with at least 6 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

Please refer to section 7.6(c) for details of consulting arrangements with entities related to Mr von Bertouch.

Shannon Robinson – Non Executive Director and Joint Company Secretary

The Company and Ms Shannon Robinson entered into a director appointment letter dated on or about 22 April 2013 pursuant to which Ms Robinson acts as a non-executive director of the Company. Ms Robinson has also acted as company secretary of the Company since 30 April 2013. Pursuant to the agreement, as varied, Ms Robinson receives a salary of \$30,000 per annum in respect of non-executive director fees and a salary of \$120,000 in respect of corporate and company secretarial services plus superannuation.

The Company has since entered into an executive services agreement with Ms Robinson in respect of the provision of corporate and company secretarial services.

Ms Robinson receives a salary of \$30,000 per annum in respect of non-executive director fees and a salary of \$120,000 in respect of corporate and company secretarial services plus superannuation pursuant to the agreement effective from 1 July 2014. In addition, Ms Robinson may qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement is effective from 1 July 2014 and will continue unless otherwise terminated earlier in accordance with the employment agreement. Either party may terminate the agreement with at least 3 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

(b) Agreements with Subsidiary Directors

Anthony Grist – Subsidiary Chairman

Mr Anthony Grist has agreed to act as the honorary chairman of the Company's subsidiary. Please refer to sections 7.6(a) and (b) for details of arrangements with entities related to Mr Grist in relation to the Acquisition.

Simon Cope – Subsidiary Director and Chief Technical Officer

The Company and Mr Simon Cope have entered into an executive services agreement under which Mr Cope will be appointed as Chief Technical Officer of the Group effective from completion from the Acquisition. Mr Cope will report to the CEO and is required to provide informal and formal updates to the Board.

Mr Cope will receive a salary of \$300,000 per annum (exclusive of superannuation) for his role as Subsidiary Director and Chief Technical Officer of the Group. In addition, Mr Cope may qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement will commence from, and is subject to, the successful completion of the Acquisition and continue, unless otherwise terminated earlier in accordance with the employment agreement. Either party may terminate the agreement with at least 6 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

Guy Perkins – Subsidiary Director and Strategic Sales Director

The Company and Mr Guy Perkins have entered into an executive services agreement under which Mr Perkins will be appointed as Strategic Sales Director of the Group effective from completion from the Acquisition.

Mr Perkins will report to the CEO and is required to provide informal and formal updates to the Board.

Mr Perkins will receive a salary of \$220,000 per annum (exclusive of superannuation) for his role as Subsidiary Director and Strategic Sales Director of the Group. In addition, Mr Perkins may qualify to participate in long term and short term incentives schemes at the Board's discretion.

The agreement will commence from, and is subject to, the successful completion of the Acquisition and continue unless otherwise terminated earlier in accordance with the employment agreement. Either party may terminate the agreement with at least 6 months' prior written notice.

The agreement contains additional provisions considered standard for agreements of this nature.

(c) Deeds of indemnity, insurance and access

The Company is party to a deed of indemnity, insurance and access with each of the Existing Directors and is proposing to enter into similar deeds with each of the Proposed Directors. Under these deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a director of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances.

The Company will also enter into a deed of indemnity, insurance and access with each of the Proposed Directors upon their appointment as Directors. Under these deeds, the Company will indemnify each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as a director of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant Director and must also allow the Directors to inspect board papers in certain circumstances.

7.6 Interested Parties

(a) Relationship between Lead Manager, the Company and Geospatial

Forrest Capital has been engaged by the Company as lead manager of the Offer and will receive fees for such services (refer to Section 13.5 for further details of the Lead Manager mandate). Entities related to the two directors of Forrest

Capital are shareholders in the Company and are shareholders (and vendors) of Geospatial Investments. Accordingly, these entities will receive a portion of the Vend Securities as well as a portion of the Facilitation Securities (as nominees of one of the Advisors) and a portion of the Shares to be issued on conversion of funds drawn pursuant to the Geospatial Investments Loan Facility as part of the Acquisition (being 29,200,000 Shares, and a right to 12,100,000 Milestone 1 Shares and 15,800,000 Milestone 2 Shares in total). These entities currently also hold 16,000,000 Shares in the Company.

(b) **Relationship between a vendor of Geospatial and the Company**

Following completion of the Acquisition, Mr Anthony Grist will be appointed the Chairman of a subsidiary of the Company (refer to Section 7.1 for Mr Grist's profile). An entity related to Mr Grist is a shareholder (and vendor) of Geospatial Investments. Accordingly, this entity will receive a portion of the Vend Securities as well as a portion of the Shares to be issued on conversion of funds drawn pursuant to the Geospatial Investments Loan Facility as part of the Acquisition (being 13,100,000 Shares, and a right to 4,050,000 Milestone 1 Shares and 5,400,000 Milestone 2 Shares in total). Entities related to Mr Grist currently also hold 8,300,000 Shares in the Company.

(c) **Proposed Director's consulting arrangements**

Spookfish have also entered into a service provider agreement with Innovaero Pty Ltd (**Innovaero**). Pursuant to the agreement, Innovaero provides aeronautical engineering design and construction services to Spookfish for which the scope and budget are agreed on a project job basis agreed with the CEO prior to the commencement of each job. In addition, Innovaero charges a fixed fee of \$150,000 per annum in respect of project management provided by Mr von Bertouch in relation to services provided by Innovaero under the service provider agreement. Innovaero is an innovator in aeronautical technology and specialises in aircraft certification, these services are provided as part of the ordinary course of its business. Mr von Bertouch is a principal and shareholder of Innovaero.

In addition Spookfish has entered into an aircraft hire/purchase agreement with Innovaero, as varied, which ends effective 6 August 2016. Pursuant to the agreement, Spookfish hires an aircraft from Innovaero to use for its Technology Demonstrator and Spookfish has an option to acquire the aircraft for a cash payment of \$20,000 plus GST plus the total payout amount of the finance contract in place with the Westpac Banking Corporation in respect of the aircraft at the time of purchase. Spookfish currently pays \$4,887.81 plus GST per month including insurance for the exclusive use of the aircraft.

Innovaero has provided technical due diligence services to the Company during the option period, as at the date of this Prospectus Innovaero has received \$670,000 (exclusive of GST).

(d) **Relationship between Proposed Directors and Spookfish**

Proposed Directors, Mr Mike von Bertouch and Mr Stephen Rice (and related entities) are shareholders of Spookfish. Accordingly, they will receive a portion of the Vend Securities on completion of the Acquisition (being 47,651,883 Shares, and a right to 53,150,178 Milestone 1 Shares and 65,979,531 Milestone 2 Shares in total).

7.7 Corporate Governance

This summary identifies the key corporate governance policies and practices adopted by the Company's Board. The Board is committed to ensuring continued investor confidence in the operations of the Company and in maintaining high standards of corporate governance in the performance of their duties.

The role of the Board

The role of the board of Directors is to provide strategic guidance to the Company (and its related bodies corporate), effective oversight of management and to provide a sound base for a culture of good corporate governance within the Company.

The Board will always retain ultimate authority over the management and staff of the Company and its related bodies corporate.

In performing its role, the Board should act, at all times:

- (a) in recognition of its overriding responsibility to act honestly, fairly and in accordance with the law in serving the interests of the Company, its shareholders, as well as its employees, customers and the community;
- (b) in a manner designed to create and continue to build sustainable value for shareholders;
- (c) in accordance with the duties and obligations imposed upon them by the Company's constitution and applicable law; and
- (d) with integrity and objectivity, consistently with the ethical, professional and other standards set out in the Company's corporate governance policies.

Responsibilities of the Board

The responsibilities of the Board include:

- (a) represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance;
- (b) protect and optimise the Company's performance and build sustainable value for Shareholders;
- (c) set, review and ensure compliance with the Company's values and governance framework; and

- (d) ensure that Shareholders are kept informed of the Company's performance and major developments.

Composition of the Board

Under the Company's constitution, the minimum number of Directors is three and the maximum number is ten. The Board at the date of this Prospectus comprises of 3 Directors, namely Stephen Anastos, Jason Marinko and Shannon Robinson. Upon Completion of the Acquisition, the Board will comprise of 4 Directors, namely Jason Marinko, Shannon Robinson, Stephen Rice and Mike von Bertouch. The Directors consider the size and composition of the Board is appropriate given the current size and status of the Company.

Each Director is bound by all of the Company's charters, policies and codes of conduct. If the Board determines it is appropriate or necessary, they may establish committees to assist in carrying out various responsibilities of the Board. Such committees will be established by a formal charter.

The Board delegates the management of the Company's business and day to day operation to the Managing Director who is authorised, in turn, to delegate such powers conferred on him or her to members of the senior management group.

The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board.

Independence of Directors

The Board considers the issue of independence with regard to a set of questions outlined in the Board charter. The issue is considered in light of a materiality threshold relevant to the particular time of the issue.

Independent professional advice

The Directors are entitled to seek independent professional advice at the Company's expense on any matter connected with the discharge of their responsibilities. Such advice may be sought in accordance with the procedures set out in the Board charter.

Securities trading policy

The Company has adopted a formal policy for dealing in the Company's securities by Directors and employees and their related entities (in accordance with Listing Rule 12.9). "The securities trading policy regarding allowable dealings is that those persons should:

- (a) not deal in the Company's securities while in possession of price sensitive, non-public information; and
- (b) only trade in the Company's securities after receiving clearance to do so from a designated clearance officer, where clearance may not be provided in defined "black out periods".

The securities trading policy is available on the Company's website at www.whitestarresources.com.au.

Remuneration policy

The Company has adopted a remuneration policy designed to align individual and team reward and encourage executives to perform to their full capacity.

Remuneration packages may contain any or all of the following:

- (a) annual salary base with provision to recognise the value of the individuals' personal performance and their ability and experience;
- (b) rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution;
- (c) Share participation – the Company has implemented an employee incentive scheme by way of a performance rights plan and an employee share plan (refer to Sections 14.4 and 14.5 for further details); and
- (d) other benefits, such as holiday leave, sickness benefits, superannuation payments and long service benefits.

The Board will determine the appropriate level and structure of remuneration of the executive team and such consideration will occur each year on the recommendation of the Managing Director.

Remuneration of the Executive Directors will be reviewed annually by the Board. Determination of Non-Executive Director's fees is with regard to the long term performance of the Company.

Continuous disclosure policy

The Company, as a listed public company, is required to disclose price sensitive information to the market as it becomes known to comply with the continuous disclosure requirements of the Corporations Act and the Listing Rules.

The continuous disclosure policy of the Company ensures that all Shareholders and investors have equal access to the Company's information, to the extent practicable. Price sensitive information will be disclosed by way of an announcement to the ASX and placed on the Company's website.

Shareholder communication

The Board strives to ensure that Shareholders are provided with full and timely information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to Shareholders:

- (a) through the release of information to the market via the ASX;
- (b) through the distribution of the annual report and notice of annual general meeting;

- (c) through letters and other forms of communications directly to Shareholders; and
- (d) by posting relevant information on the Company's website.

Ethical standards and business conduct

The Board recognises the need for Directors and employees to observe appropriate standards of behaviour and business ethics when engaging in corporate activity. Through its code of conduct, the Board intends to maintain a reputation for integrity. The Company's business ethics are founded on openness, honesty, fairness, integrity, mutual respect, ethical conduct and compliance with laws.

The standards set out in the code of conduct are required to be adhered to by officers and employees of the Company. The code of conduct and further details of these standards can be found on the Company's website.

ASX Corporate Governance Principles and Recommendations

Where possible and having regard to the size and nature of the Company's operations, the Board has adopted the Corporate Governance Principles and Recommendations (3rd Edition) issued by the ASX Corporate Governance Council. Departures from the principles and recommendations are set out in the table below.

