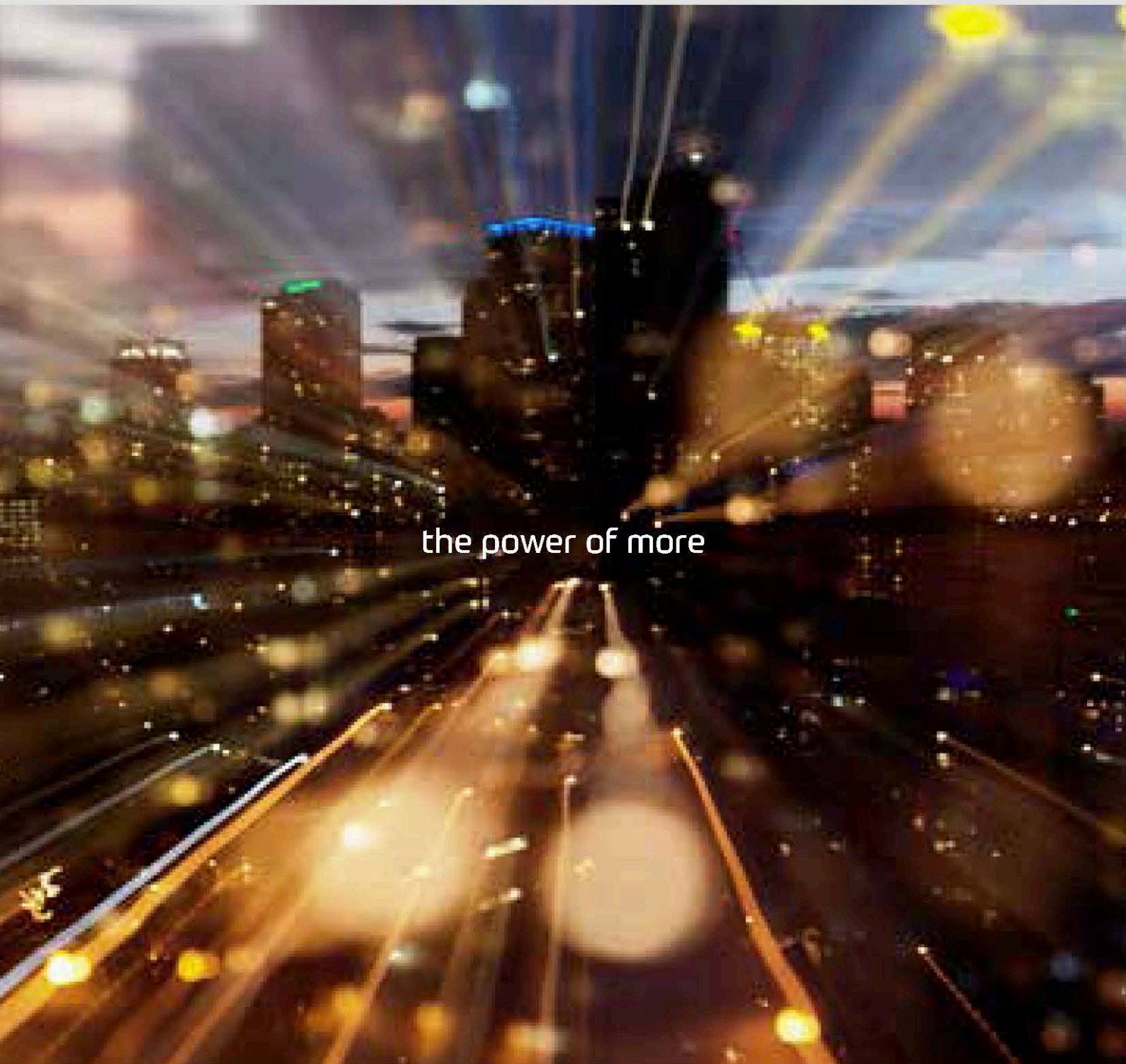


PROSPECTUS Arunta Resources Limited



the power of more

THE SECURITIES OFFERED UNDER THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE

IMPORTANT INFORMATION: This is an important document that you should read in full. If you do not understand it, consult your professional advisor



LODGE
CORPORATE
EST. 1978

**Lead Manager to
the Equity Offer**

Arunta Resources Limited
to be renamed Spirit Telecom Limited
ACN 089224 402



Table of Contents

Sections

Important Information	4
Key Offer information	11
Key Offer Statistics	11
How to Invest	12
Letter from the Chairman and Chairman Elect	13
1. Investment Overview	14
2. Transaction Overview	25
3. Industry Overview	28
4. Business Overview	32
5. Financial Information	38
6. Key Risks	55
7. Key Individuals, Interests and Benefits	61
8. Details of the Offers	79
9. Investigating Accountants Report	92
10. Additional Information	100
11. Glossary	111
12. General Offer Application Form	115
13. Corporate Directory	117

Tables

Table 1 - Important Dates	11
Table 2 - Key Offer Statistics	11
Table 3 - Devices per Capita 2014 & 2019	29
Table 4 - Devices per Capita 2014 & 2019	29
Table 5 - Internet users in Australia 2014 & 2019	29
Table 6 - Global Residential Services adoption and growth (compound annual growth rate, CAGR)	30
Table 7 - Increase in Experienced speeds (Kbps) Increases Internet Video Viewership (Mins)	30
Table 8- Arunta Resources Ltd Historical and Pro-forma Consolidated Statement of Financial Position	40
Table 9 -ASX Corporate Governance Council Principles and Recommendations	75
Table 10- Important Dates	80
Table 11 - Shares	82
Table 12 - Options	82
Table 13 - Key terms and conditions of the Equity Offer	85

Figures

Figure 1 - Akamai's State of the Internet	28
Figure 2 - Spirit Milestones	32
Figure 3 – PCMag (25 August 2015)	33
Figure 4 - Spirit Network, Services and Access	33
Figure 5 - A typical residential multi-dwelling unit (MDU) deployment	34
Figure 6 –Spirit's maximum speeds achieved over different delivery options- ADSL2+ vs SHDSL vs EoC vs Fibre	34
Figure 7 - Spirit Business Model	37
Figure 8 - Post transaction Group entities	100

THIS PROSPECTUS is for a public offering of between 100,000,000 and 150,000,000 New Shares at an issue price of \$0.02 (2 cents) per New Share to raise between \$2,000,000 and \$3,000,000 before costs (referred to in this Prospectus as the “**Equity Offer**”).

