

18 November 2015

## **GBM Announces Entitlement Issue to Raise up to A\$1.4 million to Progress development at Mt Coolon Gold Project, Queensland**

### **Key Points**

- **One (1) new share for every six (6) held at 1.5 cents per share to existing shareholders to raise approximately \$1.4 million.**
- **Issue price representing a 41 % discount to the 15 day VWAP.**
- **Proceeds will be used to complete Scoping Study on the oxidized ore for heap leach gold production and resource drilling on the Mt Coolon Gold Project.**

GBM Resources (“GBM” or “the Company”) (**ASX: GBZ**) is pleased to announce a pro rata non-renounceable rights issue (“Entitlement Issue”) to raise up to approximately A\$1.4 million to progress the evaluation and development of its 100% owned Mt Coolon Gold Project, located 250km west of Mackay in Queensland in the northern Drummond Basin.

The Company is offering existing eligible shareholders an opportunity to participate in a non-renounceable pro-rata Entitlement Issue on the basis of one (1) new share for every six (6) held at the Record Date at an issue price of 1.5 cents per share (**Offer**) to raise up to \$1,394,735 (before costs).

Pursuant to the Entitlement Issue, the Company will issue up to 92,982,354 new fully paid ordinary shares (**New Shares**) to shareholders recorded on the Company’s register of shareholders on the record date as at 5.00pm (WST) of 24 November 2015. The Offer is not underwritten.

Shareholders who apply for their full entitlement may also apply to participate in any shortfall available under the Entitlement Issue. Any shortfall will be placed at the discretion of the Directors.

The New shares will be fully paid and will rank equally with the Company’s existing issued Shares.

ASX Code: GBZ

### COMPANY DIRECTORS

**Peter Thompson**  
Managing Director/ Executive Chairman

**Neil Norris**  
Exploration Director – Executive

**Frank Cannavo** – Non-Executive Director

**Tan Hung Seng**  
Non-Executive Director

### CONTACT DETAILS

**Principal & Registered Office**  
Suite 8, 7 The Esplanade,  
Mt Pleasant, WA 6153

**Exploration Office**  
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Castlemaine, Victoria 3450

**Website**  
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**Email**  
[info@gbmr.com.au](mailto:info@gbmr.com.au)

**Phone**  
+61 (8) 9316 9100

**Fax**  
+61 (8) 9315 5475

**Phone (Exploration Office)**  
+61 (3) 5470 5033



## Use of Proceeds

The funds raised from the Entitlement Issue will be applied to:

1. Complete a scoping study which will evaluate the potential to develop a heap leach gold mine based initially on oxide resources in the Eugenia and Bimurra Prospect areas. The scoping study will include additional drilling to convert part of the Bimurra exploration target (refer ASX release 21 September 2015) to resource category. Metallurgical testwork on material from both prospects and mining studies will also be included along with an overview of environmental, groundwater, cultural heritage and community matters.
2. Target extensions at the Koala Deposit which has Indicated Resources of 205,000 tonnes grading 5.9g/t for 39,600 ounces of gold, and the Glen Eva pit which has an Indicated Resource of 132,000 tonnes grading 7.8g/t for 33,000 ounces (refer ASX release 27 August 2015).

The Company believes these targeted deposits have high potential to achieve gold production in the short to median term.

## Key dates

With respect to the Entitlement Issue, the Company will accept applications until **5.00pm WST on Thursday , 17 December 2015** or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable law.

An indicative timetable for the Entitlement Issue is as follows:

<b>Lodgement of Prospectus with ASIC and ASX</b>	<b>Wednesday, 18 November 2015</b>
<b>Notice sent to Option holders</b>	<b>Wednesday, 18 November 2015</b>
<b>Notice sent to Shareholders</b>	<b>Wednesday, 18 November 2015</b>
<b>Ex-Date</b>	<b>Friday, 20 November 2015</b>
<b>Record Date for determining Entitlements</b>	<b>Tuesday, 24 November 2015</b>
<b>Prospectus dispatched to Shareholders</b>	<b>Friday, 27 November 2015</b>
<b>Closing Date*</b>	<b>Thursday, 17 December 2015</b>
<b>Shares quoted on a deferred settlement basis</b>	<b>Friday, 18 December 2015</b>
<b>Notify ASX and of under-subscriptions</b>	<b>Monday, 21 December 2015</b>
<b>Despatch date/Shares entered into Shareholders' security holdings</b>	<b>Wednesday, 23 December 2015</b>
<b>Date of despatch of holding statements</b>	<b>Wednesday, 23 December 2015</b>

\* The Dates set out are subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable law, to amend this timetable.

