

# TRAFFORD RESOURCES LIMITED

## ACN 112 257 299

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## PROSPECTUS

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For an offer of up to two (2) free quoted Options exercisable at \$0.10 each, expiring 16 February 2015, on the basis of one (1) free Option for every one (1) Shares subscribed for by investors under the SPP (**SPP Offer**) at the time of application and one (1) additional quoted Option (**Bonus Option**) issued to investors who participate in the SPP and who retain their full entitlement of shares at a date eighty (80) days after the allotment of their shares applied for via the SPP.

And

For an offer of up to 1,714,288 free quoted Options exercisable at \$0.10 each, expiring 16 February 2015, on the basis on the basis of one (1) free Option for every one (1) Shares subscribed for by Related Parties under the SPP (**Related Party Offer**) at the time of application and one (1) additional quoted Option (**Bonus Option**) issued to Related Parties who participate in the SPP and who retain their full entitlement of shares at a date eighty (80) days after the allotment of their shares applied for via the SPP.

The offers are conditional upon the Company obtaining Shareholder approval at a shareholder meeting scheduled for 7 July 2014 for which a notice of meeting was despatched on or about 6 June 2014. Refer to section 3.1 for further details.

### IMPORTANT NOTICE

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

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

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## 1. SUMMARY OF IMPORTANT DATES AND INFORMATION

### 1.1 Timetable\*

Event	Date (WST)
SPP Record Date	21 May 2014
Prospectus lodged with ASIC	22 May 2014
SPP and Offers open	29 May 2014
SPP and Prospectus dispatched to Shareholders	3 June 2014
SPP and Offers Closing Date**	27 June 2014
Issue of Shares pursuant to the SPP and Prospectus	30 June 2014
Trading commences for Shares pursuant to the SPP and Prospectus	3 July 2014
General Meeting of Shareholders	7 July 2014
Issue of Options pursuant to the SPP and Prospectus	7 July 2014
Trading commences for Options pursuant to the SPP and Prospectus	7 July 2014
Bonus Options Determination Date	17 September 2014
Bonus Options Allotment Date	22 September 2014

\*These dates are indicative only and may change without prior notice.

\*\*SPP Subscribers should ensure that they have lodged their Acceptance Form by this date for Options to be issued under the SPP Offer.

### 1.2 Important Notes

This Prospectus is dated 22 May 2014 and was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 5.00pm (WST) on the date that is 13 months after the date of this Prospectus (Expiry Date). No Options will be granted on the basis of this Prospectus after the Expiry Date.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Application Form.

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.

This Prospectus is a transaction specific prospectus for an offer of options to acquire 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 a full form prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably

be expected to be known to investors and professional advisers whom potential investors may consult.

### **1.3 Risk Factors**

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of the 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 Options in the future.

### **1.4 Electronic Prospectus**

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

The Corporations Act prohibits any person passing onto another person an Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any Subscriber may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary on +61 8 9485 1040.

### **1.5 Foreign Jurisdictions**

This Prospectus 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. Subscribers who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus may not be released or distributed outside Australia, except to persons who subscribed for shares under the SPP who are resident in New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

## 1.6 New Zealand

The Options are not being offered or sold to the public within New Zealand, other than in relation to the SPP Offer, which is being made to existing shareholders of the Company with registered addresses in New Zealand and to whom the offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

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## 2. CORPORATE DIRECTORY

### Directors

Ian D. Finch  
*Managing Director*

Mark Le Grange  
*Executive Director*

Neil W. McKay  
*Non Executive Director*

Dr. Allan Trench  
*Non Executive Director*

### Joint Company Secretaries

Neil W. McKay  
Pragiyugi Gouw

### Registered Office

Level 2  
679 Murray Street  
WEST PERTH WA 6005

Telephone: (08) 9485 1040  
Facsimile: (08) 9485 1050  
Email: [admin@traffordresources.com](mailto:admin@traffordresources.com)  
Website: [www.traffordresources.com](http://www.traffordresources.com)

### Share Registry\*

Advanced Share Registry Ltd  
110 Stirling Highway  
NEDLANDS WA 6009

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

### Solicitors\*

Hunt & Humphry  
15 Colin Street  
WEST PERTH WA 6005

### Auditor\*

Bentleys  
Level 1  
12 Kings Park Road  
WEST PERTH WA 6005

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

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### 3. DETAILS OF THE OFFER

#### 3.1 Background

Trafford is offering Eligible Shareholders the opportunity to subscribe under a share purchase plan (**SPP**) for up to \$15,000 worth of Shares at the price of \$0.07 per Share, to raise up to approximately \$1,250,000. The minimum application under the SPP is \$1,500.