Recommendation	Nature of departure	Explanation for departure
2.1	The Company does not have any independent Directors.	The size and scope of the company's activities does not justify the cost of appointing independent directors at this stage of its development.
2.4	The company does not have a nomination committee.	The role of the nomination committee is assumed by the full Board. The size and scope of the company's activities does not justify the establishment of such a committee.
4.2, 4.3, 4.4, 4.5	The company does not have an audit committee.	The role of the audit committee is assumed by the full Board. The size and scope of the company's activities does not justify the establishment of such a committee.
7.1	The company does not have a risk committee.	The role of the risk committee is assumed by the full Board. The size and scope of the company's activities does not justify the establishment of such a committee. Business risk is continually assessed by the Board in accordance with the Company's risk management and

Recommendation	Nature of departure	Explanation for departure
		internal compliance and control policy.
8.1, 8.2	The company does not have a remuneration committee.	The role of the remuneration committee is assumed by the full Board who apply the Company's Remuneration Policy. The size and scope of the company's activities does not justify the establishment of such a committee. No director participates in any deliberation regarding his own remuneration or related issues.

8. Company and Spookfish Overview

8.1 Company Strategy

The Company acquired an initial 12.5% interest in Spookfish on 1 August 2014. The Company is proposing to acquire the remaining share capital in Spookfish that it does not already own (the Company currently owns 12.5% of Spookfish) and 100% of the share capital in Geospatial Investments (Geospatial Investments has an option to acquire a 18.96% interest in Spookfish).

Spookfish is a company focused on the development of premium geospatial imagery products and services. Spookfish is seeking to redefine the global geospatial industry by aiming to provide quick and easy subscription based access to high quality geospatial imagery and textured 3D models to the government and corporate sectors at significantly improved levels of resolution, accuracy, cost effectiveness and consistency compared to current industry offerings.

Following reinstatement to quotation on the Official List of ASX, the Company's primary focus will be to develop the business of Spookfish in line with its business model.

The Company may also undertake further acquisitions that complement Spookfish's business.

8.2 Overview of Spookfish

Spookfish is developing a suite of geospatial imagery technologies which capture, store and reproduce aerial imagery (**Spookfish Technology**), which it intends to continue to develop and, if successful, commercialise. Spookfish is more than simply a collection of technologies bolted together. It is a complete business capability to plan, capture, process, store and distribute high quality imagery.

Spookfish has planned a clear, pragmatic, staged approach to developing, evolving and potentially commercialising its suite of technologies over the next few years. The fundamental core elements of the first phase Technology Demonstrator are the result of research and development to date. This will be demonstrated in full scale test flights.

Spookfish has an experienced management and a world-class technical team encompassing the full gamut of constituent knowledge areas including geospatial, engineering, aeronautics, data processing, data storage, control systems, communications, optics and sensor devices. These have been employed to perform the first demonstration step, which is then the launching pad for initial commercial operations and further development of technology in 2015.

The aerial and satellite imagery market is mature, large and growing steadily. The 'traditional' Australian market for geospatial imagery is in the region of \$100M, dominated by government purchasers. Divided almost evenly between satellite and aerial imagery, the global acquisition and processing market is worth around \$6B per year. Imagery product is standardised within the industry and priced consistently on a global basis; the price

determined by resolution, accuracy, coverage as well as convenience and timeliness of the delivery of data.

There are wide and varied uses of geospatial aerial imagery which includes:

- (a) governments to help monitor and manage environmental change;
- (b) local governments to improve town planning; mining companies to help quantify and manage disturbance and rehabilitation;
- (c) engineers to help determine optimal route location and design for major infrastructure project; and
- (d) emergency services to help assess damage caused by natural disasters and plan future mitigation strategies.

8.3 Overview of the Spookfish Technology

(a) Technology Demonstrator

The Spookfish Technology being developed is not simply a camera and processing system; it is an integrated end-to-end technology ecology that encompasses all aspects of the 'technology value chain'. Each element incorporates proprietary Spookfish innovations.

It is anticipated that the Spookfish Technology Demonstrator will be completed this year with operational trials and a low altitude pilot program to commence during Q1 2015. Development of a scaled-up operation will begin in the second half of 2015 for commercial release in 2016. Concurrently, development of the next phase high altitude technology is planned for 2015/2016 for subsequent release to the market.

(b) Research and Development program

Spookfish will maintain a significant ongoing research and development (**R&D**) program to continue to seek competitive advantage. Whilst the core system has been engineered using existing known art, significant incremental improvements are possible in the areas of image compression, data protection, processing quality, performance, flight optimisation and 3D model extraction. Ongoing R&D will reduce cost, improve quality and efficiency, reduce time to market, expand the product set and provide additional key points of differentiation.

8.4 Spookfish Business and Revenue Model

(a) Business Model

Following completion of the Acquisition, the Company will focus on the test flight and pilot programs for the Technology Demonstrator and development of phase two of its technology roadmap; a scaled-up, high altitude system.

In 2015 Spookfish anticipates that there may be limited commercialisation opportunities of its low altitude Technology Demonstrator as part of the planned pilot program. The target is to commercialise the next phase technology with higher altitude capabilities which is anticipated for 2016 with further advanced phases to be developed and if successful subsequently commercialised.

When the Spookfish Technology is fully deployed, the aim is for customers to receive a consistent, high quality, high currency product across their area of interest from a single supplier at a cost effective rate unmatched using traditional camera systems. It is intended that customers will no longer have to mosaic imagery from various suppliers with variable acquisition dates, resolution, quality, currency, precision, projection systems and then have the need to colour balance imagery across a range of suppliers. Spookfish aims to enable customers to source their aerial imagery requirements from one simple convenient portal, being the proposed Spookfish portal currently under development, and be able to select a delivery, quality and payment plan that suits their technical requirements and budget.

Eventually, multiple products for different markets will be derived from a single data source to further segment and address the market with optimal combinations of product features and price points.

(b) Revenue Model

Assuming the Company is able to fully develop and commercialise the Spookfish Technology, the Company's revenue model will be based upon sales to the existing substantial government and large corporate market. This mature market is well established, persistently growing and currently serviced by both satellite and a very large number of aerial imagery providers. This is a mature and predictable market, largely contract based and easily addressable, into which to launch the Company's product.

The recent growth of a new 'prosumer' market segment based upon subscription offerings is seen as a longer-term opportunity as that segment develops and matures globally over the coming decade. The recent success of some operators in that space is impressive and portends changes in the use of imagery data. It is possible this may have an effect on the conventional geospatial imagery market over time, and should that occur the Company would adapt its offerings as required. The early stages of development including operational trials, pilot programmes and bespoke project-based surveys may provide for key early customers

8.5 Overview of Spookfish's Patents

Spookfish's primary assets are its intellectual property. It relies on patent laws in Australia to protect its proprietary technologies and brand.

Spookfish has filed the following patent applications:

Application No.	Country	Title	Filing Date	Status
2014903450	Australia	Loss of Separation Avoidance	29 August 2014	Provisional
2014904018	Australia	An Aerial Camera System	8 October 2014	Provisional

Information relating to the patent applications of Spookfish is set out in the Patent Report in Section 11 of this Prospectus.

8.6 Financial Information

Information relating to the financial information of the Company, Spookfish and Geospatial Investments is set out in Section 9 of this Prospectus and the Investigating Accountant's Report in Section 10 of this Prospectus.

8.7 Current Assets of the Company

The Company is a public company that has been listed on the ASX since 19 April 2007. The Company's principal activities previously focused on mineral exploration in Chile. In light of difficult market conditions in the mining and exploration sector, the Company has been evaluating high quality and value adding investment opportunities outside the commodities industry to take advantage of global market trends and maximise Share value.

The Company continues to maintain its strategic land holding in Chile and will re-evaluate the projects in the new year, subject to completion of the Acquisition seeking either a strategic partner or divestment.

9. Financial Information

9.1 The Company

This section contains a summary of the historical income statements and statement of financial position of the Company for the December 2012 financial year (audited) (note that financial year was a 6 month period due to the change in end of financial year), December 2013 financial year (audited) and June 2014 half financial year (audit reviewed) that the Directors consider relevant to investors. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the Corporations Act.

Company Financial Information	December FY 2012 audited actual	December FY 2013 audited actual	Half Year As at 30 June 2014 reviewed actual
Total revenue	-	85,933	15,000
Operating expenses	(1,588,049)	(1,700,156)	(314,953)
EBITDA	(1,588,049)	(1,614,223)	(299,953)
Depreciation	(34,856)	(27,253)	(4,431)
Exploration	(124,091)	(104,744)	(79,805)
Impairment	(3,098,160)	-	-
Provision for indirect tax receivable	-	(261,782)	-
EBIT	(4,815,156)	(1,746,220)	(384,189)
Interest income (expense)	126,936	116,562	58,243
NPBT	(4,688,220)	(1,629,658)	(325,946)
Tax	-	-	-
NPAT	(4,688,220)	(1,629,658)	(325,946)
Total assets	4,999,454	3,144,769	4,196,994
Total liabilities	(353,278)	(103,697)	(206,669)
Net assets	4,646,176	3,041,072	3,990,325

RSM Bird Cameron Corporate Pty Ltd has prepared an Investigating Accountants' Report which incorporates the audit reviewed financial information for the Company for the half year period to 30 June 2014. Please refer to Section 10 of the Prospectus for further information.

The audited financial statements (inclusive of significant account policies) of the Company for the financial years 2012 and 2013 as well as the audit reviewed half yearly financial statements to 30 June 2014 are available on the Company's website at www.whitestarresources.com.au or by request to the Company on +61 8 9380 6789.

9.2 Spookfish

Spookfish is essentially a start-up company with limited trading history. Since incorporating in October 2012, Spookfish's activities have principally involved an extensive research and development program, development of its technology roadmap, comprehensive market analysis and strategic business planning.

Given Spookfish's limited trading history, and given that its business is largely unproven, it is difficult to make an evaluation of Spookfish's business or its prospects. Accordingly, no assurance can be given by that the Company will achieve commercial viability through the acquisition of Spookfish and the implementation of its business plan.

This section contains a summary of the historical income statements and statement of financial position of Spookfish for the 2013 year (audited) since incorporation (October 2012) and the 2014 year (audited) that the Directors and Proposed Directors consider relevant to investors. The financial information presented is in an abbreviated form and does not contain all of the disclosures that are usually contained in statutory accounts prepared in accordance with the Corporations Act.

Spookfish Financial Information	FY 2013 audited actual	FY 2014 audited actual
Total revenue	-	23,455
Operating expenses	(12,500)	(901,775)
EBITDA	(12,500)	(878,320)
Depreciation	-	-
EBIT	(12,500)	(878,320)
Interest income (expense)	-	360
NPBT	(12,500)	(877,960)
Tax	-	-
NPAT	(12,500)	(877,960)
Total assets	6,158	385,831
Total liabilities	(13,750)	(384,280)
Net assets	(7,592)	1,551

RSM Bird Cameron Corporate Pty Ltd has prepared an Investigating Accountants' Report which incorporates the audited financial information for Spookfish to 30 June 2014. Please refer to Appendix A of the Investigating Accountants' Report in Section 10 of the Prospectus for further information.

The audited financial statements (inclusive of significant account policies) of Spookfish for the financial years 2013 (since incorporation) and 2014 are available (free of charge) by request to the Company on +61 8 9380 6789.

As part of the acquisition of Spookfish, the Company is also proposing to acquire Geospatial Investments. Geospatial Investments is a shell company which the sole activities of Geospatial Investments are entering into the Geospatial Investments Option and Facility

Deed and the Geospatial Investments Share Sale Agreement. RSM Bird Cameron Corporate Pty Ltd has prepared an Investigating Accountants' Report which incorporates the audited financial information for Geospatial Investments to 30 June 2014. Please refer to Appendix A of the Investigating Accountants' Report in Section 10 of the Prospectus for further information.

9.3 Pro-forma statement of financial position

A consolidated pro-forma historical statement of financial position as at 30 June 2014 for the Company is contained in Appendix A of the Investigating Accountant's Report.

The pro-forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of any subsequent events described in Note 1 of Appendix A of the Investigating Accountant's Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro-forma adjustments relate, as described in Note 1 of Appendix A of the Investigating Accountants' Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro-forma historical financial information does not represent the Company's actual or prospective financial position.

Shareholders should read the Investigating Accountant's Report in full before making any investment decision.