A Prospectus and an Appendix 3B with respect to the Entitlement Issue follows.

Project	Location	Resource Category									Total			Cut-off
		Measured			Indicated			Inferred			000' t	Au g/t	Au ozs	
		000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs	000' t	Au g/t	Au ozs				
Koala	Hecorina Pit				15	2.6	1,300				15	2.6	1,300	None
	Underground Extension				205	5.9	39,600	62	5.3	10,600	267	5.7	49,300	3
	Tailings	305	1.6	15,800	11	1.6	500	6	1.5	300	322	1.6	16,700	None
	<b>Total</b>	<b>305</b>	<b>1.6</b>	<b>15,800</b>	<b>231</b>	<b>5.5</b>	<b>40,400</b>	<b>68</b>	<b>5.0</b>	<b>10,900</b>	<b>604</b>	<b>3.5</b>	<b>67,200</b>	<b>0</b>
Eugenia	Oxide				1,445	0.9	43,300	252	1.2	9,700	1,698	1.0	53,000	0.4
	Sulphide				2,306	0.9	66,100	1,007	1.4	45,200	3,313	1.04	111,300	0.4
	<b>Total</b>				<b>3,751</b>	<b>0.9</b>	<b>109,400</b>	<b>1,260</b>	<b>1.4</b>	<b>54,900</b>	<b>5,011</b>	<b>1.0</b>	<b>164,300</b>	<b>0.4</b>
Glen Eva	Below pit.				132	7.8	33,200	21	5.9	4,000	154	7.5	37,200	3.0
<b>Total</b>		<b>305</b>	<b>1.6</b>	<b>15,800</b>	<b>4,114</b>	<b>1.4</b>	<b>183,000</b>	<b>1,349</b>	<b>1.6</b>	<b>69,800</b>	<b>5,769</b>	<b>1.4</b>	<b>268,600</b>	

Table; Mount Cooloon Gold Mines Global Resource Summary August 2015. Please note rounding (1000's tonnes, 100's ounces, 0.1 g/t) may cause minor variations to totals. Refer ASX release 27 August 2015.

For further information please visit [www.gbmr.com.au](http://www.gbmr.com.au) or contact:

**Investors:**

Peter Thompson  
Managing Director  
GBM Resources  
Tel: +61 8 9316 9100

**Media:**

Karen Oswald  
Marko Communications  
Tel: + 0423 602 353  
Karen.oswald@markocommunications.com.au

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Neil Norris, who is a Member of The Australasian Institute of Mining and Metallurgy and The Australasian Institute of Geoscientists. Mr Norris is a full-time employee of the company, and is a holder of shares and options in the company. Mr Norris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the respective announcements and all material assumptions and technical parameters underpinning the resource estimate with those announcements continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.



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## ENTITLEMENT ISSUE PROSPECTUS

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For a pro rata non-renounceable entitlement issue of one (1) Shares for every six (6) Shares held by Shareholders at the Record Date at an issue price of \$0.015 per Share to raise approximately \$1,394,735 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Issue**).

The Entitlement Issue is not underwritten.

**This offer closes at 5.00pm WST on 17<sup>th</sup> December 2015 unless extended. Valid acceptances must be received before that date.**

### **IMPORTANT NOTICE**

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

The Shares offered by this Prospectus should be considered as speculative.