Eligible Shareholders who subscribe to the SPP (**SPP subscribers**), are also being offered subject to Shareholder approval, one (1) free attaching Option for every one (1) Share subscribed for. In addition subject to Shareholder approval, all Shareholders who participate in the SPP and who retain their full entitlement of shares at a date eighty (80) days after the allotment of their shares applied for via the SPP shall be entitled to receive, at no cost, one (1) additional option for each option allotted to them in accordance with the SPP and this Prospectus on the same terms and conditions as those options. In summary each bonus option issued shall have an exercise price of 10 cents and expiry date of 16 February 2015. Application will be made for the Bonus Option to be granted quotation. The offer of these Options (the **SPP Offer**) is being made in this Prospectus.

Trafford is proposing, subject to Shareholder approval, to issue up to 857,144 Shares to the Directors or their nominees (**Related Parties**) at an issue price of \$0.07 per Share to raise approximately \$60,000 (**Related Party Issue**) together with the free attaching Option for every one (1) Share issued to the Related Parties. In addition any Related Parties who participate in the SPP and retain their full entitlement of shares at a date eighty (80) days after the allotment of their shares applied for via the SPP shall be entitled to receive, at no cost, one (1) additional option for each option allotted to them in accordance with the SPP and this Prospectus. The offer of these Options to the Related Parties (**Related Party Offer**) is being made under this Prospectus.

The Offers are conditional on the Company obtaining Shareholder approval for the grant of Options. The Company has scheduled a Shareholder meeting for 7 July 2014 to obtain this approval (amongst other things). If Shareholder approval is not obtained in relation to particular Options, those Options will not be granted under this Prospectus.

The Options exercisable at \$0.10 each and having an expiry date of 16 February 2015 and otherwise on the terms set out in Section 5.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.



### 3.2 The Offers

By this Prospectus, the Company makes the following offer of Options:

**SPP Offer:** an offer of up to 35,714,286 Options to SPP Subscribers on the basis of one (1) free attaching Option for every one (1) Shares subscribed for under the SPP (17,857,143 Options) and a further 17,857,143 Options to be allotted eighty-five (85) days after the allotment of shares applied for via the SPP if the Shares are retained in full after eighty (80) days. Fractional entitlements will be rounded up to the nearest whole number; and

**Related Party Offer:** an offer of up to 1,714,288 Options to the Related Parties the basis of one (1) free attaching Option for every one (1) Shares subscribed for under the SPP (857,144 Options) and a further 857,144 Options to be allotted eighty-five (85) days after the allotment of shares applied for via the SPP if the Shares are retained in full after eighty (80) days. Fractional entitlements will be rounded up to the nearest whole number

### 3.3 Minimum Subscription

There is no minimum subscription under the Offers.

### 3.4 Offer Period

The Offers will open on 29 May 2014 (**Opening Date**) and are anticipated to close on 27 June 2014 (**Closing Date**).

The Company anticipates allocating Options at the same time as it completes the issue of Shares for the SPP.

SPP Subscribers who have applied for Shares pursuant to the SPP should ensure that they have lodged their Acceptance Form in relation to the relevant Options **no later than 5.00pm (WST) 27 June 2014**.

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

### 3.5 Acceptance

Completed Application Forms must be mailed or delivered to the Company at the below address.

Trafford Resources Limited  
C/- Advanced Share Registry  
PO Box 1156, Nedlands WA 6909

A Subscriber's acceptance may only accept the Offer on the basis of one (1) Option for every one (1) Share subscribed for pursuant to the SPP.

The Offers are non-renounceable. Accordingly, a Subscriber may not sell or transfer all or part of their entitlement.

### **3.6 No Shortfall**

The Company will not make a shortfall offer of any Options not subscribed for under this Prospectus.

