

# Prospectus

## Elementos Limited

ABN 49 138 468 756



For:

- A renounceable pro rata Offer to Eligible Shareholders of 1 New Share for every 5 Existing Shares held at an issue price of \$0.012 (1.2 cents) per New Share (**Offer**) to raise up to approximately \$1.52 million before issue costs.
- An offer of Shortfall Shares to Eligible Shareholders and others on the terms set out in section 8.8 (**Shortfall Offer**).

**ASX Code:**      **ELT**

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser.

An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein 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 or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

### **Important Notice**

This Prospectus is dated 19 June 2014 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

### **Nature of this Prospectus**

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 contains information only to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

### **Prospectus availability**

Shareholders with a registered address in Australia and New Zealand can obtain a copy of this Prospectus during the Offer period on the Company's website at [www.elementos.com.au](http://www.elementos.com.au) or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalized Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to section 7.8 of this Prospectus for further information).

### **Foreign jurisdictions**

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand 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 residents 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 does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

### **Disclaimer of representations**

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

### **Forward looking statements**

This Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

### **Privacy**

Please read the privacy information located in section 8.17 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

### **Definitions**

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

### **Enquiries**

If you have any questions please call the Company Secretary on +61 7 3221 7770 or Boardroom Pty Ltd (Share Registry) on +61 2 9290 9600 at any time between 9.00am and 5.00pm (EST time) Monday to Friday until the Closing Date. Alternatively, consult your broker or other professional advisor.

# Key Investment Highlights and Risks

## INVESTMENT HIGHLIGHTS

### Key Points

- Strategic focus on important commodities of Tin and Tungsten.
- Focus on the redevelopment of the old Cleveland Tin mine commencing with tailing retreatment and transitioning to underground mining.
- Proposed short lead time to production for the tailings treatment.
- Environmental permitting process is well progressed.
- Engineering and Mining studies are well progressed.

Elementos is focused on the development of the Cleveland Project in Tasmania and associated exploration assets that contain JORC resources of Tin, Copper and Tungsten.

Elementos is now entitled to 100% of the Exploration License covering the Cleveland Project.

The old Cleveland Tin mine includes an existing mine decline which will allow access to ore bodies after dewatering the mine. No exploration drilling has occurred in over 35 years. The Cleveland Project incorporates a tin and copper tailings resource that the Company considers provides a potential low cost development opportunity for reprocessing these tailings.

The Company is in the final stages of submitting a Development Proposal and Environmental Management Plan (DPEMP) for the tailings reprocessing and dewatering of the mine having submitted a Notice of Intent in 2011. The environmental permitting process is being accessed under the bilateral agreement (Environment Protection and Biodiversity Conservation Act 1999) between the Commonwealth and the State of Tasmania relating to environmental assessment and approvals.

### Commodity Information

#### Tin

Tin supply has become increasingly constrained in recent years, keeping prices historically high. There is no equivalent substitute metal for the use of Tin for solder in electronics.

#### Tungsten

China is the world's largest consumer of tungsten and is also by far the world's largest supplier, accounting for 85% of production in 2013, according to US Geological Survey estimates. China restricts the export of tungsten concentrates, preferring to ship finished tungsten products, and is stockpiling reserves.

Tungsten demand has been forecast to grow through to 2018 at an average of 4.5% per annum.

## **Elementos Current Projects and Joint Ventures**

### ***Cleveland, Tasmania, Australia (Cleveland Project)***

Exploration Licences EL9/2006, EL15/2011 and EL7/2005 comprise a largely contiguous block totalling 96 square kilometres, located 60 kilometres south west of Burnie.

### ***Selwyn Range, Queensland, Australia***

Exploration Permits (“EPMs”) 19371, 19375 and 19426, comprise a largely contiguous block totalling 109 square kilometres, located 120 kilometres south of Cloncurry. These EPM’s form part of an earn in joint venture with Below Ground Technology Pty Ltd.

### ***Millenium, Queensland, Australia***

Five Mining Licenses (“MLs”) ML 2512, 2761, 2762, 7506 and 7507 totalling 134 hectares. These MLs form part of the earn-in joint venture agreement with Chinalco Yunnan Copper Resources Ltd (ASX: CYU).

### ***Santo Domingo, Argentina***

A series of exploration tenements covering 215 square kilometres situated 120 kilometres east of San Juan city. The Company continues to make payments under its option-to-purchase agreement for this project and is in dialogue with parties interested in forming a joint venture to explore and develop the project. Negotiations are on-going.

## **Former Projects**

### ***Manantiales, Argentina***

The Company elected not to continue making payments under its option-to-purchase agreement and therefore no longer has any rights to this project.

### ***Tamaya, Chile***

The Company was unable to meet a 2,500 metre drilling commitment as part of an earn-in joint venture (50% interest in the project by spending US\$7m over 3 years). The Company no longer has any rights to this project.

## **RISKS**

The Company is an exploration company with no producing assets and limited means to raise funds. An investment in the Company should be considered highly speculative and subject to a number of risks, including but not limited to:

- an ongoing need to access capital to fund exploration and development;
- possible future underground production from the Cleveland project being dependent on the exploration defining further economic ore bodies;
- possible future production from the Cleveland Project generally being dependent on successful outcomes of engineering, mining and mineral processing and positive studies as to the economic viability of the Cleveland projects; and
- unfavorable commodity prices which will adversely affect project economics.