10. Investigating Accountant's Report

Direct: 08 9261 9447
Email: andy.gilmour@rsmi.com.au

AJG/SB/MJ
19 December 2014

The Directors
White Star Resources Limited
Suite 5, Level 1, 55 Salvado Road
Subiaco WA 6008

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report ("Report") on White Star Resources Limited's historical and pro forma historical financial information and Financial Services Guide

1. Introduction

We have been engaged by White Star Resources Limited ("WSR" or "Company") to report on the historical financial information and pro forma historical financial information of WSR as at and for the three years ended 30 June 2014 for inclusion in the prospectus ("Prospectus") of WSR, pursuant to which the Company is offering 145,000,000 WSR shares at an issue price of \$0.035 per share together with one free attaching option for every two shares issued to raise \$5,075,000 ("Capital Raising") dated on or about 19 December 2014.

Expressions and terms defined in the Prospectus have the same meaning in this Report.

2. Background

WSR is an ASX listed company. On 4 June 2014, WSR announced that it had entered into a conditional exclusive agreement for an option to acquire Spookfish Pty Ltd ("Spookfish"). WSR also entered into a share sale agreement to acquire Geospatial Investments Pty Ltd ("Geospatial") (combined "the Acquisitions"). The Acquisitions require approval by a vote of WSR shareholders at a General Meeting to be held on 23 December 2014. In consideration for the Acquisitions, WSR will issue to the shareholders of Spookfish and Geospatial up to 160,000,000 ordinary WSR shares and 360,000,000 milestone WSR shares ("Vendor Shares") in the following tranches.

- 160,000,000 fully paid ordinary shares will be issued at settlement ("Shares");
- 160,000,000 Milestone 1 Shares which convert on achievement of the Company, Spookfish and any related entities combined generating \$20,000,000 of cumulative revenue; or the 20 trading day volume weighted average share price ("VWAP") of the Shares being equal to or greater than \$0.18, within four (4) full financial years of Completion.

- 200,000,000 Milestone 2 Shares which will be issued on achievement of the Company, Spookfish and any related entities combined generating \$36,000,000 of cumulative revenue; or the 20 trading day VWAP of the Shares being equal to or greater than \$0.18, within five (5) full financial years of Completion.

3. Scope

Historical financial information

You have requested RSM Bird Cameron Corporate Pty Ltd to review the following historical financial information of WSR ("the responsible party") and Spookfish included in the Prospectus at the Appendix to this Report:

- the Consolidated Statement of Comprehensive Income for the years ended 31 December 2012, 31 December 2013 for WSR and the year ended 30 June 2014, of WSR, Spookfish and Geospatial; and
- the Consolidated Statements of Financial Position as at 30 June 2014 of WSR, Spookfish and Geospatial.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and WSR's, Spookfish and Geospatial's adopted accounting policies. The historical financial information has been extracted from:

- the financial report of WSR for the half-year ended 30 June 2014, which was reviewed by RSM Bird Cameron Partners, year ended 31 December 2013, half year ended 30 June 2013 and the year ended 31 December 2012, which were audited and reviewed by KPMG in accordance with the Australian Auditing Standards. All audit and review reports issued during this period were unqualified opinions; and
- the financial reports of Spookfish and Geospatial for the year ended 30 June 2014, which were audited by RSM Bird Cameron Partners and an unqualified audit report was issued.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested RSM Bird Cameron Corporate Pty Ltd to review the pro forma historical Consolidated Statement of Financial Position as at 30 June 2014 referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of WSR, Spookfish and Geospatial, after adjusting for the effects of pro forma adjustments described in Note 1 of the Appendix of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Note 1 of the Appendix of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position or statement of comprehensive income, and/or cash flows.

4. Directors' responsibility

The Directors of WSR and Spookfish are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making such enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation, to the historical and pro forma historical financial information;
- a review of WSR's, Spookfish, Geospatial's and their auditors' work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of the subsequent events and pro forma adjustments described in Note 1 to the Appendix of this Report; and
- the performance of analytical procedures applied to the historical and pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

6. Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the Appendix to this Report, and comprising:

- the Consolidated Statement of Comprehensive Income the years ended 31 December 2012 and 31 December 2013 for WSR and for year ended 30 June 2014 of WSR, Spookfish and Geospatial;
- the Consolidated Statements of Financial Position as at 30 June 2014 of WSR, Spookfish and Geospatial.

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Note 1 of the Appendix to this Report.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, as described in the Appendix to this Report, and comprising the

Consolidated Statements of Financial Position as at 30 June 2014 of WSR, Spookfish and Geospatial are not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 3 of this Report.

7. Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

8. Responsibility

RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM Bird Cameron Corporate Pty Ltd has not authorised the issue of the Prospectus. Accordingly, RSM Bird Cameron Corporate Pty Ltd makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

9. Disclosure of Interest

RSM Bird Cameron Corporate Pty Ltd does not have any interest in the outcome of the Capital Raising or Acquisition other than the preparation of this Report for which normal professional fees will be received.

Yours faithfully



A J GILMOUR
Director

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	WSR Reviewed 31-Dec-12 \$
Income	303,271
General and administrative expenses	(121,866)
Compliance and regulatory expenses	(624,842)
Consultancy costs	61,997
Director fees	(417,787)
Employee salaries	(1,092,013)
Exploration expenditure	(194,203)
Depreciation	(63,309)
Impairment of exploration evaluation assets	(3,098,160)
Success fee expense	1,626,600
Option based payments	(1,932,346)
Other	(481,650)
Loss before income tax expense	(6,034,308)
Income tax	-
Loss for the period	(6,034,308)
Other comprehensive income	77,429
Total comprehensive loss for the period	(5,956,879)

**There are no results to 31 December 2012 for Spookfish or Geospatial as meaningful operations had not commenced.*

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	WSR Audited 31-Dec-13 \$
Income	202,495
General and administrative expenses	(178,424)
Compliance and regulatory expenses	(212,517)
Consultancy costs	(118,665)
Director fees	(271,169)
Employee salaries	(418,942)
Exploration expenditure	(104,744)
Depreciation	(27,253)
Provision for indirect taxes receivable	(261,782)
Success fee expense	-
Option based payments	(35,739)
Other	(202,918)
Loss before income tax expense	(1,629,658)
Income tax	-
Loss for the period	(1,629,658)
Other comprehensive income	(11,185)
Total comprehensive loss for the period	(1,640,843)

**There are no results to 31 December 2013 for Spookfish or Geospatial as meaningful operations had not commenced.*

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	WRS Reviewed 30-Jun-14 \$	Spookfish Audited 30-Jun-14 \$	Geospatial Audited 30-Jun-14 \$	Consolidated Pro forma 30-Jun-14 \$
Income	220,124	23,815	-	243,939
				-
Aircraft costs	-	(168,855)	(1,383)	(170,238)
General and administrative expenses	(28,642)	(152,897)	-	(181,539)
Compliance and regulatory expenses	(218,333)	(598)	-	(218,931)
Consultancy costs	(138,171)	(110,436)	-	(248,607)
Occupancy expenses	(9,144)		-	(9,144)
Director fees	(138,414)	-	-	(138,414)
Employee salaries	(52,410)	-	-	(52,410)
Exploration expenditure	(90,982)	-	-	(90,982)
Depreciation	(9,041)	-	-	(9,041)
Provision for indirect taxes receivable	(5,276)	-	-	(5,276)
Research and development	-	(435,672)	-	(435,672)
Other	(31,791)	(33,316)	-	(65,107)
Loss before income tax expense	(502,080)	(877,960)	(1,383)	(1,381,423)
				-
Income tax	-	-	-	-
Loss for the period	(502,080)	(877,960)	(1,383)	(1,381,423)
Other comprehensive income	118	-	-	-
Total comprehensive loss for the period	(501,962)	(877,960)	(1,383)	(1,381,423)

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Ref	Reviewed WSR 30-Jun-14 \$	Reviewed Spookfish 30-Jun-14 \$	Reviewed Geospatial 30-Jun-14 \$	Subsequent events 30-Jun-14 \$	Pro forma adjustments 30-Jun-14 \$	Pro forma unaudited 30-Jun-14 \$
ASSETS							
Current Assets							
Cash and cash equivalents	3	4,148,507	143,059	3	(1,162,500)	4,185,000	7,314,069
Trade and other receivables	4	28,666	108,426	-	300,000	-	437,092
Financial assets		10,540	-	-	-	-	10,540
Total Current Assets		4,187,713	251,485	3	(862,500)	4,185,000	7,761,701
Non-Current Assets							
Plant and equipment		9,281	-	-	-	-	9,281
Capitalised research & development		-	134,347	-	-	-	134,347
Investment - Spookfish		-	-	-	1,250,000	(1,250,000)	-
Intangible assets	2	-	-	-	-	6,850,437	6,850,437
Total Non-Current Assets		9,281	134,347	-	1,250,000	5,600,437	6,994,065
TOTAL ASSETS		4,196,994	385,832	3	387,500	9,785,437	14,755,766
LIABILITIES							
Current Liabilities							
Trade and other payables		206,669	384,281	1,991	-	-	592,941
Total Current Liabilities		206,669	384,281	1,991	-	-	592,941
TOTAL LIABILITIES		206,669	384,281	1,991	-	-	592,941
NET ASSETS		3,990,325	1,551	(1,988)	387,500	9,785,437	14,162,825
EQUITY							
Issued Capital	5	19,336,039	892,011	3	387,500	10,136,986	30,752,539
Reserves	6	1,586,286	-	-	111,400	-	1,697,686
Accumulated losses	7	(16,879,986)	(890,460)	(1,991)	(111,400)	(351,549)	(18,235,386)
Parent entity interest		4,042,339	1,551	(1,988)	387,500	9,785,437	14,214,839
Non-controlling interest		(52,014)	-	-	-	-	(52,014)
TOTAL EQUITY		3,990,325	1,551	(1,988)	387,500	9,785,437	14,162,825

Note: The information in the Financial Information Section (Section 9) of the Prospectus and this Report is based on 30 June 2014 figures. Given the time period that has elapsed since then, the Company's cash at hand in the table in Section 6.7 of the Prospectus and the Company's pro forma cash position as at 30 June 2014 are different. Firstly, it is noted that the cash position in Section 6.7 of the Prospectus is stated without costs of the offer being deducted whereas the pro forma cash position in this Report assumes all costs associated with the offer are paid at 30 June 2014. In addition to matters noted in the pro forma adjustments in this Report, approximately a further \$560,000 has been expended by the Company on general operating costs incurred and payment of creditors in the ordinary course of business. The majority of these costs incurred relate to salaries and wages, expenditure in developing and maintaining the Company's exploration tenements in Chile and administration expenses.

The unaudited consolidated pro forma consolidated statement of financial position represents the reviewed consolidated statement of financial position of the Company as at 30 June 2014 adjusted for the subsequent events and pro forma transactions outlined in Note 1 of this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

1. Introduction

The financial information set out in this Appendix consists of the Consolidated Statement of Financial Position as at 30 June 2014 and the Statements of Comprehensive Income for the year ended 30 June 2014, year ended 31 December 2013 and year ended 31 December 2012 ("the historical financial information") together with a Pro Forma Consolidated Statement of Financial Position and Pro Forma Consolidated Statements of Comprehensive Income reflecting the Directors' pro forma adjustments ("the Pro Forma Consolidated Financial Information").

The Pro Forma Consolidated Financial information has been compiled by adjusting the Consolidated Statement of Financial Position and Consolidated Statements of Comprehensive Income of the Company as at 30 June 2014 for the impact of the following subsequent events and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Acquisitions and Capital Raising:

Adjustments adopted in compiling the pro forma historical financial information

The pro forma historical consolidated statement of financial position as at 30 June 2014 has been prepared by adjusting the reviewed consolidated statement of financial position of WSR as at 30 June 2014, to reflect the financial effects of the following subsequent events which have occurred in the period since 30 June 2014 and the date of this Report:

- 1A Subsequent to 30 June 2014, the Company entered into formal binding agreements for an option to acquire Spookfish and Geospatial investments following payment of an option fee of \$250,000. The option was to be exercised by the Company within 9 months or on completion of the enhancement and testing of the first phase technology demonstrator. Full details of the terms of the option are set out in the announcement made to the ASX on 4 June 2014. The Company also exercised its right to acquire a 12.5% equity interest in Spookfish for a cash payment of \$1,000,000 as announced to the ASX on 1 August 2014. The Company will continue to undertake further technical and transactional due diligence during the Option Period.
- 1B The Company issued 2,500,000 ordinary shares at an issue price of \$0.035 under the executive placement to Mr Jason Marinko for a cash consideration of \$87,500.
- 1C The Proposed Executive Chairman Jason Marinko was granted the right to the following ordinary shares on satisfaction of the milestones set out below within 5 years and payment pursuant to a non-interest bearing loan with the Company at an issue price of \$0.04 per share ("Incentive Shares");
 - (a) 2,500,000 shares upon the date of appointment;
 - (b) 5,000,000 shares upon the Company's share price trading at a 5 day VWAP of \$0.05 or more;
 - (c) 5,000,000 shares upon the Company's share price trading at a 5 day VWAP of \$0.07 or more;
 - (d) 7,500,000 shares upon the Company's share price trading at a 5 day VWAP of \$0.10 or more; and
 - (e) 5,000,000 shares upon the Company's share price trading at a 5 day VWAP of \$0.15 or more.