### **3.7 No Underwriting**

The Offers are not underwritten.

### **3.8 ASX Quotation**

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus.

If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, or such period as varied by the ASIC, the Company will deal with Application Forms that have not resulted in the grant of Options in accordance with the Corporations Act (which provides for investors to be given a one month right to withdraw their acceptance of the Offer) and any Options that have been granted will be void.

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

### **3.9 Allotment**

Options subscribed for under the Offers will be allotted in accordance with the timetable set out at the commencement of this Prospectus.

Holding statements for Options granted under the Offers will be mailed as soon as reasonably practicable after the Options are granted.

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

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

Instead of option certificates, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options 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.

### **3.11 Enquiries**

Any questions concerning the Offers should be directed to the Joint Company Secretaries Mr Neil McKay or Mr. Pragyugi Gouw on (+61 8) 9485 1040. If you have any questions concerning the Application Form, please call Advanced Share Registry on (+61 8) 9389 8033.

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## **4. PURPOSE AND EFFECT OF THE OFFERS**

### **4.1 Purpose of the Offer**

The Offers are being made in accordance with the Company's announced intention to offer free attaching Options to Subscribers under the SPP on the basis of 1 free attaching Option for every 1 Shares subscribed for. To be followed by one (1) additional free Option (**Bonus Option**) issued to those shareholders who retain their SPP shares after eighty (80) days of allotment

No funds will be raised from the Offers.

### **4.2 Effect of the Offer**

The principal effect of the Offers, assuming all Options offered under the Prospectus are granted, will be to increase the number of Options currently on issue by approximately 35,714,286.

### **4.3 Pro-forma Balance Sheet**

The reviewed balance sheet as at 31 December 2013, as per the half-year reviewed financial report, and the unaudited pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are granted and the SPP is fully subscribed to \$1,250,000 and excludes the \$1.4 million R&D Rebate received in April 2014.

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

	REVIEWED 31 DECEMBER 2013 \$	UNAUDITED PROFORMA \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	225,263	1,433,263
Trade and other receivables	112,994	112,994
Financial Assets	1,637,074	1,637,074
<b>TOTAL CURRENT ASSETS</b>	<b>1,975,331</b>	<b>3,183,331</b>
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	86,620	86,620
Investments accounted for using the equity method	5,657,334	5,657,334
Exploration and evaluation costs	1,980,744	1,980,744
<b>TOTAL NON CURRENT ASSETS</b>	<b>7,724,698</b>	<b>7,724,698</b>
<b>TOTAL ASSETS</b>	<b>9,700,029</b>	<b>10,908,029</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	651,982	651,982
Provisions	200,259	200,259
<b>TOTAL CURRENT LIABILITIES</b>	<b>852,241</b>	<b>852,241</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	52,933	52,933
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>52,933</b>	<b>52,933</b>
<b>TOTAL LIABILITIES</b>	<b>905,174</b>	<b>905,174</b>
<b>NET ASSETS</b>	<b>8,794,855</b>	<b>10,002,855</b>
<b>EQUITY</b>		
Issued Capital	22,275,584	23,483,584
Reserves	2,014,934	2,014,934
Retained profits	(15,495,663)	(15,495,663)
<b>TOTAL ENTITY INTEREST</b>	<b>8,794,855</b>	<b>10,002,855</b>

**Notes to the Reviewed Consolidated Statement of Financial Position Actual and Proposed Transactions to arrive at Pro-Forma Unaudited Statement of Financial Position:**

Proposed transactions adjusting the 31 December 2013 Reviewed consolidated statement of financial position and the pro-forma consolidated statement of financial position are as follows:

- a. Offer of 17,857,143 Shares at \$0.07 per Share, together with 35,714,286 free attaching Options, to raise \$1,250,000 (not including costs) (being the SPP and SPP Offer);
- b. Payment of cash expenses of the SPP totalling an estimated \$42,000 and the expensing of such costs charged against issued capital.