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## Corporate Directory

### Directors

Mr. Calvin Treacy (Managing Director)  
Mr. Richard Seville (Non Exec. Director)  
Mr. Corey Nolan (Non Exec. Director)

### Company Secretary (Joint)

Ms. Linda Scott (CFO)  
Mr. Paul Crawford

### Registered and Business Office

Level 8, 26 Wharf Street  
Brisbane QLD 4000  
Tel: +61 7 3221 7770  
Fax: +61 7 3221 7773  
Email: [admin@elementos.com.au](mailto:admin@elementos.com.au)

### Share Registry

Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Tel: +61 2 9290 9600  
Fax: +61 2 9279 0664

### Sponsoring Broker to the Issue

Paradigm Securities  
Level 3, 7 Bridge Street  
Sydney NSW 2000  
Tel: +61 2 9222 9111  
[www.paradigmsecurities.com.au](http://www.paradigmsecurities.com.au)

### Solicitors to the Offer

Rick Anthon Lawyer  
Level 5, 10 Market Street  
Brisbane QLD 4000

### Website

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

### Auditor\*

BDO Audit Pty Ltd  
Level 10, 12 Creek Street  
Brisbane QLD 4000

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

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## 1 TIMETABLE TO THE OFFER

Event	Date
Announcing of Issue	6 June 2014
Lodge Rights Issue Prospectus and Appendix 3B with ASIC and ASX	19 June 2014
Notice with information on the Offer sent to Eligible Shareholders	23 June 2014
Shares commence trading on ASX on an ex rights basis	24 June 2014
Rights trading starts	24 June 2014
Record Date	26 June 2014
Dispatch Prospectus to Shareholders	1 July 2014
Offer Opening date	1 July 2014
Rights Trading ceases	11 July 2014
Offer Closing date	18 July 2014
Issue of New Shares	25 July 2014
Trading of New Shares on the ASX	26 July 2014

**Note:**

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 New Shares are expected to commence trading on ASX may vary.

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## 2 KEY OFFER TERMS AND CAPITAL STRUCTURE

Shares currently on issue <sup>1</sup>	633,310,868
Options currently on issue <sup>2</sup>	18,400,000
New Shares offered under this Prospectus <sup>1</sup> at \$0.012 per New Share	126,662,174
Amount raised under this Prospectus (before costs and subject to rounding) <sup>1</sup>	\$1,519,946

**Note:**

- 1 This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.
- 2 See section 5.4 for the terms of the Company's Options currently on issue.

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### 3 LETTER TO SHAREHOLDERS

Dear Eligible Shareholder,

#### RENOUNCEABLE RIGHTS ISSUE

The Board of Elementos is pleased to invite you to participate in the pro-rata renounceable rights issue to raise up to approximately \$1.52M before costs of the Offer, as announced by Elementos on 6 June 2014.

Following the completion of an internal study of the Cleveland Project, the Board has resolved to continue with the environmental approval process, further metallurgical testwork and process design. The proceeds of the Offer will be used to fund these works.

Your Directors consider that Elementos has a positive future and that the Offer provides an opportunity to further participate in Elementos' future growth.

Eligible shareholders will receive on or around 1 July 2014 a copy of the Prospectus including a personalised Entitlement and Acceptance Form which will provide detailed instructions on how to participate in the Offer.

**Key information** in connection with the Offer is set out below for your reference:

- the Offer is renounceable and is being undertaken on the basis of 1 new fully paid ordinary shares for every 5 shares held by eligible shareholders;
- the issue price is \$0.012 (1.2 cents) per New Share, which represents a discount of 29% to the closing market price of the Company's shares on 3 June 2014 (being the last trading day prior to announcement of the Offer) of 1.7c per share;
- the record date to determine entitlements for eligible shareholders is 5.00pm AEST on 26 June 2014 ("Record Date");
- eligible shareholders will be able to apply for additional New Shares in excess of their entitlement at the same issue price of \$0.012 per New Share. Allocation of additional New Shares applied for will be subject to there being a shortfall in subscriptions under the Offer and will be at the discretion of the Company;
- for the purposes of calculating your entitlement, fractional entitlements to New Shares will be rounded up to the nearest whole number of shares;
- the Offer is partially underwritten by Mr Andrew Grieg. There are no fees payable in relation to the underwriting;
- a maximum of 126,662,174 (based on the undiluted share capital of the Company as at 19 June 2014) New Shares will be issued under the Offer. This number excludes any allowance for shares issued in the event any option holders exercise their right to convert their options to ordinary shares prior to the Record Date. This number is also subject to rounding. Based on that number, the maximum number of listed ordinary shares on issue following the Offer will be 759,973,042;
- no shareholder approval will be required for the Offer;
- Elementos does not have a dividend policy and does not intend to declare a dividend in the near future; and

- the proceeds from the Offer will be primarily directed to the continued development of the Cleveland Project and working capital.

#### **Actions Required of Eligible Shareholders**

Pursuant to the Offer there are a number of actions Eligible Shareholders may take:

- sell your entitlements;
- take up all or some of your entitlements;
- take up all of your entitlements and apply for additional New Shares;
- not participate in the Offer and if so, you do not need to take any action.

If you are eligible and wish to participate in the Offer, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form that will accompany the Prospectus expected to be sent to eligible shareholders on 1 July 2014 in accordance with the instructions on that Form. You will need to ensure your application money for the entitlements you wish to take up is received by Boardroom Pty Ltd by no later than 5.00pm 18 July 2014.

If you have any queries about the Offer, please contact the Company Secretary on 07 3221 7770.

Thank you for your support.