At the date of this report targets (a) and (b) have been achieved, these milestones are reflected in the subsequent events transactions through the issue of 7,500,000 WSR share at \$0.04 per share for a total cash consideration of \$300,000. The \$300,000 consideration has been reflected as a loan receivable from Mr Marinko.

- 1D The drawdown of \$500,000 under the terms of the Geospatial Investments Loan Facility.

and the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Acquisition and the Capital Raising.

- 1E The issue of 160,000,000 fully paid ordinary shares of WSR at \$0.035 as consideration for the Acquisitions for a total consideration of \$5,600,000;

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

- 1F The issue of 8,400,000 fully paid ordinary shares of WSR at \$0.035 at the completion of the transaction to advisors for the introduction and facilitation of the transactions;
- 1G Issue of 20,000,000 shares at \$0.025 pursuant to the Geospatial Investments Loan Facility.
- 1H Fees relating to the transaction including legal, advisory and technical due diligence costs totalling to \$950,000;
- 1I The issue of 145,000,000 ordinary WSR shares at \$0.035 each, together with one free attaching option for every two shares issued, to raise \$5,075,000 pursuant to the Prospectus; and
- 1J Capital raising costs of \$440,000.

The Pro Forma Consolidated Financial Information has been presented in abbreviated form and does not contain all the disclosures usually provided in an Annual Report prepared in accordance with the *Corporations Act 2001*.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

Basis of Preparation

(a) Statement of compliance

The historical financial information has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The significant accounting policies that have been adopted in the preparation and presentation of the Pro forma Consolidated Financial Information are:

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at *fair value through profit or loss*, which are measured at fair value.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Going concern

The historical and pro forma financial information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(f) Principals of consolidation

The historical and pro forma financial information incorporates the assets and liabilities of all subsidiaries of WSR ("company" or "parent entity"), Spookfish and Geospatial as at 30 June 2014.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(g) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

(i) Interest income

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets,

(h) Share-based payment transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model using measurement inputs of share price on grant date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the option (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

(i) Income tax

The income tax expense comprises current income tax income and deferred tax income.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax assets are therefore measured at the amount expected to be recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in the deferred tax asset and deferred tax liability balance during the period as well unused tax losses.

Current and deferred income tax income is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary difference exists in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(j) Determination of fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

(ii) *Non-derivative financial liabilities*

Fair value is measured at initial recognition and, for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) *Share-based payments*

The fair value of equity settled share based payment transactions is determined with reference to recent share issues for cash consideration in arm's length transactions.

The fair value of employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instrument (based on historic experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(k) **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(i) *Patents and trademarks*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their definite life of 10 years.

(ii) *Impairment of non-financial assets*

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

2. Acquisition of Spookfish and Geospatial

	Spookfish Audited 30-Jun-14	Geospatial Audited 30-Jun-14	Pro forma adjustments	Unaudited Pro forma 30-Jun-14 \$
	Book value of assets and liabilities acquired at 30 June 2014	Book value of assets and liabilities acquired at 30 June 2014	Pro forma adjustments	Assets and liabilities acquired
Cash and cash equivalents	143,059	3	-	143,062
Trade and other receivables	108,426	-	-	108,426
Capitalised research & development	134,347	-	-	134,347
Intangible assets	-	-	6,850,437	6,850,437
Total assets				7,236,272
Trade and other payables	384,281	1,991	-	386,272
				386,272
Net assets acquired				6,850,000
				Note
<u>Cost of Acquisitions</u>				
Option fee to Spookfish			1A	250,000
Acquisition of 12.5% of Spookfish			1A	1,000,000
Ordinary shares issued for Acquisitions			1E	5,600,000
Total consideration of Acquisitions				6,850,000

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

3. Cash and cash equivalents

	Note	Unaudited 30-Jun-14 \$	Unaudited Pro forma 30-Jun-14 \$
Cash and cash equivalents		4,148,507	7,314,069
WSR cash and cash equivalents as at 30 June 2014			4,148,507
<i>Subsequent events are summarised as follows:</i>			
Option fee paid to acquire 12.5% of Spookfish	1A		(250,000)
Acquisition of 12.5% of Spookfish	1A		(1,000,000)
Executive share purchases	1B		87,500
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Spookfish cash and cash equivalents as at 30 June 2014			143,059
Geospatial cash and cash equivalents as at 30 June 2014			3
Drawdown from Geospatial loan facility	1D		500,000
Acquisition transaction costs	1H		(950,000)
Proceeds from the Capital Raising	1I		5,075,000
Capital raising costs	1J		(440,000)
			<u>4,328,062</u>
Pro forma cash and cash equivalents			<u>7,314,069</u>

4. Trade and other receivables

	Note	Unaudited 30-Jun-14 \$	Unaudited Pro forma 30-Jun-14 \$
Trade and other receivables		28,666	437,092
Spookfish receivables as at 30 June 2014			108,426
WSR receivable at 30 June 2014			28,666
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Loan receivable for issue of shares to Mr Marinko	1C		300,000
Pro forma trade and other receivables			<u>437,092</u>

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

5. Issued Capital

(a) Issued and fully paid up capital	Note	Number of shares	\$
WSR issued share capital as at 30 June 2014		358,085,005	19,336,039
<i>Subsequent events are summarised as follows:</i>			
Executive share placement	1B	2,500,000	87,500
Tranche 1 incentive shares	1C	2,500,000	100,000
Tranche 2 incentive shares	1C	5,000,000	200,000
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:</i>			
Shares issued for acquisition of Spookfish	1E	160,000,000	5,600,000
Facilitator shares issued	1F	8,400,000	294,000
Conversion of Geospatial loan facility to ordinary shares at \$0.025	1G	20,000,000	500,000
Fully paid ordinary shares issued at \$0.035 pursuant to this Prospectus	1I	145,000,000	5,075,000
Cash costs associated with the share issue pursuant to this Prospectus	1J	-	(440,000)
		333,400,000	11,029,000
Pro forma issued share capital		701,485,005	30,752,539

6. Reserves

	Note	Unaudited 30-Jun-14 \$	Unaudited Pro forma 30-Jun-14 \$
Reserves		-	1,647,886
WSR reserves as at 30 June 2014			1,586,286
<i>Subsequent events are summarised as follows:</i>			
Share based payments relating to vested executive shares	8		111,400
Pro forma reserves			1,697,686

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

7. Accumulated losses

	Note	Unaudited 30-Jun-14 \$	Unaudited Pro forma 30-Jun-14 \$
Accumulated losses		(16,879,986)	(18,235,386)
<i>Subsequent events are summarised as follows:</i>			
Share based payments expense relating to vested executive shares	8		(111,400)
<i>Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows</i>			
Acquisition transaction costs	1H		(950,000)
Facilitator shares	1F		(294,000)
Pro forma accumulated losses			<u>(18,235,386)</u>

8. Share based payments

The Proposed Executive Chairman Jason Marinko was granted the right to the following ordinary shares on satisfaction of the milestones set out below within 5 years and payment pursuant to a non-interest bearing loan with the Company at an issue price of \$0.04 per share ("Incentive Shares");

- (a) 2,500,000 shares on the date of appointment;
- (b) 5,000,000 shares on the Company's share price trading at a 5 day VWAP of \$0.05 or more;
- (c) 5,000,000 shares on the Company's share price trading at a 5 day VWAP of \$0.07 or more;
- (d) 7,500,000 shares on the Company's share price trading at a 5 day VWAP of \$0.10 or more; and
- (e) 5,000,000 shares on the Company's share price trading at a 5 day VWAP of \$0.15 or more.

The above incentive shares (b) to (e) constitute a share based payment transaction under Australian Accounting Standards. The expense related to the share based payments is to be incurred over the expected vesting period of the instruments.

At the date of this report target (a) was met and shares were issued.

At the date of this report target (b) had been achieved, therefore an expense of \$111,400 has been incurred.

Appendix A – Historical and pro forma financial information

WHITE STAR RESOURCES LIMITED NOTES TO THE HISTORICAL AND PRO FORMA FINANCIAL INFORMATION AS AT 30 JUNE 2014

9. Related party disclosure

The Directors of WSR as at the date of this Report are Steve Anastos, Jason Marinko and Shannon Robinson. Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 7 of the Prospectus.

10. Controlled entities

Consolidated Entities	Country of Incorporation	Pro forma Interest held
White Star Resources Limited	Australia	Parent
Whinnen Mineral Resources (Pty) Limited	Namibia	100%
Mystic Sands Pty Ltd	Australia	100%
Spookfish Pty Ltd	Australia	100%
Geospatial Investments Pty Ltd	Australia	100%
White Star Resources Chile S.C.M	Chile	99%

Financial Services Guide

RSM Bird Cameron Corporate Pty Ltd ABN 82 050 508 024 ("RSM Bird Cameron Corporate Pty Ltd" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence, which authorises us to provide financial product advice in relation to:

- deposit and payment products limited to:
 - (a) basic deposit products;
 - (b) deposit products other than basic deposit products.
- interests in managed investments schemes (excluding investor directed portfolio services); and
- securities (such as shares and debentures).

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

1.1. Except for the fees referred to above, neither RSM Bird Cameron Corporate Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Bird Cameron Corporate Pty Ltd is beneficially owned by the partners of RSM Bird Cameron, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Bird Cameron Partners.

1.2. From time to time, RSM Bird Cameron Corporate Pty Ltd, RSM Bird Cameron Partners, RSM Bird Cameron and / or RSM Bird Cameron related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints Resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, RSM Bird Cameron Corporate Pty Ltd, P O Box R1253, Perth, WA, 6844.

1.3. When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

1.4. Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact Details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

11. Patent Report

19 December 2014
Our Ref: Z5684AU00

The Directors
WHITE STAR RESOURCES LIMITED
Ground Floor, 1 Havelock Street
West Perth, WA 6005

Dear Sirs

Re: Patent Report for White Star Resources Limited

We have been instructed by White Star Resources Limited ("White Star Resources") to provide a report on the patent position of SpookFish Pty Ltd ("SpookFish").

This patent report is for inclusion in a re-compliance prospectus which is planned to be issued by White Star Resources on or around 19 December 2014.

White Star Resources acquired a 12.5% interest in SpookFish and has an option to acquire the remaining share capital of SpookFish during a 9 month option period or upon completion of the enhancement and testing of a first phase technology demonstrator.

This patent report sets out the details of the patent applications currently in the name of SpookFish. This report is accurate to the best of our knowledge at the date of this report, subject to any disclaimers in the report.

1. Patents

1.1 Patent Applications in the name of SpookFish

We confirm that SpookFish is recorded as the applicant of the following two Australian **provisional** patent applications.

Application No.	Title	Filing Date	Inventor(s)
2014903450	A Loss of Separation (LOS) Avoidance System	29 August 2014	Michael Von Bertouch
2014904018	An Aerial Camera System	8 October 2014	Simon Cope and Michael Von Bertouch

The subject matter of these provisional patent applications is currently not open to public inspection. We have no knowledge of the content of these provisional patent applications. The subject matter of these provisional patent applications may or may not be patentable.

As far as we are aware, these are the only patents/patent applications in the name of SpookFish.