	NOTE	\$
<b>1. CASH ASSETS</b>		
The movement in cash assets is as follows:		
Reviewed 31 December 2013 Balance		225,263
Issue of SPP Shares	(a)	1,250,000
Less: estimated costs of the Offers	(b)	(42,000)
		<b>1,433,263</b>
<b>2. ISSUED CAPITAL</b>		
The movement in issued capital is as follows:		
Reviewed 31 December 2013 Balance		22,275,584
14,285,715 Shares pursuant to SPP	(a)	1,250,000
Less: estimated Placement costs	(b)	(42,000)
		<b>23,483,584</b>

#### 4.4 Effect on Capital Structure

The effect of the Offers on the capital structure of the Company, assuming the SPP is fully subscribed for, and all Options offered under the Prospectus are issued (but no other Shares are Issued or Options exercised), is set out below.

Shares	Number
Shares on issue at the date of this Prospectus	120,522,975
Shares to be issued under the SPP	17,857,143
<b>Subtotal</b>	<b>138,380,118</b>
Shares offered under this Prospectus	Nil
<b>Total Shares on issue after completion of the Offer</b>	<b>138,380,118</b>

Options	Number
Options on issue at the date of this Prospectus <sup>1</sup>	29,120,596
Options offered under the SPP Offer	35,714,286
<b>Total Options on issue after completion of the Offers</b>	<b>64,834,882</b>

#### Notes:

1. Being the following:
  - a. 2,919,633 listed Options exercisable at \$0.30 per Option, on or before 13 October 2014.
  - b. 500,000 unlisted Options exercisable at \$0.25 per Option, on or before 31 October 2015.
  - c. 25,700,963 unlisted Options exercisable at \$0.20 per Option, on or before 20 May 2015.

The capital structure of the Company on a fully diluted basis:

- (a) as at the date of this Prospectus is 149,643,571 Shares; and
- (b) on completion of the Offers (assuming all of the above Securities are issued, and no other Shares are issued or Options exercised) would be 203,215,000 Shares.

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## 5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 5.1 Options

The Options to be issued pursuant to the Offers entitle the holder to subscribe for Shares on the following terms and conditions.

- (a) The Options are exercisable at a price of 10 cents (\$0.10) each at any time from the date of grant up to 16 February 2015. Each Option entitles the holder to subscribe for one Share.
- (b) Notwithstanding paragraph (a), if:
  - (i) a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder becomes entitled to compulsorily acquire all of the Shares, any Options not exercised by the end of the bid period shall lapse; or
  - (ii) a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the Company's Shares, any Options not exercised during the period which is 7 days of the court order shall lapse.
- (c) The Options must be exercised in multiples of 5,000, unless the holder exercises all Options able to be exercised at that time
- (d) All Shares issued upon exercise of the Options will rank equally in all respects with the then issued Shares, and the Company will, within 7 days, apply for official quotation by the ASX of all Shares issued upon the exercise of the Options.
- (e) There are no participating rights or entitlements conferred on the Options and the holder will not be entitled to participate with respect to the Options in new issues offered to shareholders of the Company during their currency without exercising the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least seven Business Days after the relevant record date will be at least seven Business Days after the relevant issue is announced and the holder is notified at that time. This will give the holder the opportunity to exercise the Options prior to the date for determining entitlements and to participate in any such issue as a shareholder.
- (f) In the event of any reorganisation of capital of the Company prior to the expiry date for exercise of the Options, the number of Options to which the holder is entitled or the exercise price of the Options or both shall be

changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.

- (g) The number of Options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising Options as follows:

Notice of Exercise of Options	
To the Directors of Trafford Resources Limited (the Company),	
I, .....	
of.....	
	Being the registered holder of options in the capital of the Company hereby exercise ..... such options to subscribe for ordinary shares and enclose application monies payable of 10 cents per option exercised.
I authorise you to register me as the holder of the shares to be allotted to me and agree to accept such shares subject to the constitution of the Company.	
Dated the    day of    20____	
Signed by the holder of the Options.....	