Executive Director



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#### 4 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

Question	Response	Where to Find More Information
What is being offered?	<p>Under this Prospectus 126,662,174 New Shares are being offered to Eligible Shareholders (assuming no Options are exercised prior to the Record Date) at an issue price of \$0.012 on the basis of 1 New Share for every 5 Existing Shares held on the Record Date.</p> <p>Eligible Shareholders can, in addition to their Entitlement, also apply for Shortfall Shares.</p>	Section 5
Is the Offer conditional?	No.	Section 8.2
What is the Company's financial position?	As at 31 March 2014 the Company had cash on hand of approximately \$486,000 and creditors' claims and payables (actual and accrued) of up to approximately \$391,000.	Section 5.5
How will the proceeds of the Offer be used?	<p>Assuming full subscription under the Offer , the Company intends to use the funds raised from the Offer broadly as follows:</p> <ul style="list-style-type: none"><li>• Environmental permitting \$100,000</li><li>• Metallurgical testing \$100,000</li><li>• Process design \$200,000</li><li>• Infrastructure design \$100,000</li><li>• Stamp Duty \$100,000</li><li>• Working Capital and Offer Costs \$920,000</li></ul> <p>In the event that the Offer is only 50% subscribed funds allocated to working capital will be reduced and funds allocated to design and test work will be scaled back.</p>	Section 5.2
What are the key risks of a subscription under the	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"><li>• Exploration risks - Whilst exploration by the</li></ul>	Section 6

Offer?	<p>Company and others justifies further exploration, the Company's tenements carry exploration risk.</p> <ul style="list-style-type: none"> <li>• Development and Production risks - Possible production is dependent upon further studies, and entering into commercial arrangements for funding, capital equipment purchases and favorable commodity pricing.</li> <li>• The Company's future capital needs - Additional funding may be required to complete the proposed exploration and development.</li> <li>• As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks.</li> </ul> <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p>	
Is the Offer underwritten?	The Offer is partially underwritten by Mr. Andrew Greig for \$500,000.	Section 5.6 and 8.5
Have other Shareholders committed to subscribe for New Shares?	Mr. Richard Seville, a director of the Company has committed to take up his Entitlements and subscribe for shortfall shares, up to a combined maximum of \$96,000. A number of other shareholders have provide written commitments to the Company to take up approximately \$150,000 of Entitlements.	Section 5.6
What will be the effect on control of the Offer?	<p>Mr. Andrew Grieg, an unrelated third party who is the registered holder of 19.32% of the Company's Existing Shares, has agreed to sub-underwrite the issue of up to 41,666,666 New Shares.</p> <p>Assuming only \$760,000 is raised under the Offer and no other Shares are issued, the maximum voting power that Mr. Grieg will acquire is approximately 23.55%.</p>	Section 5.6
How do I apply for Shares under the Offer?	<p>Applications can be made by Eligible Shareholders completing the personalised Entitlement and Acceptance Form and sending it to the Share Registry.</p> <p>Eligible Shareholders may also apply for Shortfall Share by following the instructions in section 7.3.</p>	Section 7
How do I sell my Rights under the Offer?	Eligible Shareholders can sell all or part of their Rights under the Offer either on ASX or by completing a renunciation form.	Sections 7.4 to 7.6

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How will the Shortfall Securities be allocated?	<p>Any New Shares not applied for as Entitlement will be allocated as follows:</p> <p>(a) firstly, to Eligible Shareholders and other investors who apply for Shortfall Shares, with any oversubscriptions to be scaled back pro rata to the number of Shortfall Shares applied for; and</p> <p>(b) then, to the Underwriter for up to the Underwritten Securities, and</p> <p>(c) finally, at the Directors' discretion.</p>	Section 8.8
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How can I obtain further advice?	<p>Contact the Company Secretary on +61 7 3221 7770 or the Share Registry on +61 2 9290 9600 at any time between 9.00am and 5.00pm (EST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor.</p>	
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## 5 PURPOSE AND EFFECT OF THE OFFER

### 5.1 Introduction

The Company is seeking to raise up to approximately \$1.52 million before issue costs under the Offer, a renounceable pro rata offer to Eligible Shareholders at a price of \$0.012 per New Share on the basis of 1 New Share for every 5 Existing Shares held as at the Record Date.

### 5.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

Use of funds (\$) (approx.)	\$760,000 Subscription	Full Subscription
		\$
Cleveland Tailings Project - development:		
Environmental permitting	100,000	100,000
Metallurgical Testwork	100,000	100,000
Process and Engineer design	50,000	200,000
Infrastructure design	50,000	100,000
Non-Project Costs		
Stamp Duty	100,000	100,000
Additional Working Capital	310,000	824,000
Costs of the Offer	50,000	96,000
<b>Total</b>	<b>\$760,000</b>	<b>\$1,520,000</b>

See section 10.5 for details of costs of the Offer.

This table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.

### 5.3 Effect of the Offer on the Company's securities

The effect of the Offer will, assuming that no Options are exercised and that Entitlements are taken up in full, be as follows:

- (a) Cash reserves will increase by approximately \$1.428 million (after costs).
- (b) The number of Shares on issue will increase from 633,310,868 to 759,973,042.