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## 1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

### Timetable and important dates\*

<b>Lodgement of Prospectus with ASIC and ASX</b>	<b>18<sup>th</sup> November 2015</b>
<b>Notice sent to Shareholders</b>	<b>18<sup>th</sup> November 2015</b>
<b>Ex Date</b>	<b>20<sup>th</sup> November 2015</b>
<b>Record Date for determining Entitlements</b>	<b>5pm (WST) 24<sup>th</sup> November 2015</b>
<b>Prospectus dispatched to Shareholders</b>	<b>27<sup>th</sup> November 2015</b>
<b>Closing Date*</b>	<b>5pm (WST) 17<sup>th</sup> December 2015</b>
<b>Shares quoted on a deferred settlement basis</b>	<b>18<sup>th</sup> December 2015</b>
<b>Notify ASX of under-subscriptions</b>	<b>21<sup>st</sup> December 2015</b>
<b>Despatch date/Shares entered into Shareholders' security holdings</b>	<b>23<sup>rd</sup> December 2015</b>
<b>Date of despatch of holding statements</b>	<b>23<sup>rd</sup> December 2015</b>

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

### IMPORTANT NOTES

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

This Prospectus is dated 18<sup>th</sup> November 2015 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX and their respective officers take no responsibility for the content of this Prospectus or the merits of the investment decision to which this Prospectus relates.

The expiry date of the Prospectus is 5:00pm WST on the date which is 13 months after the date this Prospectus was lodged with the ASIC (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

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

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

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

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, the United Kingdom, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia, New Zealand, the United Kingdom, Hong Kong or Singapore (refer section 4.10).

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

## RISK FACTORS

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

## DETAILS OF SUBSTANTIAL HOLDERS

Based on publically available information as at 18<sup>th</sup> November 2015 those persons having a relevant interest in 5% or more of the Shares on issue are as follows

Shareholder	No. of shares	%
DGO Gold Limited	50,000,000	8.96%

For further information on these substantial holders and the effect that the Offer will have on them, please refer to section 4.7 of the Prospectus.

## ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at <http://www.gbmr.com.au>. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

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

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## 2. CORPORATE DIRECTORY

### Directors

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**Mr Peter Thompson**

Executive Chairman

**Mr Neil Norris**

Executive Director

**Mr Hung Seng Tan**

Non-Executive Director

**Mr Frank Cannavo**

Non-Executive Director

### Company Secretary

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Mr Kevin Hart

### Registered Office

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Suite 8, 7 The Esplanade  
MT PLEASANT WA 6153

Telephone: +61 8 9316 9100

Facsimile: +61 8 9315 5475

### Share Registry\*

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Advanced Share Registry Services

150 Stirling Highway

Nedlands WA 6009

### Website

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[www.gbmr.com.au](http://www.gbmr.com.au)

### Solicitors\*

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Steinepreis Paganin

Lawyers and Consultants

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

### Auditors\*

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HLB Mann Judd

Level 4, 130 Stirling Street

PERTH WA 6000

Telephone: +61 8 9227 7500

Facsimile: + 61 8 9227 7533

### ASX Code

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GBZ

### General Enquiries

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Telephone: +61 8 9316 9100

\*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

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### 3. CHAIRMAN'S LETTER

Dear Shareholder

The Board is pleased to offer Shareholders the opportunity to participate in a one for six non-renounceable entitlement issue of Shares.

All Eligible Shareholders registered as at 5.00 pm (WST) on 24<sup>th</sup> November 2015 will be entitled to participate in the pro-rata non-renounceable entitlement issue of Shares on the basis of one (1) Share for every six (6) Shares then held (**Offer**) at an issue price of 1.5 cents per Share. The pricing has been set at 1.5 cents to provide an opportunity for all Shareholders to participate in the Entitlement Issue. The issue price represents a 48% discount to the last traded share price prior of 2.9 cents, and a 41% discount to the 15 day VWAP based on the 15 days that trades in the Company's shares actually occurred, immediately prior to the date of this Prospectus.

The Company intends to use the funds raised under this Prospectus to undertake project and exploration programs at the Company's Mt Coolon Gold Project and to provide working capital to the Company.

The Board takes this opportunity to thank all Shareholders for their support and looks forward to your continued support in the future.