- (h) The Options are exercised by completing the Notice of Exercise of Options form (substantially similar to the one above) and forwarding it to the Company with the exercise monies payable to the Company. The Company shall within seven days after the receipt of such Notice, issue Shares in respect of the Options exercised and dispatch a shareholder statement to the holder.
- (i) The Company will advise holders at least 20 Business Days before the impending expiry of their Options and will advise the due date for payment, the amount of money payable on exercise, the consequences of non-payment and such other details as the Listing Rules then prescribe, so as to enable holders to determine whether or not to exercise their Options.
- (j) Application will be made by the Company for the listing of the Options. The Options are freely transferable subject to any restriction or escrow arrangements imposed by the ASX or under applicable Australian securities laws.
- (k) The Options do not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

## 5.2 Shares

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

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

### (a) General meetings

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

Shareholders may requisition meetings in accordance with section 249C 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 each Share held, but in respect of partly paid shares shall have a fraction of a vote for each partly paid Share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of 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 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, then on a distribution of assets to Shareholders, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other Shares.

Subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding up, all monies and property that are to be distributed among Shareholders on a winding up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the 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 and the ASX listing rules.

**(g) Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred

on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

**(h) Variation of rights**

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. Any variation shall be subject to Sections 246B to 246E of the Corporations Act.

**(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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**6. RISK FACTORS**

**6.1 Introduction**

The Options offered under this Prospectus are considered 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 Options 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 Options.

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

**6.2 Dilution Risk**

On completion of the Offers, assuming the SPP and all Offers under this Prospectus are fully subscribed and no other Options are granted or exercised, there will be a further 35,714,286 Options on issue consisting of 17,857,143 free attaching Options and a further 17,857,143 Options to be allotted eighty-five (85) days after the

allotment of shares applied for via the SPP if the Shares are retained after eighty (80 days).

If exercised, these Options will be converted into fully paid ordinary Shares, thereby causing the shareholdings of Shareholders to be diluted. However, each Option has an exercise price of \$0.10 which means that the Company will receive additional funds of up to approximately \$3,571,429 upon exercise of the Options, if all Options the subject of the Offers are exercised

### **6.3 Share Market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

Share market conditions are affected by many factors including but not limited to the following:

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

### **6.4 Exploration and Development Risks**

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

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

The Company is in the exploration stage for the development of minerals. Any profitability in the future from the Company's business will be dependent upon the successful development, production and marketing of the mineral from the Company's projects, which is by its nature is an uncertain and speculative endeavor.

The Directors are aware of many of the difficulties and risks associated with mineral exploration and development and will use their best business judgment to minimise the impact of development risk on the Company.

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

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

#### **6.5 Operating Risks**

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

#### **6.6 Commercialisation Risks**

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

#### **6.7 Future Capital Needs**

Further funding of projects will likely be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will

adversely affect the business and financial condition of the Company and, consequently, its performance and market value of Shares. A failure to meet cash calls under any joint venture or similar agreement would likely result in a default of joint venture obligations which, if not remedied, could result in forfeiture of permits or concessions.

## **6.8 Economic and Government Risks**

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

- (a) general economic conditions in Australia and its major trading partners;
- (b) changes in Government policies, taxation and other laws;
- (c) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the commodities (resources) sector;
- (d) movement in, or outlook on, interest rates and inflation rates; and
- (e) natural disasters, social upheaval or war in Australia or overseas.

## **6.9 Compliance Risk**

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

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

## **6.10 Commodity Price and Exchange Rate Risk**

As the Company's potential earnings will be derived from the sale of mineral commodities, either in processed or concentrate forms, the Company's future market value, revenues and cash flows will be impacted by changes in the prices of these commodities. Commodity prices fluctuate and are affected by numerous

factors beyond the control of the Company. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major metal producing centres as well as macroeconomic conditions such as inflation and interest rates.

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

#### **6.11 Reliance on Key Management and Personnel**

The responsibility for overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. In particular, the experience of each Board member is significant to the future success of the Company's operations. Accordingly if one of those key personnel were to leave the Company, the Company would likely suffer delay in replacing the particular skill set of the leaving Board member.

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

#### **6.12 Insurance Risks**

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

### **6.13 Competition Risk**

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

### **6.14 Carbon Tax**

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

### **6.15 NGERs reporting regime**

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

### **6.16 Changes to workplace occupational health and safety legislation**

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

### **6.17 Access to infrastructure**

There is currently limited capacity and high demand for rail and port services for the export of mineral products in Australia. In the event that the Company progresses to production, there is no guarantee that suitable and affordable rail and port capacity will be available, which could have a material adverse impact on the Company. In the event that the Company progresses the development and commercialisation of any of its assets towards production, it will also require the use of both power and water infrastructure. Due to high demand for power and water access, there is a risk that the Company may not be able to procure access to power and water which could have a material adverse impact on the Company.