### 5.4 Consolidated capital structure

Assuming that no Options are exercised prior to the Record Date, at the close of the Offer, the capital structure of the Company will be:

Shares	\$760,000 Subscription		Full Subscription	
	Number	%	Number	%
Existing Shares	633,310,868	90.90	633,310,868	83.33
New Shares	63,333,333	10.10	126,662,174	16.67
<b>Total Shares</b>	<b>696,644,211</b>		<b>759,973,042</b>	

#### Options<sup>1</sup>

550,000 options exercisable at 22.6 cents expiring 7 September 2015

4,500,000 options exercisable at 22.6 cents expiring 23 October 2015

500,000 options exercisable at 22.6 cents expiring 30 November 2015

2,350,000 options exercisable at 6 cents expiring 20 January 2016

200,000 options exercisable at 6 cents expiring 3 December 2016

1,000,000 options exercisable at 32.6 cents expiring 18 January 2017

9,300,000 options exercisable at 3 cents expiring 20 March 2018

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**Total Options 18,400,000**

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#### 5.5 Statement of financial position

Set out in Schedule 1 is the reviewed Consolidated Statement of Financial Position of the Company and the unaudited Consolidated Pro-Forma Statement of Financial Position, as at 31 March 2014 and on the basis of the following assumptions:

- (a) the Offer was effective on 31 March 2014;
- (b) offer take up - full subscription of \$1,519,946;
- (c) costs of the Offer - full subscription \$96,000; and
- (d) no further Shares (including by way of exercise of Options) or Options are issued other than all New Shares offered under this Prospectus.

The unaudited Consolidated Pro-Forma Statement of Financial Position, as at 31 March 2014 includes the proceeds of the placement announced by the Company on 6 June 2014.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the audited financial report for year ended 30 June 2013.

## 5.6 Effect on control and potential dilution

### (a) Commitments

The Company has received approximately \$250,000 in firm commitments from Mr. Richard Seville (a non-executive director of the Company) and other shareholders to subscribe for New Shares pursuant to their Entitlements and to further subscribe for Shortfall Shares.

### (b) Underwriter

Mr. Andrew Greig has agreed to underwrite the issue of up to 41,666,667 New Shares. Mr. Andrew Greig currently has a relevant interest in 122,333,334 Shares, or 19.32% of the Company's issued Shares.

Under the Offer if Mr. Greig were to take up all of his Underwritten Securities pursuant to his underwriting agreement he would then have a relevant interest in 164,000,000 Shares.

The following table illustrates potential effects of the issue of Shares to Mr. Greig.

	Mr. Andrew Greig	
	Number of Shares held in the Company	%
Existing	122,333,334	19.32%
No subscriptions received under the Offer other than Mr. Greig subscribing for all his Underwritten Securities	164,000,000	24.30%
\$760,000 in subscriptions received from precommitments and Underwriter including Mr. Greig subscribing for all his Underwritten Securities	164,000,000	23.55%
Full subscription from all shareholders - Mr. Greig subscribes only for those of his Underwritten Securities in respect of which he has an Entitlement (24,246,667 New Shares)	146,800,000	19.32%

Mr Greig is an individual investor who takes strategic investments in companies. He has informed the Company that, in the event he is issued Shortfall Shares and increases of his voting power in the Company and based upon the Company's present circumstances, he currently does not intend:

- (i) to make any significant changes to the Company's existing business;
- (ii) to become involved in decisions regarding the employment of the Company's present employees and contractors, and contemplates that they will continue in the ordinary course of business;

(iii) for any property to be transferred between the Company and himself or any of his associates; or

(iv) to change the Company's existing financial policies.

The above statements are of current intention only, and may change as new information becomes available or circumstances change. Implementing the current intention is also subject to the legal obligations of the Directors at the time.

(c) Others

As the Offer is renounceable, for the purposes of Listing Rule 7.7.1(c) and section 615 of the Corporations Act, the Company has appointed a nominee to arrange for the sale of the entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale. Shareholders may rely upon item 10 of section 611 of the Corporations Act to have a voting power of 20% or more by taking up their Entitlements under the Offer.

(d) Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full Subscription is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if no Entitlement taken up	
	Number	%		Number	%
1	50,000,000	7.90	10,000,000	50,000,000	6.58
2	25,000,000	3.99	5,000,000	25,000,000	3.29
3	10,000,000	1.58	2,000,000	10,000,000	1.32
4	1,000,000	0.16	200,000	1,000,000	0.13

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## 6 RISK FACTORS

An investment in the New Shares the subject of this Prospectus is highly speculative as the Company is a resource exploration company. Please consider the risks described below and the information contained in other sections of this Prospectus. You should also consider consulting with your professional advisers before deciding whether or not to apply for the New Shares.

The following is a list of the material risks that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations.

### 6.1 Risks specific to the Offer

(a) Dilution, liquidity and control

Upon completion of the Offer, assuming no Options are exercised prior to the Record Date and the Offer is fully subscribed for, the number of Shares the Company will have on issue will increase from 633,310,868 to 759,973,042. Shareholders who do not participate in the Offer will be diluted. Examples of dilution are set out in section 5.6.

Assuming only the \$760,000 is raised, Mr. Greig's voting power in the Company may increase up to a maximum of 23.55%. There is a risk that this may result in reduced liquidity for the Company's Shares and Mr. Greig exerting increased control over the Company and its affairs.

(b) Sufficiency of funds and requirement for further capital

The Subscription for the Offer is \$1.52million, of which \$500,000 is underwritten.

There is a risk that any funds raised less than the full Subscription may not be sufficient to complete the proposed exploration and development, and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(c) Share price

It is not possible to predict the value of the Company or its Shares following the Offer, and the Directors do not make any representations to such matters. The last sale price of the Company's Shares is 1.4 cents per Share, and there a risk that the New Shares may not trade for this price.



## 6.2 Company and industry risks

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) Exploration risks

Whilst exploration by the Company and others justifies further exploration, the Company's tenements carry exploration risk.