Watermark Patent and Trade Marks Attorneys in association with Watermark Intellectual Property Lawyers

ABN 61 266 251 581

1.2 Patents in general

A patent is a registered right that is granted for a device, substance, method or process that is new, inventive, and useful when compared with what is already known. A patent is legally enforceable and gives its owner, exclusive rights to commercially exploit the invention in the jurisdiction of grant, for the life of the patent. This exclusive right is for a limited period, typically 20 years.

Generally speaking, a patent can protect anything which requires human ingenuity and is practically useful. However, there are exclusions. For example, abstract ideas, discoveries, or computer programs may not be patentable. Each country has its own Patent law, and these exclusions vary from one country to another.

A pending patent application i.e. a patent application which has not been granted, is not enforceable. In Australia, if an applicant of a pending application takes action against a competitor on the basis of the pending application, the competitor can sue the applicant for unjustified threat.

A granted patent can be revoked. In most jurisdictions, a patent right is enforceable only after a patent application successfully passes substantive examination at the national patent office and is granted. Even after grant of a patent application, there may be avenues available for third parties to invalidate the granted patent and thereby revoke the exclusive right.

Also, a granted patent does not guarantee that the owner will be allowed to exploit the technology. The owner of a granted patent can be prevented from working the invention or exploiting the technology, by a owner of another granted patent having an earlier priority date, if the technology falls under the scope of the claims of the granted patent having an earlier priority date.

1.3 Future protection from provisional patent application nos. 2014903450 and 2014904018

A provisional patent application can act as a priority application, but it cannot mature into a granted patent in its own right. However, a provisional patent application provides a 'priority date' for the invention. The priority date can be claimed in a corresponding complete application.

A priority date of a patent application is the date against which it is tested for patentability criteria such as novelty and inventive step. For example, if a product claimed by a patent was known/published before the priority date, the patent could be invalidated for lack of novelty or inventive step. The priority date is recognised in all countries which are party to the Paris Convention which includes 176 countries including Australia.

To progress the subject matter of a provisional application, a complete application claiming priority to the provisional application must be filed within 12 months from the filing date of the provisional application. The priority date of such a complete application will be the filing date of the provisional application.

The following three step process is followed in Australia, and generally followed in most jurisdictions. However, it should be noted that each jurisdiction has its own patent process and patent law.

Step 1 – Complete application(s)

In order to progress the subject matter of the provisional application(s) to the next stage, **within 12 months** from the filing date of the provisional application(s), the applicant must file:

- **complete** patent application(s) in desired regions/countries under the provisions of the Paris convention (currently there are 176 countries, including Australia, party to the Paris Convention), or under similar provisions of unilateral or bi-lateral treaties – if the desired country is not party to the Paris Convention. Such complete application(s) would claim priority from the provisional application(s); and/or
- an international patent application under provisions of the Patent Cooperation Treaty (PCT) (currently there are 148 or so countries/regions, including Australia, contracting the PCT), such a PCT application would claim priority from the provisional application(s). Subsequently, one or more 'national phase entry' **complete** patent application(s) are then to be filed in desired regions/countries within at least 30 months from the earliest priority date.

Separate complete application(s) and/or PCT application may be filed corresponding to each of the two Australian provisional applications, in which case the deadline for filing complete application(s) and/or PCT application corresponding to:

- Australian provisional application no. 2014903450 would be **29 August 2015**, and
- Australian provisional application no. 2014904018 would be **8 October 2015**.

Alternatively, the contents of the two provisional applications may be combined in complete application(s) and/or PCT application, in which case the deadline for filing complete application(s) and/or PCT application would be **29 August 2015** (12 months from the earliest priority date).

The contents of the complete application(s) and/or PCT application will be published after 16 months from the earliest priority date, and typically published by 18 months from the earliest priority date.

If a corresponding complete application(s) or PCT application is not filed within 12 months, the provisional application(s) will lapse and its content will remain confidential (unless otherwise disclosed by the inventor/applicant).

Step 2 – Examination

Once complete application(s) have been filed in Australia and/or other regions/countries, the Patent Office in each jurisdiction will examine the complete application to assess whether the complete application meets the various criteria for patentability, including novelty and inventive step, according to their local laws.

If examination is negative, the applicant can respond to the Patent Office with arguments and/or amendments. If the applicant's response is not persuasive to the Patent Office, the application could lapse. In some jurisdictions, including Australia, Patent Office decisions can be appealed in a court.

Correct entitlement to ownership of the patent application is often checked or required by the respective Patent Office (see 'ownership' section below).

Step 3 – Acceptance and grant

Alternatively, if examination is positive, the complete application is allowed/accepted and subsequently granted.

In Australia, after acceptance of the complete application, the acceptance is advertised for opposition for a three month period. During opposition period any person may oppose the grant of the accepted application. During opposition proceedings, in order to revoke the accepted patent application, the person will need to prove that if granted the patent would be invalid for reasons such as lack of novelty or inventive step.

Many other jurisdictions have similar provisions for either third party 'inter-parte' or 'ex-parte' opposition. Such opposition may be pre or post grant of the patent application.

Once a patent application is granted, its applicant has enforceable rights which may be retrospectively applied to the date of publication of the application.

1.4 Ownership

Primarily the rights in an invention, for which a patent is sought, belong to its inventor. Other parties, for example an employer, may derive the rights to the invention from the inventors. Such transfer of rights may be by means of a formal assignment of rights or other contractual arrangements, such as employment contracts.

At some point in time, preferably before filing the complete application(s) and/or PCT application, derivation of ownership to SpookFish will need to be established.

Ownership of the patents/patent applications (including provisional applications) can be transferred to other parties. Such transfer could be complete or partial transfer, for example by assignment, or conditional transfer, for example by licensing arrangement. Ownership can also be transferred by other means, for example through death and bequeath or otherwise.

1.5 Patent rights

Once a patent application is granted, its owner has monopoly rights to exclude others from producing, using, selling, importing, or otherwise exploiting the invention, as defined in the claims of the granted patent. The owner of the **granted** patent can initiate infringement proceedings against an alleged infringer.

It is noteworthy that even if a patent application is granted, it can be later on revoked, for example through re-examination proceedings at the Patent Office or revocation proceedings in court.

Also, even if a granted patent is valid, the patented technology could infringe rights of another granted patent having an earlier priority date.

Competitors may be allowed to exploit the technology if the exploiting act does not fall under the scope of the granted claims. For example, if the granted claim reads "An aerial camera system having a loss of separation avoidance system.", a competitor would be free to exploit an aerial camera system which does **not** have a loss of separation avoidance system.

There will be opportunities for the claims to be amended at the time of filing complete application(s) and/or PCT application, and even during examination, so long as the amendment to the claims are supported by the disclosure. During prosecution, it may be possible to amend claims to capture a particular competitor product. Amending claims post grant is generally difficult. In Australia, post grant of a patent application, only claim narrowing amendments are allowed.

We have not reviewed the claims of either of the two provisional patent applications.

2. Independence

This is an independent report. When considering this Patent Report, it should be noted that:

- Watermark Patent and Trade Marks Attorneys ("Watermark") has prepared this report, Watermark will be paid a fee by White Star Resources and payment is not contingent on the outcome of the prospectus.
- Watermark confirms that this report is prepared by Mark Pullen, who is a Principal at Watermark, and a registered Patent and Trade Marks Attorney based in the Perth Office of Watermark.
- Neither Watermark, nor any of its principals or employees, have any entitlement to any shares in White Star Resources or SpookFish, or has any interest in the promotion of White Star Resources or SpookFish, and has no financial interest in the outcome of the proposed acquisition of SpookFish by White Star Resources.

3. Limitations of this report

We have not been involved in the management of provisional application nos. 2014903450 and 2014904018. The accuracy of our comments regarding the current status of the two provisional patent applications, is entirely dependent upon the accuracy of the Australian Patents Database (AusPat).

When corresponding complete application(s) and/or PCT application is/are filed, the patents and patent applications can be challenged by the National Patent Office(s) and third parties on several grounds. The grounds for challenging patent or patent application include, and are not limited to, lack of novelty and inventive step of the claims, lack of industrial applicability or utility, insufficient disclosure and unclear disclosure.

We have not been asked to and have not commented on the validity of Australian provisional application nos. 2014903450 and 2014904018.

The present report is not a 'Freedom to operate' opinion and does not establish or comments whether SpookFish could test or commercialise the subject matter of Australian provisional application nos. 2014903450 and 2014904018 without infringing valid intellectual property rights of others.

We thank White Star Resources for engaging us to prepare this report.

Yours sincerely



Mark Pullen
Principal

12. Risk Factors

The Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business. This Section identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Securities.

12.1 Risks specific to the Spookfish Acquisition

- (a) **Conditional Acquisition** - As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements. The Company's Shares will be suspended from the December General Meeting. It is anticipated that the Company's Shares will remain suspended until completion of the Acquisition, the Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently remain suspended from quotation.

It is noted that the Offer remains subject to completion of legal, technical and commercial due diligence to the satisfaction of the Company. The primary due diligence outstanding at the date of this Prospectus is completion of the initial trials of the Spookfish Technology Demonstrator. Further it is noted that not all Spookfish shareholders have signed letter agreements with the Company at the date of this Prospectus (although all Spookfish shareholders have approved the Acquisition). Completion of the Offer remains subject to the Company acquiring all of the shares in Spookfish that it does not already own.

In the event that the Conditions of the Offer set out in Section 6.2 are not satisfied or the Company does not receive conditional approval for re-quotation on ASX, the Company will not proceed with the Offer and will repay all Application Monies received.

- (b) **Limited trading history** – Spookfish is essentially a start-up company with limited trading history. Spookfish has to date principally developed its software and product as well as seeking patent protection. However Spookfish is still developing and testing its technology and has yet to commence the commercialisation phase of the business cycle and as such carries the normal risks of a start up business. Given the limited trading history of Spookfish, no assurance can be given that Spookfish will achieve development success followed by commercial viability through the implementation of its business plan.

The information surrounding the business model of Spookfish as set out in Section 8 represents Spookfish's current plans and strategies for the development and if successful the commercialisation of the Spookfish Technology given its limited history to date. Spookfish's ability to achieve its objectives depends on the ability of the Directors and Proposed Directors and officers to implement the proposed business plan and to respond in a timely and appropriate manner to any unforeseen circumstances.

(c) **Technology and product development -**

(i) **Technology Demonstrator:** - The success of the Company is dependent on the successful enhancement and deployment of the Spookfish Technology Demonstrator, which is in the final stages of development. Should the testing and verification of the Spookfish Technology Demonstrator not be completed to the satisfaction of the procedures specified by the Company, then Spookfish will have to expend additional time and resources to rectify any outstanding issues which will delay the development of the next stage of development or at the very worst, if unassailable barriers are encountered, require Spookfish to abandon the project entirely.

(ii) **Next phase technology development.** - After the Spookfish Technology Demonstrator phase, Spookfish will then develop the first high altitude stage of its aerial image acquisition system. Any inability to execute on this next stage of development will hamper or obstruct Spookfish's ability to develop a commercial offering capable of earning revenue. The main risk in developing future stages lies in encountering unexpected problems not identified and solved in the previous stage or in the Spookfish Technology Demonstrator.

(iii) **Viable commercialisation** - risks are involved in the ability to translate the Spookfish Technology in to a solution that provides the expected quality of data in a cost effective manner to support the price needed to make an impact in the marketplace. The main factors that may introduce risk include but are not limited to data storage costs, costs of producing, maintaining and operating aircraft, and the efficient functioning of the image processing software and computing resources.

(d) **Building the Delivery platform** – Spookfish is building a sophisticated state of the art online delivery platform comprising of advanced image storage and delivery technology combined with an e-commerce engine with the ability for the customer to configure their needs and have the resultant output delivered to them at turnaround times that exceed current offerings in the market. As with any such undertaking, breaking new ground poses risks that include reducing the Spookfish competitive position. There is a risk that Spookfish may only be able to deliver image output at turnaround times worse, equivalent or only marginally better than services that are available at the time which will affect its competitiveness. This may have a material adverse effect on the financial performance of the Company.