Yours faithfully

**MR PETER THOMPSON**  
**CHAIRMAN**

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## 4. DETAILS OF THE OFFER

### 4.1 Offer

By this Prospectus, the Company offers for subscription approximately 92,982,354 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of one (1) new Share for every six (6) Shares held at the Record Date at an issue price of \$0.015 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company, the maximum number of Shares to be issued pursuant to the Offer is approximately 92,982,354 Shares (subject to rounding). The Offer will raise up to approximately \$1,394,735 before the costs of the Offer. The purpose of the Offer and the use of funds raised are set out in Section 5.1 of this Prospectus.

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

### 4.2 How to accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement **in full**:
  - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
  - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form or pay via BPAY® by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPAY®); or
- (b) if you only wish to accept **part** of your Entitlement:
  - (iii) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (iv) attach your cheque for the appropriate application monies (at \$0.018 per Share) or pay via BPAY® by following the instructions set out on the Entitlement and Acceptance Form (Applicants should ensure they include their reference number if paying by BPAY®); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

### 4.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**GBM Resources Limited – Entitlement Issue Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

### 4.4 Payment by BPAY®

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

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

**It is your responsibility to ensure that your BPAY® payment is received by the Company's share registry by no later than 3.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.**

#### **4.5 Minimum subscription**

There is no minimum subscription for the Offer.

#### **4.6 Shortfall Offer**

Any Entitlement not taken up by Eligible Shareholders may become available as Shortfall Shares which may be placed by the Company (**Shortfall Offer**). It is possible that there will be few or no Shortfall Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders.

The Shortfall Offer is a separate offer and will remain open for up to 3 months after the close of the Offer. Shortfall Shares will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer, being \$0.015.

It is at the Company's discretion as to whether the Shortfall Shares applied for under this Prospectus are issued. There is therefore no guarantee that in the event that Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In relation to the Shortfall Offer, the Company reserves the right to (i) issue to an Applicant a lesser number of Shortfall Shares than the number applied for; (ii) reject an application for Shortfall Shares; or (iii) not proceed with the issuing of all or part of the Shortfall Shares. There is therefore no guarantee that Eligible Shareholders will receive the Shortfall Shares applied for. If the number of Shortfall Shares is less than the number applied for, surplus application monies will be refunded without interest.

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shortfall Shares by:

- (a) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate application monies for both the Entitlement and the Shortfall Shares applied for; or
- (b) by paying the appropriate application monies for both the Entitlement and the Shortfall Shares applied for via BPAY® using the BPAY® code and personalised reference number indicated on the Entitlement and Acceptance Form.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

#### **4.7 Potential impact of offer on control of the Company**

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to approximately 14.3% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holding if Offer not taken up	% post Offer
Shareholder 1	50,000,000	8.96%	8,333,334	50,000,000	7.68%
Shareholder 2	10,000,000	1.79%	1,666,667	10,000,000	1.54%
Shareholder 3	5,000,000	0.90%	833,334	5,000,000	0.77%
Shareholder 4	1,000,000	0.18%	166,667	1,000,000	0.15%
Shareholder 5	100,000	0.02%	16,667	100,000	0.02%

Notes:

- The dilutionary effect shown in the table is the maximum percentage on the assumption that the full amount is raised under this Prospectus. In the event the full amount is not raised, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The maximum number of Shares which will be issued pursuant to the Offer is 92,982,354. This equates to approximately 14.3% of all the issued Shares in the Company following completion of the Offer, assuming all entitlements are taken up.

#### 4.8 ASX Listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

#### 4.9 Allotment of Shares

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date and in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

#### 4.10 Overseas Shareholders

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

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and

observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

#### **4.11 Foreign offer restrictions**

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

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

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

This Offer does not constitute an offer in the United States of America or Canada, nor does it constitute an offer to a person who is a US or Canadian Person or someone who is acting on behalf of a US or Canadian Person.

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

The Company in its absolute discretion, reserves the right to determine whether a Shareholder outside of Australia, New Zealand, the United Kingdom or Singapore has complied to be eligible and able to participate in the Offer.

#### **Disclosures for New Zealand**

New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law required to contain.

In accordance with the Securities Act (Overseas Companies) Exemption Notice 2013 (NZ), a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares is not eligible to participate in this Offer.