Exploration is a high risk undertaking. The Company does not give any assurance that exploration of its current projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

(b) Development risks

Funds raised will be used to undertake studies to determine the feasibility of developing the Cleveland Project and ultimately entering into production. If the results of the necessary technical studies are not favourable and indicate that production may not be economic there is a risk that the proposed development of the Cleveland Project will not proceed.

(c) Joint venture

The Company is currently, and may in the future become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

(d) Title risk

Mining tenements are governed by the respective State legislation and each tenement is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met.

(e) Commodity prices

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(f) Environmental

The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the

Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(g) Key personnel

The ability of the Company to achieve its objectives depends on the retention of key external contractors who constitute its technical panel and provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals would be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

### 6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realize their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

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## **7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS**

### **7.1 What you may do**

As an Eligible Shareholder, you may:

- (a) subscribe for all of your Entitlement (see section 7.2);
- (b) apply for Shortfall Shares (see section 7.3);
- (c) sell all of your Entitlement (see section 7.4);
- (d) take up part of your Entitlement and sell the balance (see section 7.5);
- (e) transfer your Entitlement other than on ASX (see section 7.6); or
- (f) allow all or part of your Entitlement to lapse (see section 7.7).

### **7.2 To subscribe for all of your Entitlement**

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for New Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

### **7.3 To apply for Shortfall Shares**

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares (being any Entitlements not applied for) regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. See section 8.8 for details on how Shortfall Shares will be allocated.

Surplus application moneys will be returned to Applicants as soon as practicable following the close of the Offer.

### **7.4 If you wish to sell all of your Entitlement**

Complete the section marked "Instructions to Stockbroker" on the reverse of the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 24 June 2014. Sale of your Rights must be completed by 11 July 2014 when Rights trading is expected to cease.

### **7.5 If you wish to take up part of your Entitlement and sell the balance**

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares which you wish to accept (being less than as

specified on the Entitlement and Acceptance Form) and complete the section marked “Instructions to Stockbroker” on the reverse of the form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Share Registry, by 5.00pm AEST on 18 July 2014.

Cash will not be accepted and no receipts will be issued.

Rights trading will commence on ASX on 24 June 2014. Sale of your Rights must be completed by 17 June 2014 when Rights trading is expected to cease.

#### **7.6 If you wish to transfer your Entitlement other than on ASX**

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Share Registry) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application Monies to reach the Share Registry (at the postal address shown below), by 5.00 pm AEST on 18 July 2014.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

#### **7.7 Entitlements not taken up**

If you are an Eligible Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement will become available as Shortfall Shares.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

Your entitlement may have value and accordingly you should consider renouncing (selling) your Rights, rather than allowing them to lapse.

#### **7.8 Payment methods**

##### ***Cheque, bank draft or money order***

The completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to ‘Elementos Limited - Share Subscription Account’ and crossed ‘Not Negotiable’ for the appropriate application money in Australian dollars calculated at \$0.012 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque

account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received by the Company at the following address by no later than 5.00 pm (EST) on the Closing Date:

<b>By Hand To:</b>	<b>By Post To:</b>
Elementos Limited C/- Boardroom Pty Ltd Level 7, 207 Kent Street Sydney, NSW	Elementos Limited C/- Boardroom Pty Ltd GPO Box 3993 Sydney, NSW, 2001

#### ***BPAY***

Alternatively, if you are paying by BPAY, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY must ensure that payment is received by no later than 5pm AEST on the Closing Date.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by 5pm AEST on the Closing Date.

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the Customer Reference Number specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same Customer Reference Number for more than one of your shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY payment.

### **7.9 Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application moneys, or by making a payment in respect of an Application by BPay, constitutes a binding application to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPay, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will

also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorize the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon issuing the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application moneys.

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## **8 DETAILS OF THE OFFER**

### **8.1 Shares offered for subscription**

By this Prospectus, the Company offers 126,662,174 New Shares (assuming no Options are exercised before the Record Date) under a renounceable pro rata offer to Eligible Shareholders at a price of \$0.012 per New Share on the basis of 5 New Shares for every 1 Existing Share held as at the Record Date to raise up to approximately \$1.52M on before

issue costs (**Offer**). Fractional entitlements will be rounded up to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarized in section 9.

## 8.2 Minimum Subscription

There is no minimum subscription in relation to this Offer.

## 8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

## 8.4 Sponsoring Broker

Paradigm Securities has agreed to act as the Sponsoring Broker and corporate advisor to the Company in relation to this Offer and to seek out investors to subscribe for up to \$670,000:

Paradigm Securities will be paid:

- Sponsoring Broker Fee \$20,000
- Commitment Fee 2% of funds raised
- Stock take up Fee 4% of funds raised

Any reasonable out-of-pocket expenses incurred by Paradigm Securities, in the course of or in connection with the Right Issue, shall also be reimbursable.

## 8.5 Underwriting

The Underwriter has agreed to underwrite the subscription of up to 41,666,667 New Shares (**Underwritten Securities**), or up to \$500,000 (**Underwritten Amount**), in accordance with the Underwriting Agreement. The Underwriter is only relieved of his obligation to subscribe for New Shares once the Company has received applications in excess of the difference between the total number of New Shares offered and the Underwritten Securities.