- (e) **Market adoption and sales and marketing** – use of proceeds post completion of the Acquisition will focus efforts on development of the Spookfish Technology. Should this be successful then the Company will seek to commercialise the Spookfish Technology. Spookfish does not currently have any contracts in place to become revenue generating and there are no guarantees of success in obtaining sales contracts and new business. Following development of its product, the success of the commercialisation of Spookfish will relate to the acceptance of its offerings for routine use within its target markets. Take up of the products will involve education of market participants and marketing programmes to raise the profile of Spookfish and its products.
- (f) **Competition and new technologies** – Spookfish is confident that its product will provide a unique market proposition in providing an existing, qualified market place with new levels of quality, price and availability. Spookfish also expects to be able to extend its market by offering the same service internationally. Notwithstanding this, the industry in which Spookfish operates is competitive and includes companies with significantly greater financial, technical, human, research and development, and marketing resources than currently available to Spookfish. Numerous entities around the world may resist Spookfish's efforts to develop and possibly commercialise products that may compete with their own offerings. Spookfish's competitors may develop products: in advance of Spookfish; that are more effective than those developed by Spookfish; or have greater market acceptance. As a consequence, Spookfish's current and future technologies and products may become obsolete or uncompetitive, which may result in adverse effects on revenue, margins and profitability of the Company.
- (g) **Reliance on key personnel** – The Company and Spookfish currently employ or engage as consultants a number of key management personnel, and the Company's future depends on retaining and attracting suitable qualified personnel. In particular, Messrs Mike von Bertouch and Simon Cope are the inventors and main founders of the business. Mr von Bertouch's background in aeronautical engineering and Mr Cope's background in geospatial imagery and software development are significant advantages and the reason for the successful lodging of patents applications and development of the Spookfish Technology. In the short term Mr von Bertouch and Mr Cope will be responsible for development, enhancement and testing of Spookfish Technology as well as being the main drivers of business development initiatives, new products and development. There is no guarantee that the Company will be able to attract and retain suitable qualified personnel, and a failure to do so could materially adversely affect the business, operating results and financial prospects.
- (h) **Regulatory and legislative change** – as with any technology product offering, especially those that are used by public and statutory bodies or insurance companies and financial institutions for forensic or legal purposes, the Company may be exposed to the regulatory environment of a particular jurisdiction. In addition, while currently not exposed to privacy laws in Australia, the provision of aerial images may in the future, both in Australia and in other countries, pose legal and regulatory risks for all image providers, including Spookfish.

- (i) **Faults with products/services** – the product of Spookfish may have errors or defects that are identified after customers start using it, which could harm the Company's reputation and business. Internet-based services frequently contain undetected errors when first introduced or when new versions or enhancements are released. Such an occurrence could result in loss of revenue or customers.
- (j) **External Technology Risk** – Spookfish has developed its own software in house, which is used in conjunction with off-the-shelf software to enable the functionality of its product offerings. Such software may be subject to external factors, such as deprecation of operating systems, libraries, components, third party interfaces, drivers, patches, compatibility, version conflict or obsolescence or other related issues. In addition, the software will require updating and maintenance. These external factors may also affect the ability of Spookfish to effectively upgrade and maintain its software. Furthermore, licensing and commercial conditions imposed by third party software companies may be unsustainable or impractical for Spookfish, causing a need to rely on other solutions or develop these in house. Should Spookfish have such issues it may affect the ability of Spookfish to successfully provide its product.
- (k) **Dependency on service providers** – Spookfish currently proposes to operate a significant amount of its operations through a series of contractual relationships with third party service providers and intends to continue to operate in this manner. Such arrangements carry a risk that the third parties do not adequately or fully comply with their respective contractual rights and obligations. Such failure may lead to termination and/or significant damage to the Spookfish Technology. In particular, Spookfish may store information within third-party datacenter hosting facilities located in the cloud. These facilities may be vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Such disruption, particularly prolonged ones, in these services may have a material adverse impact on the reputation of the Company and its business operations, Spookfish relies on advanced hardware technology as part of all its systems from image capture to flight operations. Factors concerning performance of this hardware, the availability of maintenance services and spare parts may affect the ability of Spookfish to maintain its equipment and minimise interruptions to the continuous performance of its systems.
- (l) **Customer Service and reputational risk** - The reputation of Spookfish and its products is important in attracting and retaining business and obtaining new business and key employees. Reputational damage could arise due to a number of circumstances, including errors or defects, inadequate services or unsatisfactory client outcomes. Negative publicity could adversely impact the reputation of the Company which may potentially result in a fall in the number of customers seeking the products and services of Spookfish.
- (m) **Hackers** – The Company will rely on the availability of the Spookfish website (which is scheduled to be built in 2015) to provide services to customers. Hackers could render the website unavailable. Whilst the Company will take reasonable precautions, Spookfish may be a target for hackers. Actual or perceived security

vulnerabilities in Spookfish's services or any breaches of its security controls and unauthorized access to a customer's data could harm the business and operating results.

- (n) **Patent rights** – Spookfish relies somewhat for its success on its ability to obtain and maintain patent protection for its technology. Spookfish has pending patent applications covering core technology which present commercialisation opportunities. The prospect of attaining patent protection for products and the Spookfish Technology such as in the applications is highly uncertain and involves complex and continually evolving factual and legal questions. These include:
- (i) legislative and judicial changes, or changes in the examination guidelines of governmental patent offices, which may negatively affect Spookfish's ability to obtain patents for its products and technologies. In addition, the scope of patent applications can be significantly reduced during prosecution of the patent applications, with the result that the scope of protection in the issued patent being significantly less than the scope of protection sought by Spookfish. As a result, Spookfish's patent application may not proceed to issued patents and, if issued, may not be of commercial benefit to Spookfish, or may not afford Spookfish adequate protection from competing products; and
 - (ii) since most patent applications remain secret for eighteen months from the time of filing, and since publication of discoveries in the scientific or patent literature often lags behind actual discoveries, Spookfish cannot be certain that it is the first to make the inventions covered by the pending patent applications or that its patent applications for such inventions was the first to be filed.

Even if Spookfish succeeds in obtaining patent protection for its products, its patents could be partially or wholly invalidated following challenges by third parties.

- (o) **Infringement of third party intellectual property rights** - If a third party accuses Spookfish of infringing its intellectual property rights or if a third party commences litigation against Spookfish for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation is expensive. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time.

In addition, parties making claims against Spookfish may be able to obtain injunctive or other equitable relief that could prevent Spookfish from further developing discoveries or commercialising its products.

It is noted that initial proceedings have been commenced by nearmap Limited against Spookfish, Simon Cope, Guy Perkins and Michael von Bertouch (being former employees and consultants of nearmap Limited) seeking preliminary discovery of information for the purpose of determining whether there has been

any breaches of confidentiality by these parties. Spookfish believes the application for preliminary discovery is misconstrued and inappropriate. The Company does not believe there is any merit to the potential allegations regarding breaches of confidentiality.

However in the event of a successful claim of infringement against Spookfish, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company from developing the Spookfish Technology and could cause it to incur substantial expenditure.

- (p) **Sufficiency of funding** – The Company's growth through development of the Spookfish Technology and possible commercialisation activities will require substantial expenditure and may not result in profitability being achieved. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that Spookfish will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Spookfish or at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. If the Company is unable to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

- (q) **Foreign exchange risks** – Spookfish is potentially a global business and may have commercial opportunities outside of Australia to generate revenue. The Australian geospatial imagery market is small when compared with Europe and the United States. Any billing in foreign currencies will be converted to AUD for reporting purposes and will be affected by currency fluctuations, which may adversely impact on financial performance and position.
- (r) **Litigation** – Spookfish is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

12.2 General Risks

- (a) **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.

- (b) **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 technology industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

- (c) **Investment Risk** - The Securities to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Securities. The prices at which an investor may be able to trade the Securities may be above or below the price paid for the Securities. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

13. Material Contracts

13.1 Spookfish Option Agreement and Spookfish Shareholder Letter Agreements

The Company and Spookfish have entered into the Spookfish Option Agreement. Under the agreement, the Company paid a non-refundable option fee of \$250,000 to Spookfish and Spookfish granted the Company an option to acquire all of the securities in Spookfish within the earlier of 30 days from 9 months from the date of the agreement or completion of the enhancement and testing of the first phase technology demonstrator (**Spookfish Technology Demonstrator**). The shareholders of Spookfish approved the terms of the Acquisition on or about the date of the Spookfish Option Agreement.

Under the Option Agreement, the Company is entitled to undertake due diligence investigations into Spookfish. The Company also had a right to acquire a 12.5% equity interest in Spookfish for a cash payment of \$1,000,000 within 30 days which is to be used for testing and enhancement of the prototype technology unless otherwise mutually agreed. The Company exercised this right and acquired an initial 12.5% interest in Spookfish on 1 August 2014.

The Company announced the exercise of the Spookfish Option on 29 October 2014. Completion of the Acquisition is conditional on further due diligence including full scale testing of the Spookfish Technology Demonstrator.

Other key terms of the Option Agreement include the following:

- (a) The total purchase price payable to the Spookfish shareholders (or their nominees) is 130,000,000 Shares plus the right to 145,000,000 Milestone 1 Shares and 180,000,000 Milestone 2 Shares (**Vend Securities**). The Vend Securities will be subject to any escrow requirements of ASX.
- (b) Spookfish will be entitled to nominate 2 directors to the Board.
- (c) Completion is subject to a number of conditions precedent. These conditions have either been satisfied or substantially satisfied, with the exception of the following conditions which remain outstanding at the date of this Prospectus:
 - (i) Completion of legal, technical and commercial due diligence to the satisfaction of the Company;
 - (ii) Shareholder approval of the Acquisition at the December General Meeting;
 - (iii) the Company obtaining all necessary regulatory approvals required in relation to the Acquisition including re-compliance with Chapters 1 and 2 of the Listing Rules and approval of the relevant regulatory authorities; and
 - (iv) the Company completing the Offer.

All of the shareholders of Spookfish have or will have prior to Completion entered into a letter agreement with the Company to sell their Spookfish Shares to the Company on terms consistent with the terms of the Spookfish Option Agreement.

13.2 Geospatial Investments Option and Facility Deed

Spookfish, Geospatial Investments and the Company entered into an option and facility deed whereby Spookfish granted Geospatial Investments an option to acquire the greater of 16,115,000 shares in Spookfish or the number of shares in Spookfish which following their issue represents an 18.96% of all shares on issue in Spookfish for \$1.00. In consideration for the option, shareholders of Geospatial Investments have made available to Spookfish a loan facility for up to \$500,000 (**Geospatial Investments Loan Facility**). Interest will be payable on the amount loaned under the Geospatial Investments Loan Facility at the rate 2.5% above the average of the bid rate on the “BBYS” page on the Reuter Monitor System on the first day that funds are provided under the Geospatial Investments Loan Facility. The funds advanced may only be used for working capital purposes and the development of the business or any other purpose agreed between Spookfish and Geospatial Investments.

At Completion the Geospatial Investments Loan Facility will be assigned to the Company and will be converted into Shares in the Company at \$0.025 per share subject to the Company obtaining shareholder approval at the December General Meeting. The Company guarantees the Geospatial Investments Loan Facility subject to the Company obtaining shareholder approval for the Acquisition under chapter 11 of the Listing Rules.

As at the date of this Prospectus, Spookfish has drawdown \$500,000 pursuant to the Geospatial Investments Loan Facility which funds will be provided prior to the completion of the Offer. The loan funds will convert under the terms of the Geospatial Investments Loan Facility, and 20,000,000 Shares will be issued at Completion, subject to shareholder approval at the December General Meeting.

13.3 Geospatial Investments Share Sale Agreement

The Company and Geospatial Investments entered into the Geospatial Investments Share Sale Agreement.

Key terms of the Geospatial Investments Sale Agreement include the following:

- (a) The total purchase price payable to the Geospatial Investments shareholders (or their nominees) is 30,000,000 Shares plus the right to 15,000,000 Milestone 1 Shares and 20,000,000 Milestone 2 Shares. The Vend Securities will be subject to any escrow requirements of ASX.
- (b) Completion is subject to the following conditions precedent:
 - (i) the Company exercising the Spookfish Option;
 - (ii) the Company and Geospatial Investments obtaining all necessary shareholder and regulatory approvals, consents or acceptances to the transactions contemplated by the Agreement including approval for the issue of securities to the shareholders of Geospatial Investments;

- (iii) the Company re-complying with Chapters 1 and 2 of the Listing Rules and obtaining conditional approval of ASX for re-instatement of the Company's securities to quotation of the ASX following completion of the Acquisition;
- (iv) no material default or breach of the Spookfish Option Agreement by Spookfish occurring; and
- (v) no material adverse change occurring.