#### **Disclosures for the United Kingdom**

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons

(other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

### **Disclosures for Hong Kong**

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **Disclosures for Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### **4.12 Currency Risk**

The Offer may involve a currency exchange risk. The currency in which the Shares are denominated is Australian dollars. The value of the Shares will go up and down according to changes in the exchange rate between that currency and currencies in foreign jurisdictions. These changes may be significant.

#### **4.13 Taxation Implications**

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

#### **4.14 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because

the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

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

#### **4.15 Privacy**

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

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

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

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

#### **4.16 Enquiries**

Any questions concerning the Offer should be directed to Kevin Hart, Company Secretary, on +61 8 9316 9100.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,394,735 (before expenses). The proceeds of the Offer are planned to be used in accordance with the table set out below (which assumes that the Offer is fully subscribed):

Proceeds of the Offer	\$
Exploration programs at Mt Coolon	400,000
Scoping study at Mt Coolon	550,000
Holding and tenement access costs	230,000
Working Capital	184,418
Expenses of the Offer	30,317
<b>Total</b>	<b>1,394,735</b>

#### Notes:

<sup>1</sup> Refer to Section 8.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

To the extent that the funds raised are less than fully subscribed, the Directors will determine the most appropriate level of expenditure by category and project area, however the shortfall will be deducted on a proportionate basis, after meeting the expenses of the Offer. Given the inherent uncertainties associated with exploration programs, budgets may be altered to accommodate the results of exploration activities as they come to hand.

**The expenditures shown above may be subject to change, and will be contingent upon results, circumstances and other opportunities. The Board reserves the right to alter the way that funds are applied on this basis. The Directors are of the opinion that, on completion of the Offer, there will be sufficient working capital for the Company to meet its stated objectives. It is the Directors' intention to seek to place a sufficient number of the Shortfall Shares under the Shortfall Offer to raise the full subscription amount of approximately \$1.39 million.**

### 5.2 Effect of the Offer

The principal effect of the Offer, assuming all Shares offered under the Offer are issued, will be to:

- (a) increase the cash reserves by up to approximately \$1,364,418 immediately after completion of the Offer after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 557,894,121 to approximately 650,876,475 Shares following completion of the Offer.

### 5.3 Consolidated and Pro-Forma Balance Sheets

The audited balance sheet as at 30 June 2015 and the unaudited pro forma balance sheet as at 30 September 2015 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

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

## Consolidated Balance Sheet and Pro Forma Balance Sheet

	Notes	30 June 2015	30 September 2015	Pro-forma
		(Audited)	(Unaudited)	30 September 2015
				(unaudited)
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	(i)	1,107,721	828,368	2,192,786
Trade and other receivables		123,655	10,500	10,500
<b>TOTAL CURRENT ASSETS</b>		<b>1,231,376</b>	<b>838,868</b>	<b>2,203,286</b>
<b>NON-CURRENT ASSETS</b>				
Bonds and security deposits		411,857	411,857	411,857
Plant and equipment		205,171	205,171	205,171
Exploration and evaluation costs		10,355,613	10,561,598	10,561,598
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,972,641</b>	<b>11,178,626</b>	<b>11,178,626</b>
<b>TOTAL ASSETS</b>		<b>12,204,017</b>	<b>12,017,494</b>	<b>13,381,912</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		616,596	438,655	438,655
<b>TOTAL CURRENT LIABILITIES</b>		<b>616,596</b>	<b>438,655</b>	<b>438,655</b>
<b>NON-CURRENT LIABILITIES</b>				
Rehabilitation provision		396,054	396,054	396,054
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>396,054</b>	<b>396,054</b>	<b>396,054</b>
<b>TOTAL LIABILITIES</b>		<b>1,012,650</b>	<b>834,709</b>	<b>834,709</b>
<b>NET ASSETS</b>		<b>11,191,367</b>	<b>11,182,785</b>	<b>12,547,203</b>
<b>EQUITY</b>				
Issued capital	(ii)	27,372,099	27,372,099	28,736,517
Accumulated Losses		(16,904,465)	(16,913,047)	(16,913,047)
Reserves		723,733	723,733	723,733
<b>TOTAL EQUITY</b>		<b>11,191,367</b>	<b>11,182,785</b>	<b>12,547,203</b>