The Underwriter will not be paid any fees.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain limitations) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;

- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
  - (i) there is an outbreak of hostilities or a material escalate of hostilities (whether or not war has been declared) after the date of this Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the People's Republic of China, or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
  - (ii) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Company and its subsidiaries; or
  - (iii) there is a suspension or material limitation in trading generally on ASX or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets;

The Underwriter may not exercise its termination rights under subsections (ii) and (iii) above unless the occurrence of such events has or is likely to have, a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

## **8.6 Entitlement to Offer**

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 7pm (AEST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

## **8.7 Rights trading**

The Rights to New Shares are renounceable, which enables Eligible Shareholders who do not wish to take up some or all of their Entitlement to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 24 June 2014 and end on 11 July 2014.

## **8.8 Shortfall**

Entitlements not taken up will become available as Shortfall Shares. The Directors reserve the right, to the extent New Shares are not subscribed for by the Underwriter or his nominees, to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).



The Shortfall Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Shortfall Offer is made outside Australia, the Shortfall Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors).

Eligible Shareholders may, in addition to their Entitlement, apply for Shortfall Shares by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. Other investors who are not Eligible Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to this Prospectus. Persons outside Australia doing so represent to the Company that they can apply for Shortfall Shares in circumstances which do not require the offer of Shortfall Shares or this Prospectus to be registered.

It is possible that there may be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders.

The Company will allocate Shortfall Shares as follows:

- (d) firstly, to Eligible Shareholders who apply for Shortfall Shares, with any oversubscriptions to be scaled back pro rata to the number of Shortfall Shares applied for;
- (e) at the Directors' discretion to other investors who have applied for Shortfall Shares prior to the Closing Date.
- (f) then, in accordance with the terms of the Underwriting Agreement to the Underwriter for up to the Underwritten Securities, and
- (g) finally, at the Directors' discretion.

Subject to the above, the Directors reserve the right at their absolute discretion to reject any application for Shortfall Shares and it is an express term of the Shortfall Offer that applicants for Shortfall Shares will be bound to accept a lesser number of Shortfall Shares allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable after the Closing Date.

## **8.9 Offer outside Australia and New Zealand**

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand.

## **8.10 Treatment of Overseas Shareholders**

Given the small number of Shareholders with registered addresses outside Australia and New Zealand and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to any Shareholder, as at the Record Date, whose registered address is not situated in those jurisdictions. The Prospectus will not be sent to those Shareholders.

### *New Zealand*

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption

Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

#### *Elsewhere*

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein 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 or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and, New Zealand (other than to Eligible Shareholders).

#### *Appointment of nominee*

Subject to ASIC's consent, the Company has appointed Paradigm Securities as nominee to sell the Ineligible Foreign Shareholders' Rights.

The proceeds of sale (in Australian dollars) will be distributed to the Non-Eligible Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale).

Neither the Company nor Underwriter will be liable for any failure to sell the Rights or to sell the Rights at any particular price.

### **8.11 Beneficial holders, nominees, trustees and custodians**

The foreign selling restrictions under the Offer summarized in section 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

### 8.12 Issue of New Shares and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 25 July 2014 and normal trading of the New Shares on ASX is expected to commence on 26 July 2014.

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

### 8.13 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares offered under this Prospectus within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

### 8.14 Market prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgment of this Prospectus with the ASIC, and the last market sale price on the date before the lodgment date of this Prospectus, are set out below.

3 month high	3 month low	Last market sale price
2 cents (7 April 2014)	1 cent (6 June 2014)	1.4 cents

### 8.15 CHES

The Company participates in the Clearing House Electronic Subregister System (**CHES**). CHES is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHES, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

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

#### **8.16 Taxation and duty implications**

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

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

#### **8.17 Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

### **8.18 Enquiries**

Any queries regarding the Offer should be directed to Ms. Linda Scott, Company Secretary on +61 7 3221 7770.

Any queries regarding the Entitlement and Acceptance Form should be directed to the Share Registry on +61 2 9290 9600.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

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## 9 RIGHTS AND LIABILITIES ATTACHING TO SHARES

### 9.1 Rights attaching to New Shares

Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. 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.

(a) Voting rights

Subject to any rights or restrictions attached to any class of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share bears to the total issue price of the share. All Shares currently on issue and the New Shares to be issued under this Prospectus are fully paid.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerized or electronic system established or recognized by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares, which rank equally in liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of Directors

There must be a minimum of 3 but not more than 10 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing Director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

The New Shares are fully paid ordinary shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(l) Alteration to the Constitution

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. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the

Constitution is deemed not to contain that provision to the extent of the inconsistency.



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## 10 ADDITIONAL INFORMATION

### 10.1 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. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares. 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 period from lodgment of the Company's annual financial statements of the Company for the financial year ended 30 June 2013 to 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 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 statements of the Company for the financial year ended 30 June 2013 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 report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (iii) any continuous disclosure notices given by the Company after the lodgment of the financial statements referred to in paragraph (i) and before the lodgment of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since 2013 audited financial statements:

Date	Description of Announcement
18/06/2014	Change of Director's Interest Notice x 2
17/06/2014	Cleveland Tailings Resource Upgrade
12.06/2014	Appendix 3B
06/06/2014	Acquisition of 100% of the Cleveland Project
06/06/2014	Private Placement and Rights Issue
04/06/2014	Trading Halt
02/06/2014	Market Update
30/05/2014	Reinstatement to Official Quotation (2/06/14)
30/05/2014	Retraction of PFS, Production Targets & Forecast Financials
30/05/2014	Extension to Voluntary Suspension
26/05/2014	Suspension from Official Quotation
22/05/2014	Trading Halt