13.4 Facilitation Letter

The Company and the Advisors entered into a letter agreement pursuant to which the Company has agreed, subject to shareholder approval, to issue 8,400,000 Shares, 11,200,000 Milestone 1 Shares and 14,000,000 Milestone 2 Shares (on satisfaction of the applicable milestone) to the Advisors (and/or their nominees) on completion of the Acquisition, for the introduction and facilitation of the Acquisition to the Company (**Facilitation Securities**). The terms of the Facilitation Letter were set out in the initial terms sheet entered into between the Company and Spookfish.

13.5 Lead Manager and Placement Mandate

The Company has appointed Forrest Capital (AFSL 298 311) as lead manager of the Offer. Forrest Capital will receive a lead manager fee of 6% of the total amount raised under the Offer (exclusive of GST). This amount includes any fees paid to brokers.

In addition, Forrest Capital will be reimbursed for reasonable out of pocket expenses incurred in acting as Lead Manager

The agreement contains covenants, warranties, representations and indemnities that are standard for an agreement of this nature.

14. Additional Information

14.1 Rights Attaching to Shares

The following is a broad summary of the more significant rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. Full details of the rights attaching to Shares are set out in the Company's Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the Directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable on all shares according to the amount paid up, or credited as paid up, on the shares, and otherwise in accordance with Part 2H.5 of

the Corporations Act. Interest may not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-up**

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

(e) **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 or the Listing Rules.

(f) **Variation of rights**

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

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

14.2 Rights to be issued Milestone Shares

The key terms on which the Milestone Shares will be issued are:

(a) **Milestone 1 Shares**

(i) **On the achievement of:**

(A) the Company, Spookfish and any Related Entity combined generating \$20,000,000 of cumulative revenue; or

(B) the VWAP of the Shares being equal to or greater than \$0.18,
each right to a Milestone 1 Milestone 1 Share will result in the issue of one Share.

- (ii) The milestone in paragraph (a) above must be achieved on or before 5.00pm (WST) on the date that is four years after the date of Completion.
- (b) Milestone 2 Shares
 - (i) On the achievement of:
 - (A) the Company, Spookfish and any Related Entity combined generating \$36,000,000 of cumulative revenue; or
 - (B) the VWAP of the Shares being equal to or greater than \$0.18,

each right to a Milestone 2 Share will result in the issue of one Share.
 - (ii) The milestone in paragraph (c) above must be achieved on or before 5.00pm (WST) on the date that is five years after the date of Completion.
- (c) General Provisions applying to both Milestone 1 and Milestone 2 Shares
 - (i) If there is a Successful Takeover in relation to the Company or a Related Entity prior to the issue of all the Milestone Shares:
 - (A) on or prior to the date that is two years from the date of Completion, then on the date that the Successful Takeover occurs, for the right to every two Milestone Shares that have not already been issued one Share will be issued; and
 - (B) during the period after the date that is two years after Completion but prior to the Expiry Date, then on the date that the Successful Takeover occurs, for the right to every twenty Milestone Shares that have not already been issued thirteen Shares will be issued,

provided however, if the number of Shares to be issued as a result of the Milestone 1 Shares and the Milestone 2 Shares due to a Successful Takeover in relation to the Company or a Related Entity is in excess of 10% of the total fully diluted share capital of the Company at the time of the issue, then the number of Shares to be issued in respect of the Milestone 1 Shares and Milestone 2 Shares will be prorated so that the aggregate number of Shares issued for all Milestone 1 Shares and all Milestone 2 Shares that remain unissued is equal to 10% of the entire fully diluted share capital of the Company.
 - (ii) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with

the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

- (iii) An application will be made by the Company to the ASX for official quotation of the Shares issued upon the issue of each Milestone Share within the time period required by the Listing Rules.

14.3 Terms and Conditions of Attaching Options

The Terms and Conditions of the Attaching Options are set out below:

(a) **Entitlement**

The Attaching Options entitle the holder to subscribe for one Share upon the exercise of each Attaching Option.

(b) **Exercise price**

The exercise price of each Attaching Option is \$0.05 (**Exercise Price**).

(c) **Expiry date**

The expiry date of each Attaching Option is 30 November 2018 (**Expiry Date**). Any Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise period**

The Attaching Options are exercisable at any time on or prior to the Expiry Date.

(e) **Notice of exercise**

The Attaching Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Attaching Option being exercised. Any Notice of Exercise of a Attaching Option received by the Company will be deemed to be a notice of the exercise of that Attaching Option as at the date of receipt.

(f) **Shares issued on exercise**

Shares issued on exercise of the Attaching Options will rank equally with the then issued Shares of the Company.

(g) **Attaching Options not quoted**

The Company will not apply to ASX for quotation of the Attaching Options.

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Attaching Options.

(i) **Timing of issue of Shares**

After a Attaching Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Attaching Option:

- (iv) issue the Share;
- (v) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (vi) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Attaching Option.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Attaching Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Attaching Options.

(k) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Option holder had exercised the Attaching Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of a Attaching Option.

(m) **Adjustments for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

(n) **Attaching Options not transferable**

The Attaching Options are transferable subject to compliance with the Corporations Act.

(o) **Lodgment instructions**

Cheques shall be in Australian currency made payable to the Company and crossed Not Negotiable. The application for Shares on exercise of the Attaching Options with the appropriate remittance should be lodged at the Company's share registry.

14.4 Employee Performance Rights Plan

(a) **Outline of the Performance Rights Plan**

This section gives a brief outline of how the Board intends to implement initial participation under the rules of the proposed Performance Rights Plan.

(b) **Participation**

Carefully designed, performance linked, equity plans are widely considered to be very effective in providing long term incentives to staff. As well, they are used to attract and retain staff by providing them with the opportunity to participate in the creation of a valuable personal asset – a financial stake in the Company.

As part of the Company's strategy, the Board wishes to be in a position to grant Performance Rights under the Performance Rights Plan to employees (including Directors), to achieve the objectives outlined above. A Performance Right is a right to be issued a Share upon satisfaction of certain performance conditions that are attached to the Performance Right, as determined by the Board. In accordance with the requirements of the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Performance Rights Plan.

(c) **Overview of the Performance Rights Plan rules and terms and conditions**

The Board is cognizant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Performance Rights Plan to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting and the Employee being advised that the vesting conditions have been met, Shares will be issued to the Employee exercising the Performance Rights.

The Board considers the Performance Rights Plan a crucial mechanism to encourage and retain high level executive and employee performance. The Board intends to implement the Performance Rights Plan, and set the performance conditions, in a manner designed to incentivise and reward high level executive and employee performance.

The main features of the Performance Rights Plan (and the terms and conditions to be attached to the Performance Rights Plan) are summarised as follows:

Eligible Participants: The eligible participants under the Performance Rights Plan are Employees (including Directors) of the Company and its subsidiaries (**Eligible Employees**).

In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Performance Rights Plan and be granted Performance Rights.

Limits on Entitlements: The Company may issue such number of Performance Rights, where the number of Shares that may be acquired on conversion of those Performance Rights when added to the total number of Shares or Performance Rights that have already been issued pursuant to the Performance Rights Plan or other incentive scheme in any one year, excluding any Performance Rights or other incentive securities for which Shareholder approval is sought, will not exceed 5% of the total number of issued Shares at the time of the issue.

Individual Limits: The Performance Rights Plan does not set out a maximum number of Shares that may be made issuable to any one person or company.

Consideration Payable: Performance Rights will be issued for no consideration and no amount will be payable upon exercise thereof.

Offer and Performance Conditions: The Performance Rights issued under the Performance Rights Plan to Eligible Employees may be subject to performance conditions, determined by the Board from time to time and expressed in a written offer letter (**Offer**) made by the Company to the Eligible Employee which is subject to acceptance by the Eligible Employee within a specified period. The performance conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the participant and/or by the Company (iii) a vesting period following satisfaction of performance conditions before the Performance Rights vest, or (iv) such other performance conditions as the Board may determine and set out in the Offer. The Board in its absolute discretion determines whether performance conditions have been met.

Milestone Date, Expiry Date & Lapse: The performance conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the Offer. The Board shall have discretion to extend a milestone date where the Board (in its sole discretion) considers that unforeseen circumstances or events have caused a delay in achieving the performance condition by the milestone date. The Board shall not be permitted to extend the milestone date beyond the expiry date of the Performance Rights.

If a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse. A Performance Right will also lapse if the Board determines the participant ceases

to be an Eligible Employee for the purposes of the Performance Rights Plan for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

Retirement, Disability, Redundancy or Death: Under the Performance Rights Plan, upon the retirement, total and permanent disability, bona fide redundancy or death of a participant, the Board shall determine, in its discretion, whether those Performance Rights which have not satisfied the performance condition but have not lapsed, shall in whole or in part be deemed to have become vested Performance Rights or be deemed to have lapsed.

Forfeiture: If a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company, the Board will have the discretion to deem any Performance Rights to have lapsed and deem any Performance Rights that have become Shares to be forfeited. In the event the underlying Shares have been sold by the participant, the participant will be required to pay all or part of the net proceeds of that sale to the Company.

Assignment: Without prior approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

Takeover Bid or Change of Control: All Performance Rights automatically vest in the event of:

- (i) a Court ordering a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and the shareholders of the Company approve the proposed compromise or arrangement at such meeting;
- (ii) a takeover bid (as defined in the Corporations Act) is announced, has become unconditional and the person making the takeover bid has a Relevant Interest in 50% or more of the shares in the Company; or
- (iii) any person acquires a Relevant Interest in 50.1% or more shares in the Company by any other means.

Alteration in Share Capital: Appropriate adjustments will be made to the number of Performance Rights in accordance with the Listing Rules in the event of a reconstruction of the share capital of the Company, such as a share consolidation, share split or other reduction of capital.

Pro Rata Issue of Securities: If, during the term of any Performance Rights, the Company makes a pro rata issue of Securities to the Company's Shareholders by way of a rights issue, the holder thereof shall be entitled to participate in the rights issue on the same terms as the Company's Shareholders as if the holder held that number of Shares equal to the number of Shares issuable to the holder

if all of the holder's Performance Rights were exercised prior to the record date for determining entitlement under the pro rata issue.

A holder will not be entitled to any adjustment to the number of Shares he or she is entitled to under any Performance Rights or adjustment to any Performance Condition which is based, in whole or in part, upon the Company's Share price, as a result of the Company undertaking a rights issue.

Bonus Issue: If, during the term of any Performance Rights, the Company completes a bonus issue, the number of Shares each Performance Rights holder is then entitled to, shall be increased by that number of securities which the holder would have been issued if the Performance Rights then held by the holder were exercised immediately prior to the record date for the bonus issue.

Participation in other Opportunities: There are no participation rights or entitlements inherent in the Performance Rights though the Company will use its reasonable endeavours to ensure that each holder is given an opportunity to participate on the same basis as if his or her Performance Rights had been exercised.

Termination, Suspension or Amendment: The Board may terminate, suspend or amend the Performance Rights Plan at any time subject to any resolution of the Company required by the Listing Rules.

14.5 Employee Share Plan

The Company has adopted an employee share plan (**Employee Share Plan**) in order to provide an incentive for eligible participants to participate in the future growth of the Company (**Eligible Employees**). It is intended that the Employee Share Plan will be administered in accordance with the Employee Share Plan rules, which are summarised below.

(a) Grant of Shares

The Directors, at their discretion, may issue Shares (**Plan Shares**) to Participants (or to a nominee as the Participant directs) at any time, having regard to relevant considerations such as the Participant's past and potential contribution to the Company, and their period of employment with the Company.

(b) Participants

Full-time employees, part-time employees and Directors of the Company, or of a related body corporate, who hold a salaried employment or office in the company or in a related body corporate, are eligible to participate in the Employee Share Plan (**Participants**). However, in the event that Directors of the Company are invited to participate in the Plan, the Company will seek Shareholder approval for that participation in accordance with Listing Rule 10.14.