### **6.18 Liquidity Risk**

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

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered pursuant to this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no

guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

### **6.19 Sovereign Risk**

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

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

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## **7. ADDITIONAL INFORMATION**

### **7.1 Litigation**

As at the date of this prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company except for proceedings brought by the Company against a laboratory which is ongoing.

### **7.2 Continuous Disclosure Obligations**

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

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

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



Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the securities 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 ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) It will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) The annual financial report most recently lodged by the Company with the ASIC;
  - (ii) Any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) Any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with the ASX are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
22/05/14	IFE: Re Release of Magnetite Announcement
20/05/14	IFE: Manganese Technical Review
15/05/14	IFE: Commencement of Manganese Drilling
14/05/14	Outstanding Bulk Sampling Results from Orinoco
05/05/14	Receipt of Research and Development Rebate
01/05/14	Wilcherry Hill Project Update by IronClad Mining
30/04/14	Quarterly Cashflow Report
30/04/14	Quarterly Activities Report

24/04/14	Change of Director's Interest Notice
15/04/14	Final Results for High Grade Zealous Tin Discovery
10/04/14	Change in substantial holding
28/03/14	Change in substantial holding for OGX
21/03/14	Change of Director's Interest Notice
20/03/14	Change in substantial holding for OGX
14/03/14	Half Year Accounts
14/03/14	Loan Agreement
12/03/14	Lapse of Unlisted Options
25/02/14	Orinoco Gold Limited Expands Tinteiro IOCG Project
19/02/14	Zealous Tin Drilling Update
18/02/14	Change in substantial holding for OGX
18/02/14	Orinoco acquires Sertao from Troy
14/02/14	Disclosure Document
14/02/14	Appendix 3B
12/02/14	Placement of Rights Issue Shortfall
31/01/14	Quarterly Activities Report
31/01/14	Quarterly Cashflow Report
30/01/14	Re-release appendices – Manganese intersected by IronClad
28/01/14	Manganese intercepted by IronClad Mining Limited
23/01/14	Drill Programme Completed at Zealous Tin Prospect
20/01/14	Successful Bulk Sampling for Orinoco Gold Limited
14/01/14	Trafford Earns 51% Equity of Twin Peaks & Moorarie Rocks JV
13/01/14	4.8% Tin in Diamond Hole Affirms New High Grade Discovery
13/01/14	IFE Commences First Pass Manganese Drilling
20/12/13	Appendix 3B
18/12/13	Becoming a substantial holder
09/12/13	Competent person statement
09/12/13	Drilling Commences at Tin Prospect
09/12/13	IFE Manganese Joint Venture Signed
03/12/13	Port Approval
03/12/13	IFE S.A. Government Approves Port Development
29/11/13	Trading Halt
29/11/13	Change of Director's Interest Notice
29/11/13	Options Lapse
27/11/13	Exploration Update Wilcherry Hill – South Australia
30/10/13	IFE Initial Manganese Testwork Results
29/10/13	Further High Grade Drill Results from Orinoco Gold
24/10/13	IronClad and Trafford enter into Manganese JV
14/10/13	Results of Meeting
14/10/13	Annual General Meeting Presentation
14/10/13	Letter to Option and Shareholders
14/10/13	Renounceable Rights Issue
14/10/13	Appendix 3B Renounceable Rights Issue
02/10/13	IFE Wilcherry Hill Iron Ore Project Update
24/09/13	Tin and Uranium intersections at Zealous

20/09/13	Release from Escrow
10/09/13	Response to ASX Price Query
10/09/13	Notice of Annual General Meeting/Proxy Form
04/09/13	AMEC 2013 Conference Presentation

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 <http://www.traffordresources.com>

### 7.3 Market Price of Shares

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

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

Highest	\$0.21	10 <sup>th</sup> September 2013
Lowest	\$0.066	19 <sup>th</sup> May 2014
Last	\$0.07	21 <sup>st</sup> May 2014

### 7.4 Interests of Directors

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

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

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:

- (c) as an inducement to become, or to qualify as, a Director; or
- (d) for services provided in connection with:

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

(ii) the Offers.