08/05/2014	Investor Presentation Amended
07/05/2014	Investor Presentation
30/04/2014	Quarterly Cashflow Report
30/04/2014	Quarterly Activities Report
22/04/2014	Elementos Delivers Positive Cleveland Tin Mine PFS
10/04/2014	Selwyn Range Project Joint Venture Agreement
10/04/2014	Appendix 3B - Lapse of Listed Options
02/04/2014	Cleveland Tin and Copper Exploration Target Defined -Amended
02/04/2014	Cleveland Tin and Copper Exploration Target Defined
31/03/2014	Options Expiry Notice - Amended
28/03/2014	ELTO Options Expiry Notice
24/03/2014	Appendix 3Y - Reissue
21/03/2014	Appendix 3Y and Form 604
20/03/2014	Amended Appendix 3B
20/03/2014	Appendix 3B
20/03/2014	Change in Director's Interest Notice X 2
20/03/2014	Appendix 3B
17/03/2014	Selwyn Range Tenements Granted
13/03/2014	Half-Year Report and Accounts
07/03/2014	High-Grade Silver-Lead-Zinc Identified South of Cleveland
05/03/2014	Cleveland JORC Resources Significantly Expanded
20/02/2014	Results of Meeting
19/02/2014	Extraordinary General Meeting - Removal of Resolution
14/02/2014	Management Changes
31/01/2014	Quarterly Cashflow Report
31/01/2014	Quarterly Activities Report

20/01/2014	Notice of Extraordinary General Meeting and Proxy Form
24/12/2013	Notification of Lapse of Options
12/12/2013	Becoming a substantial holder
11/12/2013	Completion of Compulsory Acquisition of Rockwell Minerals
11/12/2013	Change in substantial holding
11/12/2013	CYU: Mt Isa Exploration Program Update
10/12/2013	Becoming a substantial holder
05/12/2013	Investorium Video Presentation
04/12/2013	CYU: Millenium Proj Drilling-Large Mineral System Identified
02/12/2013	Results of Meeting
29/11/2013	Managing Director Address at 2013 Annual General Meeting
28/11/2013	Appendix 3Y
26/11/2013	S708A Cleansing Notice
26/11/2013	Appendix 3B
20/11/2013	Completion of Capital Raising to Fund Next Phase of Growth
19/11/2013	Cleveland Tin Mine Pre-Feasibility Study to Commence
08/11/2013	CYU: Millenium Exploration Program Update
06/11/2013	Investor Presentation
06/11/2013	Capital Raising to Fund Next Phase of Growth
05/11/2013	Top 20 and Distribution Schedule
04/11/2013	Trading Halt
04/11/2013	Appendix 3B
29/10/2013	Notice of Annual General Meeting/Proxy Form
29/10/2013	Cleveland Project Tungsten Potential
28/10/2013	Quarterly Cashflow Report
25/10/2013	Quarterly Activities Report
24/10/2013	CYU: Drilling Program for Millenium Project NW Queensland

21/10/2013	Final Director's Interest Notice x 2
21/10/2013	Initial Director's Interest Notice x 2
21/10/2013	Appointment & Resignation of Directors
18/10/2013	Compulsory Acquisition of Shares in Rockwell Minerals Ltd
17/10/2013	Restructure of Cleveland Option Agreement
14/10/2013	Notice under S650F
14/10/2013	Offer For Rockwell Minerals Limited Closed
14/10/2013	Annual Report 2013
08/10/2013	Results of Meeting
04/10/2013	Takeover Offer - Status of Defeating Conditions
04/10/2013	Takeover Offer - Notice under sec 650F
24/09/2013	Full Year Statutory Accounts
17/09/2013	FTE: Variation to Millenium Option Agreement
17/09/2013	Millenium Project Joint Venture Agreement
17/09/2013	CYU: Millenium Project Joint Venture Agreement
10/09/2013	Notice of Extraordinary General Meeting and Proxy Form
28/08/2013	Rockwell Merger Update - 90% Acceptance Condition Satisfied
23/08/2013	Rockwell Merger Update
19/08/2013	Rockwell Merger Update
12/08/2013	Appendix 3B
09/08/2013	Becoming a substantial holder
08/08/2013	Expiring Options
07/08/2013	Target Statement Received From Rockwell Minerals Ltd
07/08/2013	Bidder's Statement for Rockwell Minerals Limited Merger
07/08/2013	S708A Cleansing Notice
07/08/2013	Appendix 3B
06/08/2013	Final Director's Interest Notice

06/08/2013	Resignation of Non-Executive Director Mark McCauley
02/08/2013	Amended Release - Extension of Time for Bidder's Statement
02/08/2013	Extension of Time for Lodgement of Bidder's Statement
01/08/2013	Private Placement to Fund Cleveland Project Scoping Study
31/07/2013	Quarterly Activities and Cashflow Reports
31/07/2013	Rockwell Merger and Capital Raising
30/07/2013	Trading Halt
25/07/2013	Change of Director's Interest Notice X3
25/07/2013	Appendix 3B
02/07/2013	Change of Director's Interest Notice

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 or from [www.asx.com.au](http://www.asx.com.au).

## 10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Calvin Treacy	Corey Nolan	Richard Seville
Shares	22,750,004	1,047,372	16,981,177
Options	6,200,00	3,300,000	Nil
<b>Entitlement</b>			
Shares	4,550,000	156,631	3,396,235
Options	n/a	n/a	n/a

Mr. Seville has provided a commitments to the Company to take up his Entitlements and to subscribe for Shortfall Shares, up to a combined maximum of \$96,000.

Mr. Calvin Treacy has provided a commitment to take up his Entitlements up to a maximum of \$20,000.