(c) **Issue Price of Plan Shares**

Plan Shares may be issued at an price to be determined by the Board, which may be a nominal or nil amount if so determined by the Board (**Issue Price**).

(d) **Maximum Number of Plan Shares**

The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under the Employee Share Plan when aggregated with:

- (i) the number of Plan Shares issued during the previous 5 years under the Employee Share Plan (or any other employee share plan extended only to Eligible Employees); and
- (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive Plan of the Company were to be exercised or accepted, does not exceed 5% of the total number of issued Shares at the time of an offer of Plan Shares (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with the ASIC Class Order 03/184.

(e) **Term of Plan Shares**

The Plan Shares will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing Shares.

(f) **Restrictions on transfer of Plan Shares**

The Board may impose conditions in an offer of Plan Shares that must be satisfied (unless waived by the Board in its absolute discretion) before the Plan Shares to which the condition applies can be sold, transferred, assigned, charged or otherwise encumbered (**Restriction Conditions**).

Subject to the exceptions identified below, a Participant may not sell, transfer, assign, mortgage, charge or otherwise encumber a Plan Share until any applicable Restriction Conditions are satisfied or waived by the Board in its absolute discretion.

Where any applicable Restriction Conditions in relation to Plan Shares have not been satisfied and:

- (i) the Participant dies;
- (ii) the Eligible Employee to whom the offer was originally made ceases to be employed as a result of:

- (C) bona fide retirement from the workforce (unless the retirement happens within six (6) months of the date of the issue of the Plan Shares);
- (D) bona fide redundancy; or
- (E) total and permanent disability,

the Board may elect to:

- (vi) allow the Participant to retain the Plan Shares;
- (vii) waive any of the Restriction Conditions; and/or
- (viii) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

(g) Buy back of Plan Shares

Subject to the exemptions identified in sub-clause (f) above, where a Restriction Condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the Restriction Condition is waived by the Board:

- (i) where the Plan Shares were issued for no cash consideration, subject to the Corporations Act and the Listing Rules, buy back the relevant Plan Shares within 12 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to \$0.0001 per Share; or
- (ii) where the Shares were issued for cash consideration, subject to the Corporations Act and the Listing Rules, use its best endeavours to buy back the relevant Plan Shares within 12 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares.

(h) Quotation of Plan Shares

The Company will make application for Official Quotation of all Plan Shares as soon as practicable after their issue date.

(i) Powers of the Board of Directors

The Employee Share Plan is administered by the Directors of the Company, who have the power to:

- (i) determine appropriate procedures for administration of the Employee Share Plan consistent with its terms;

- (ii) resolve conclusively all questions of fact or interpretation in connection with the Employee Share Plan;
- (iii) delegate the exercise of any of its powers or discretions arising under the Employee Share Plan to any one or more persons for such period and on such conditions as the Board may determine; and
- (iv) suspend or terminate the Employee Share Plan by giving written advice to Eligible Employees.

14.6 Substantial Shareholders

At the date of this Prospectus, the following Shareholders hold a voting power in 5% or more of the Shares on issue.

Holder Name	Number of Shares Held	% Interest as at date of Prospectus
Keyrate Enterprises Pty Ltd	25,600,000	6.95%

On completion of the Offer (assuming no new investors become substantial holders) the only substantial Shareholders will be as set out below:

Holder Name	Number of Shares Held	% Interest upon Completion
Hoperidge Enterprises Pty Ltd AFT Jones Family Trust ⁽¹⁾	51,428,571	7.33%

(1) As announced on 29 October 2014, the Company has received a firm commitment from this party to become a cornerstone investor in the Company as part of the Offer. In addition, Hoperidge Enterprises Pty Ltd AFT Jones Family Trust will hold 25,714,286 Attaching Options.

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

14.7 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no promoter of the Company or 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 has, or had within two years before 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 its formation or promotion or in connection with the Offer under this Prospectus; or
- (c) the Offer under this Prospectus,

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 those persons for services rendered in connection with the formation or promotion of the Company or the Offer of Securities under this Prospectus.

Forrest Capital has acted as lead manager of the Offer. In respect of this work, Forrest Capital will be paid such amounts as detailed in Section 13.5. During the 24 months preceding lodgement of this Prospectus at the ASIC, Forrest Capital has not received any fees from the Company.

GTP Legal has acted as the solicitors to the Company in relation to the Offer and has been involved in due diligence enquiries on legal matters. The Company estimates it will pay GTP Legal approximately \$40,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, GTP Legal has received \$25,000 in fees from the Company.

RSM Bird Cameron Corporate Pty Ltd has acted as investigating accountant and has prepared the Investigating Accountant's Report which has been included in Section 10 of this Prospectus. The Company estimates it will pay RSM Bird Cameron Corporate Pty Ltd a total of \$12,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron has received \$13,000 in fees from the Company.

Watermark has prepared the Patent Report which has been included in Section 11 of this Prospectus. The Company estimates it will pay a total of \$2,300 for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Watermark has not received any fees from the Company.

Advanced Share Registry has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

14.8 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, other than those referred to in this section;
- (b) has not authorised or caused the issue of this Prospectus or the making of the Offer; and

- (c) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, any part of this Prospectus other than a reference to its name and a statement and/or any report (if any) included in this Prospectus with the consent of that party as specified in this section.

Forrest Capital has given its written consent to being named as the Lead Manager to the Offer in this Prospectus. Forrest Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RSM Bird Cameron Corporate Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 10 in the form and context in which the report is included. RSM Bird Cameron Corporate Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM Bird Cameron has given its written consent to being named as the auditor to the Company in this Prospectus. RSM Bird Cameron has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Watermark has given its written consent to being named as the Patent Attorneys to the Company in this Prospectus and to the inclusion of the Patent Report in Section 11 in the form and context in which the report is included. Watermark has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

GTP Legal has given its written consent to being named as the lawyer to the Company in this Prospectus. GTP Legal has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Advanced Share Registry Services has given its written consent to being named the Company's Share Registry in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

14.9 Additional Offer

In addition to the Offer, the Company is making an offer pursuant to this Prospectus of up to 1,000 Shares at an issue price of \$0.035 per Share (**Additional Offer**). The Additional Offer is made only to those persons who the Directors determine in their absolute discretion.

The Additional Offer is being made to facilitate secondary trading of Shares issued to certain Shareholders who will be issued Shares that are not subject to escrow.

14.10 Litigation

Other than as set out in Section 12(o), to the knowledge of the Directors and the Proposed Directors, as at the date of this Prospectus, neither the Company nor Spookfish is involved in any legal proceedings and the Directors and the Proposed Directors are not aware of any legal proceedings pending or threatened against the Company or Spookfish.

14.11 Taxation

The acquisition and disposal of Shares in the Company 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 Securities under this Prospectus.

14.12 Expenses of the Offer


The estimated expenses of the Offer are as follows:

Item of Expenditure	
ASX & ASIC fees	77,947
Legal fees	40,000
Investigating Accountant	12,000
Patent Report	2,300
Lead Manager Fee	304,500
Share Registry, Printing and Other Expenses	3,253
Total	\$440,000

15. Directors' Authorisation

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

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.



Shannon Robinson

Director and Company Secretary

For and on behalf of White Star Resources Limited

19 December 2014

16. Glossary

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

A\$ or \$ means an Australian dollar.

Acquisition means the acquisition by the Company of the entire issued capital of Spookfish and Geospatial Investments pursuant to the Acquisition Agreements.

Acquisition Agreements means the Spookfish Option Agreement, the letter agreements with each Spookfish Shareholder to sell their Spookfish Shares to the Company and the Geospatial Investments Share Sale Agreement.

Advisors mean Alto Capital Pty Ltd (AFSL 279099), Forrest Capital Pty Ltd (AFSL 298311) and Ventnor Capital Pty Ltd, collectively.

Applicant means a person who submits an Application Form.

Application means a valid application for shares pursuant to an Application Form.

Application Form means the application form as provided with a copy of this Prospectus relating to the Offer.

Application Monies means application monies for Securities received and banked by the Company.

Attaching Options means an unlisted Option exercisable at \$0.05 on or before 30 November 2018 and otherwise with the terms and conditions in section 14.3.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange operated by ASX Limited (as the context requires).

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

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Closing Date means the closing date of the Offer as set out in the indicative timetable in Section 3.

Company means White Star Resources Limited ACN 123 511 017 (to be renamed Spookfish Limited).

Completion means the completion of the Acquisition.

Conditions of the Offer mean the conditions of the Offer outlined in Section 6.2.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

December General Meeting means the general meeting of Shareholders to be held on 23 December 2014.

Directors mean the directors of the Company at the date of this Prospectus and the Proposed Directors.

Director Options means Options, each exercisable at \$0.025 on or before the date that is four years from the date of grant, to be issued subject to shareholder approval at the January General Meeting.

Employee Share Plan means the Company's employee share plan to be approved at the January General Meeting.

Facilitation Letter has the meaning given in section 13.4.

Facilitation Securities has the meaning given in section 13.4.

Geospatial Investments means Geospatial Investments Pty Ltd (ACN 160 423 578).

Geospatial Investments Loan Facility has the meaning given in section 13.2.

Geospatial Investments Option has the meaning given in section 13.2.

Geospatial Investments Option and Facility Deed has the meaning given in section 13.2.

Geospatial Investments Share Sale Agreement has the meaning given in section 13.3.

Investigating Accountant's Report means the investigating accountants report in Section 10 of this Prospectus.

January General Meeting means the general meeting of Shareholders to be held on 8 January 2015.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Lead Manager means Forrest Capital (AFSL 298311).

Listing Rules means the official listing rules of ASX.

Loan Investors means the shareholders of Geospatial Investments.

Milestone 1 Share means the contractual right to a Share on the achievement of the milestones and on the terms detailed in section 14.2(a).

Milestone 2 Share means the contractual right to a Share on the achievement of the milestones and on the terms detailed in section 14.2(b).

Milestone Shares means the Milestone 1 Shares and the Milestone 2 Shares.

Option means an option to subscribe for a Share.

Offer means the offer of Shares pursuant to this Prospectus as outlined in Section **Error! Reference source not found.** and Section 6.1.

Official List means the official list of ASX.

Official Quotation means official quotation of the Company's Shares by ASX in accordance with the Listing Rules.

Proposed Directors means Messrs Stephen Rice and Mike von Bertouch, details of whom are set out in Section 7.1.

Prospectus means this prospectus.

Related Entity of a corporation means:

- (a) a related body corporate of that corporation within the meaning of section 50 of the Corporations Act; and
- (b) a trustee of any unit trust in relation to which that corporation, or any corporation referred to in paragraph (a) directly or indirectly:
 - (iii) controls the right to appoint the trustee;
 - (iv) is in a position to control the casting of more than one half of the maximum number of votes that might be cast at a meeting of holders of units in the trust; or
 - (v) holds or is in a position to control the disposal of more than on half of the issued units of the trust,but excludes Mystic Sands Pty Ltd ACN 130 070 389 and any joint venture, debt or general financing arrangements.

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

Share Registry means Advanced Share Registry (ACN 008 894 488).

Shareholder means a holder of Shares.

Spookfish means Spookfish Pty Ltd (ACN 160 841 341).

Spookfish Option has the meaning given in section 13.1.

Spookfish Option Agreement has the meaning given in section 13.1.

Spookfish Technology has the meaning given in section 13.1.

Spookfish Technology Demonstrator has the meaning in section 13.1.

Successful Takeover means in relation to the Company or a Related Entity (as relevant):

- (a) any person, either alone or together with any associate (as defined in the Corporations Act) acquires a Relevant interest in more than 90% of the Shares in the Company or Related Entity (as relevant); or
- (b) shareholder of the Company or Related Entity (as Relevant) have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all shares are to be either cancelled or transferred to a third party.

Vend Securities has the meaning given in section 13.1.

Vendors mean the shareholders of Spookfish and the shareholders of Geospatial Investments.

VWAP means the volume weighted average price of Shares calculated on the preceding 20 days on which trades are recorded on the ASX.

WST means Western Standard Time, Perth, Western Australia.