### Security Holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.<sup>1</sup>

Director	Shares		Options		Performance Rights
	Direct	Indirect	Direct	Indirect	Indirect
Ian D. Finch	1	4,991,795	-	400,000	1,000,000
Mark Le Grange	-	189,307	-	158,605	500,000
Neil W. McKay	218,712	2,798,571	29,750	146,250	500,000
Dr. Allan Trench	-	100,100	-	534,550	-

### Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process.

The structure of non-executive and executive Director remuneration is separate and distinct.

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to Shareholders. The Constitution specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration sought to be approved by Shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Company.

The following table shows the total cash remuneration paid for the period of 1 July 2012 – 30 June 2013 and 1 July 2013 – 31 May 2014 to the Directors (inclusive of superannuation).

Director	2012/2013 \$	2013/2014 \$
Ian Finch	272,500	177,531
Neil McKay	184,319	138,963
Mark Le Grange	283,400	227,240
Allan Trench	52,320	30,520

## 7.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

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

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

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

## 7.6 Expenses of the Offer

In the event that the Offer is completely subscribed, the total expenses of the Offer are estimated to be approximately \$42,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,100
ASX fees	10,469
Printing, distribution & Share Register	25,000
Contingency	4,431
<b>Total</b>	<b>42,000</b>

## 7.7 Electronic Prospectus

Pursuant to Class Order 00/44, 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. If you have not, please phone the Company on +61 8 9485 1040 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.traffordresources.com>.

## 7.8 Financial Forecasts

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

## 7.9 Privacy Act

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

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

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

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

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## 8. DIRECTOR'S AUTHORISATION

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

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



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**IAN D FINCH**  
**MANAGING DIRECTOR**  
For and on behalf of  
**TRAFFORD RESOURCES LIMITED**

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## 9. GLOSSARY

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

**Trafford** or the **Company** means Trafford Resources Limited (ACN 112 257 299).

**Application Form** means the SPP Offer Application Form or SPP Shortfall Offer Application Form, as relevant.

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

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

**ASX Listing Rules** means the listing rules of the ASX.

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

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

**Bonus Option** means the issue to SPP Subscribers of up to 17,857,143 free quoted Options exercisable at \$0.10 each, expiring 16 February 2015, on the basis of 1 free Option for every 1 Share subscribed for by SPP Subscribers under the SPP who retain their full entitlement of shares at a date eighty (80) days after the allotment of their shares applied for via the SPP.

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

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

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

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

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

**Eligible Shareholders** means Shareholders:

- (a) who were registered holders of Shares on the SPP Record Date; and
- (b) whose registered address was in Australia and New Zealand.



**Offers** means the SPP Offer.

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

**Option** means an option to acquire a Share on the terms and conditions set out in Section 5.1 of this Prospectus.

**Optionholder** means a holder of an Option.

**Prospectus** means this Prospectus.

**Record Date** means 5.00pm (WST) on 21 May 2014.

**Related Parties** means the Directors or their nominees.

**Related Party Issue** means the issue of up to approximately 857,143 Shares to the Related Parties at an issue price of \$0.07 per Share to raise approximately \$60,000.

**Related Party Offer** means the issue of up to 857,143 Options exercisable at \$0.10 each, expiring 16 February 2015, on the basis of 1 free Option for every 1 Share subscribed for by Related Parties under the SPP, and up to 857,143 **Bonus Options**.

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

**Shareholder** means a holder of a Share.

**SPP** means the Company's share purchase plan dated on or about the date of this Prospectus.

**SPP Offer** means the offer to SPP Subscribers of up to 17,857,143 free quoted Options exercisable at \$0.10 each, expiring 16 February 2015, on the basis of 1 free Option for every 1 Share subscribed for by investors under the SPP and up to 17,857,143 **Bonus Options**.

**SPP Offer Application Form** means the application form relevant to subscribers under the SPP in relation to the SPP Offer and either attached to or accompanying this Prospectus.

**SPP Subscriber** means investors who have subscribed under the SPP or the SPP Shortfall.

**Subscriber** means in respect of the SPP, any SPP Subscriber.

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