Notes and Assumptions	\$
(i) Cash and cash equivalents	
Cash and cash equivalents as at 30 September 2015	828,368
Capital raised from entitlement issue	1,394,735
Costs of Offer	(30,317)
	<b>2,192,786</b>
(ii) Issued capital	
Issued capital as at 30 September 2015	27,372,099
Capital raised from entitlement issue	1,394,735
Costs of Offer	(30,317)
	<b>28,736,517</b>

### The key assumptions on which the pro-forma balance sheet is based are as follows:

- The audited 30 June 2015 balance sheet has been adjusted for actual transactions to 30 September 2015.
- The Company issues 92,982,354 shares at \$0.015 per share pursuant to the Offer. The issue will raise approximately \$1,394,735 before costs.
- The Company incurs transaction costs of \$30,317 for the issue under the Offer which have been recognised directly against the share capital, as a reduction of the proceeds of the Offer.
- The accounting policies adopted in the preparation of the pro forma balance sheet are consistent with the accounting policies adopted and described in the Company's Financial Report for the year ended 30 June 2015 and should be read in conjunction with that Financial Report.
- The Company suffers no materially adverse event.

#### 5.4 Effect on capital structure on completion of the Offer and Placement

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

<b>Shares</b>	<b>Number</b>
Shares on issue at date of Prospectus	557,894,121
Shares issued pursuant to the Offer	92,982,354
<b>Total Shares on issue after completion of the Offer</b>	<b>650,876,475</b>

<b>Options</b>	<b>Number</b>
Options on issue at date of Prospectus	177,746,562
Options issued pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>177,746,562</b>

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## **6. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES**

### **6.1 Terms of Shares**

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

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

#### **(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:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each 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 any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The dividend shall be payable on all shares in accordance with the Corporations Act.

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

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

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

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted securities and which are subject to escrow restrictions at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

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

(g) **Changes to Capital Structure**

The Company may by ordinary resolution and subject to the Corporations Act and the Listing Rules:

- (i) increase its share capital by the issue of new shares of such amount as is specified in a resolution;
- (ii) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (iii) sub-divide all or any of its shares into shares of smaller amount than is fixed by the Constitution, but so that in the sub-division the proportion between the amount paid and the amount (if any) unpaid on each such share of a smaller amount is the same as it was in the case of the share from which the share of a smaller amount is derived; and
- (iv) cancel shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or have been forfeited and reduce its share capital by the amount of the shares so cancelled.

(h) **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.

(i) **Alteration of constitution**

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

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## **7. RISK FACTORS**

### **7.1 Introduction**

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

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

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

### **7.2 Risks Specific to the Company**

#### ***Potential for significant dilution***

Upon implementation of the Offer, assuming all Entitlements are accepted, the number of Shares in the Company will increase from 557,894,121 to 650,876,475. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last trading price of Shares on ASX prior to this prospectus being lodged of \$0.029 is not a reliable indicator as to the potential trading price of shares after implementation of this Offer.

#### ***Additional Requirements for Capital***

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through 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 there can be no assurances that the Company 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 the Company, or at all. Any additional equity financing may be dilutive to 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 obtain additional financing as required, it may have to reduce the scope of its operations and scale back its exploration programmes as the case may be.

Shareholders should note that the Audited Financial Report of the Company for the year ended 30 June 2015 has been prepared on a going concern basis. However, the ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company successfully exploiting the investments and mining projects owned by the Company and/or the raising of further equity and/or loan capital. In the event that the Company is not successful in raising further funds, the realisable value of the entity's non-current assets may be significantly less than their current carrying values and the Company may not be able to continue in its present form.

The Company's failure 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.

### ***Exploration Success***

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The exploration tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. In addition, the resources may become depleted, resulting in a reduction of the value of those tenements.