Mr. Corey Nolan has provided a commitment to take up his Entitlements in respect of approximately 264,000 Shares and may increase this commitment.

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**Remuneration paid to Directors in the two years prior to the date of this Prospectus<sup>1</sup>**

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	2013	2014
	\$	\$
Calvin Treacy	Nil	102,644
Corey Nolan	228,475	117,172
Richard Seville	Nil	28,602

**Notes:**

1 Figures based on amounts paid and accrued.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

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

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgment of this Prospectus with ASIC, any interest in:

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

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

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

### 10.3 Interests of promoters and named persons

Except as disclosed 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 in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, 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; or
- (c) the Offer.

Rick Anthon Lawyer has acted as solicitors to the Offer. In respect of this work, the Company will pay approximately \$12,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates.

### 10.4 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgment of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any express or implied representation or warranty in relation to the Company, this Prospectus or the Offer;
- (d) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based;
- (e) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name.



Name	Role
Rick Anthon Lawyer	Lawyers
Paradigm Securities	Sponsoring Broker
Boardroom Pty Ltd	Share Registry
Andrew Greig	Underwriter
BDO Audit Pty Ltd	Auditor

### 10.5 Expenses of the Offer

The total expenses of the Offer (exclusive of GST) are estimated to be \$96,000 assuming the Offer is fully subscribed Subscription consisting of the following:

Cost	Full Subscription (\$)
Sponsoring Broker Fees and outlays	63,000
Legal fees	12,000
ASX fees	6,000
ASIC, printing, share registry and other expenses	15,000
<b>Total</b>	<b>96,000</b>

These expenses have or will be paid by the Company.

### 10.6 Litigation


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

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**11 DIRECTORS' RESPONSIBILITY AND CONSENT**

Each Director has consented to the lodgment of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 19 June 2014



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Signed for and on behalf of  
Elementos Limited by Calvin Treacy, Director

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## 12 GLOSSARY

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

<b>\$, A\$ or Dollars</b>	Australian dollars unless otherwise stated.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Applicant</b>	a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus.
<b>Application</b>	a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus.
<b>ASIC</b>	the Australian Securities & Investments Commission.
<b>ASX</b>	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	the board of Directors.
<b>Closing Date</b>	the date set out in section 1.
<b>Company or Elementos</b>	Elementos Limited (ABN 49 138 468 756)
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Director</b>	a director of the Company.
<b>Eligible Shareholders</b>	has the meaning in section 8.5.
<b>Entitlement and Acceptance Form</b>	the personalised entitlement and acceptance form attached to this Prospectus.
<b>Entitlement or Right</b>	a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
<b>Ex Date</b>	the date set out in section 1.
<b>Existing Share</b>	a Share issued as at 5.00pm EST on the Record Date.
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder.
<b>JORC</b>	Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (2012).
<b>k</b>	thousand.

<b>Listing Rules</b>	the listing rules of the ASX.
<b>M</b>	Million.
<b>Minimum Subscription</b>	\$500,000.
<b>New Shares</b>	Shares offered pursuant to this Prospectus.
<b>Offer</b>	an invitation made in this Prospectus to subscribe for New Shares.
<b>Official List</b>	the official list of the ASX.
<b>Option</b>	options to purchase Share details of which are set out in section 5.4.
<b>Prospectus</b>	this Prospectus and includes the electronic prospectus.
<b>Record Date</b>	the date set out in section 1.
<b>Share</b>	a fully paid ordinary share in the Company.
<b>Share Registry</b>	Boardroom Pty Ltd.
<b>Shareholder</b>	the registered holder of Shares in the Company.
<b>Shortfall</b>	will occur if the Company does not hold successful valid Applications for all the New Shares offered by the Company under this Prospectus by the Closing Date.
<b>Shortfall Shares</b>	New Shares for which valid Applications have not been received by the Closing Date.
<b>Underwriter</b>	Andrew Greig.
<b>Underwriting Agreement</b>	the underwriting agreement between the Company and the Underwriter executed on 17 June 2014.
<b>Underwritten Amount</b>	means \$500,000.
<b>Underwritten Securities</b>	has the meaning given in section 8.5.
<b>US person</b>	has the meaning given to that term in Regulation S under the US Securities Act.
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>EST</b>	Eastern Standard Time, Queensland Australia.

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**SCHEDULE 1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Audited 31 December 2013	Unaudited pro forma as at 31 March 2014 Full Subscription
	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	1,002,553	2,336,408
Trade and other receivables	198,771	45,570
Other current assets	41,697	25,423
<b>Total Current Assets</b>	<u>1,243,021</u>	<u>2,407,401</u>
<b>Non-Current Assets</b>		
Property, plant and equipment	40,483	37,040
Exploration and evaluation expenditure	5,763,188	6,307,586
<b>Total Non-Current Assets</b>	<u>5,803,671</u>	<u>6,344,626</u>
<b>TOTAL ASSETS</b>	<u>7,046,692</u>	<u>8,752,027</u>
<b>Current Liabilities</b>		
Trade and other payables	656,179	390,988
<b>Total Current Liability</b>	<u>656,179</u>	<u>390,988</u>
<b>TOTAL LIABILITIES</b>	<u>656,179</u>	<u>390,988</u>
<b>NET ASSETS</b>	<u>6,390,513</u>	<u>8,361,039</u>
<b>EQUITY</b>		
Issued Capital	9,457,042	12,166,497
Reserves	(62,554)	(528,142)
Accumulated losses	(3,003,975)	(3,277,316)
<b>TOTAL EQUITY</b>	<u>6,390,513</u>	<u>8,361,039</u>