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

### ***Reliance on Key Management***

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

### ***Further risks specific to the Company***

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- (a) geological conditions;
- (a) alteration to exploration and production programmes and budgets;
- (b) unanticipated operational and technical difficulties;
- (c) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (d) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (e) prevention or restriction of access by reason of political unrest, outbreak of hostilities or inability to obtain consents or approvals (including access agreements entered into with Native Title claimants); and
- (f) uninsured losses or liabilities.

## **7.3 General Risks**

### ***Economic Risks***

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

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

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

### ***Share Market Conditions***

There are general risks associated with any investment in the share market. The market price of the Shares 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.

### ***Operating Risks***

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

### ***Environmental Risks***

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and extraction operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

### ***Title Risks and Native Title***

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

## **7.4 Investment Speculative**

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

New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

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## 8. ADDITIONAL INFORMATION

### 8.1 Continuous Disclosure Obligations

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

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

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

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

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the financial statements of the Company for the financial year ended 30 June 2015 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2015 lodged with ASIC before the issue of this Prospectus; and
  - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

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

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

<b>Date</b>	<b>Description of Announcement</b>
30 October 2015	Quarterly Activities Report and Appendix 5B
29 October 2015	Corporate Governance Statement and Appendix 4G
29 October 2015	2015 Annual Report
22 October 2015	Notice of Annual General Meeting
6 October 2015	Commencement of Drilling at Mt Margaret West

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

The announcements are also available through the Company's website [www.gbmr.com.au](http://www.gbmr.com.au).

## 8.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

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

### **Security holdings**

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

<b>Director</b>	<b>Shares</b>	<b>Entitlement</b>	<b>\$ Payable for Entitlement</b>
Peter Thompson	9,862,582	1,643,764	\$24,656
Neil Norris	9,550,000	1,591,667	\$23,875
Hun Seng Tan	16,000,000	2,666,667	\$40,000
Frank Cannavo	-	-	-

The Board recommends all Shareholders take up their Entitlement.

## Remuneration

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

The Company paid the current Directors remuneration for the year ended 30 June 2015, a total amount of \$599,606.

The table below sets out the actual annual remuneration payable to the current Directors for the current financial year to date, inclusive of superannuation, directors' fees and consultancy fees.

Director	2015-16 Financial Year to Date (Actual) \$	Financial Year Ended 30 June 2015 (Actual) \$
Peter Thompson <sup>2</sup>	33,985	227,212
Neil Norris <sup>2</sup>	32,617	223,225
Hun Seng Tan <sup>2</sup>	24,000	16,000
Frank Cannavo <sup>1,2</sup>	6,000	133,169

<sup>1</sup> Mr Cannavo was paid pursuant to an executive services agreement from 5 August 2014 to 15 April 2015. From 15 April 2015 he has been engaged as a non-executive director.

<sup>2</sup> The Company's directors have taken reduced remuneration during the year to date in relation to the ongoing management of the Company's cash resources.

In addition, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

### 8.3 Interests of Experts and Advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or

(f) the Offer,

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

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin have acted as solicitors to the Company in respect of this Prospectus. Steinepreis Paganin will be paid approximately \$5,000 (excluding GST) for services in relation to this Prospectus. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid an amount of \$72,343 for legal services provided to the Company.

#### 8.4 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibilities for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) HLB Mann Judd has given its written consent to being named as the auditors to the Company in this Prospectus and the inclusion of the audited figures in Section 5.3. HLB Mann Judd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

#### 8.5 Legal proceedings

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

#### 8.6 Estimated expenses of Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$30,317 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,320
ASX fees	5,997
Legal and professional expenses	10,000
Printing and Distribution	12,000
<b>Total</b>	<b>30,317</b>

## **8.7 Market Price of Shares**

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

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

Highest: \$0.033 on 9 September 2015

Lowest: \$0.02 on 27 August 2015 and 3 November 2015

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.029 on 17 November 2015.

## **8.8 Electronic Prospectus**

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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

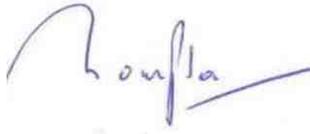
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**9. DIRECTORS' CONSENT**

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

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

Dated the 18<sup>th</sup> day of November 2015

A handwritten signature in blue ink, appearing to read 'P. Thompson', with a long horizontal stroke extending to the right.

**Mr Peter Thompson  
Executive Chairman  
GBM Resources Limited**

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## 8 DEFINITIONS

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

**ASIC** means the Australian Securities and Investments Commission.

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

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

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

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

**Closing Date** means the closing date of the Offer, being 5:00pm (WST) on 17<sup>th</sup> December 2015 (unless extended).

**Company** means GBM Resources Limited (ACN 124 752 745).

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

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

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

**Dollar** or "\$" means Australian dollars.

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

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

**Issue** means the issue of Shares offered by this Prospectus.

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

**New Share** means a Share offered under the Offer or the Shortfall Offer.

**Offer** means the offer pursuant to this Prospectus of one (1) new Share for every six (6) Shares held by a Shareholder on the Record Date to raise approximately \$1,394,735.

**Official List** means the official list of ASX.

**Prospectus** means this prospectus.

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

**Record Date** means 5:00pm (WST) on 24<sup>th</sup> November 2015.

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

**Shareholder** means a shareholder of the Company.

**Shortfall Offer** means the offer of the Shortfall Shares under this Prospectus on the terms set out in Section 4.6.

**Shortfall Application Form** means the shortfall application form for the Shortfall Shares.

**Shortfall Shares** means those Shares to be issued pursuant to the Shortfall Offer.

**VWAP** means volume weighted average market price.

**WST** means Western Standard Time.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

GBM Resources Limited

ABN

91 124 752 745

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary fully paid shares                  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Up to 92,982,354 (depending on acceptances) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) |   |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>1.5 cents per share</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares to be issued pursuant to a non-renounceable entitlement offer announced to ASX on 18 November 2015.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/a</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>N/a</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/a</p>

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+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil							
6f	Number of securities issued under an exception in rule 7.2	Up to 92,982,354 (depending on acceptances)							
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/a							
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/a							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/a							
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	To be confirmed							
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Up to 650,876,475 (depending on acceptances)</td> <td style="vertical-align: top;">Ordinary shares (GBZ)</td> </tr> <tr> <td style="vertical-align: top;">177,746,562</td> <td style="vertical-align: top;">Options exercisable at 3.5 cents each and expiring 30 June 2016 (GBZO)</td> </tr> </tbody> </table>	Number	+Class	Up to 650,876,475 (depending on acceptances)	Ordinary shares (GBZ)	177,746,562	Options exercisable at 3.5 cents each and expiring 30 June 2016 (GBZO)	
Number	+Class								
Up to 650,876,475 (depending on acceptances)	Ordinary shares (GBZ)								
177,746,562	Options exercisable at 3.5 cents each and expiring 30 June 2016 (GBZO)								

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/a

**Part 2 - Bonus issue or pro rata issue**

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 new share for every 6 existing shares
14	+Class of +securities to which the offer relates	Ordinary fully paid shares (GBZ)
15	+Record date to determine entitlements	24 November 2015
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Entitlements will be rounded up
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.            Cross reference: rule 7.7.</small>	All countries with the exception of Australia, New Zealand, Singapore, Hong Kong and the United Kingdom.
19	Closing date for receipt of acceptances or renunciations	17 December 2015
20	Names of any underwriters	Not underwritten

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+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	N/a
22	Names of any brokers to the issue	N/a
23	Fee or commission payable to the broker to the issue	N/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/a
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	27 November 2015
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	18 November 2015
28	Date rights trading will begin (if applicable)	N/a
29	Date rights trading will end (if applicable)	N/a
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/a
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/a
33	+Despatch date	23 December 2015

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Securities described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in  
all respects from the date of  
allotment with an existing +class  
of quoted +securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next  
dividend, (in the case of a  
trust, distribution) or interest  
payment
- the extent to which they do  
not rank equally, other than in  
relation to the next dividend,  
distribution or interest  
payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end  
of restriction period

(if issued upon conversion of  
another security, clearly identify  
that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company secretary

Date: 18 November 2015

Print name:

Kevin Hart

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+ See chapter 19 for defined terms.