COMPLETION OF THE EQUITY OFFER IS CONDITIONAL upon satisfaction of certain conditions including ASX conditionally confirming that it will re-instate Arunta’s securities to quotation to the Official List.

Further details of the conditions to the Offers are set out in Section 2.1 of this Prospectus

LEAD MANAGER TO THE EQUITY OFFER:



Lodge Corporate Pty Ltd [ABN 50 121 323 164] is a
Corporate Authorised Representative [AR 316 212] of
Lodge Partners Pty Ltd [AFSL 246271] [ABN 25 053 432 769]

LODGEMENT AND LISTING: This Prospectus is dated 26 April 2016 and was lodged with the Australian Securities Investment Commission (“**ASIC**”) on that date (“**the Prospectus Date**”).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation of the New Shares and New Options on ASX.

Neither ASIC nor ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

As set out in Section 8.3, it is expected that the New Shares issued under the Equity Offer will be quoted on ASX initially on a conditional and deferred settlement basis. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

EXPIRY DATE: No New Shares or New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus

Important Information

Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

Arunta Resources Limited (“**Arunta**” or “**the Company**”) historically operated as a minerals exploration company with mineral exploration tenement interests in Australia. As first announced to ASX on 24 June 2015 the Company entered into a binding conditional agreement to acquire 100% of the issued capital of Spirit Telecom (Australia) Pty Ltd (“**Spirit**”) under a share sale agreement (“**the Share Sale Agreement**”). Further detail about Spirit and the acquisition of Spirit by the Company are set out in this Prospectus, particularly Sections 2 and 4. A summary of the Share Sale Agreement is included in Section 10.3.1.

On 26 February 2016 the Company demerged its former subsidiary Davenport Resources Limited [ACN 153 414 852] (“**Davenport**”) by an *in specie* distribution of all of the shares of Davenport to the Company’s Shareholders, as approved at the First General Meeting. As a result, the Company ceased being a minerals exploration company or to hold any mineral exploration tenement interests.

The acquisition of Spirit will result in a significant change to the nature and scale of the Company’s activities, which required approval by Arunta Shareholders under Chapter 11 of the ASX Listing Rules.

Change in Nature and Scale

At the general meeting of Arunta Shareholders held on 18 April 2016 (“**the Second General Meeting**”) each of the resolutions required under Chapter 11 of the ASX Listing Rules, to ratify a prior issue of Shares, to consolidate its existing Shares and options on a 23 to 1 basis, to authorise the issue of New Shares and New Options to Vendors of Spirit and the issue of New Shares under the Equity Offer, to elect a new Board, to permit an Existing Director and a Proposed Director to participate in the Equity Offer, to change the name of the Company to “Spirit Telecom Limited”, and to adopt an employee incentive scheme were passed. A copy of the notice of meeting for the Second General Meeting, together with an explanatory memorandum and an independent expert’s report which accompany the notice of meeting (collectively “**the Second Meeting Notice**”), is available on the Company’s website (www.aruntaresources.com.au) and the ASX Companies Announcement Platform at www.asx.com.au under the Company’s current ASX code “AJR”.

The Company must also comply with ASX requirements including re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with those requirements.

The Offers made under this Prospectus and the issue of New Shares and New Options pursuant to this Prospectus are subject to and conditional upon the Preconditions to Issue described in Section 2.1. The Preconditions to Issue include satisfaction of ASX’s requirements, among others, as described in Section 2.

Offers Conditional

Accordingly, where relevant, this Prospectus assumes that the Preconditions to Issue will have been satisfied.

If the Preconditions to Issue are not satisfied, New Shares or New Options will not be issued pursuant to this Prospectus, and the Company will refund all Application Monies received to Applicants without interest in accordance with the Corporations Act.

Consolidation

Unless otherwise stated, references to shares and options of the Company assume the 23 to 1 Consolidation of the Company’s securities approved by Shareholders at the Second General Meeting has been completed. The Company will make announcements to ASX about completion of the Consolidation, which will be available on the ASX website

(www.asx.com.au) and the Company's website (www.aruntaresources.com.au). Numbers of shares and options are on a post-Consolidation basis and are subject to rounding.

Information about Spirit and post-acquisition intentions

Information and statements about Spirit and its personnel in this Prospectus have been provided by Spirit and the Proposed Directors. Statements of intentions for the Company or Spirit at and after the acquisition of Spirit or the business of Spirit as a wholly owned and controlled subsidiary of the Company have been provided by, and are made by, the Proposed Directors.

The Offers contained in this Prospectus are:

The Offers

- (a) the Equity Offer which is an invitation to the public to apply for a minimum of 100,000,000 and up to a maximum of 150,000,000 New Shares (fully paid ordinary shares in Arunta Resources Limited). The Equity Offer is made up of the Broker Firm Offer which is only open to clients of Brokers who receive a firm allocation from their Broker, and the General Offer which is open to all eligible investors; and
- (b) the Vendor Offer which is an offer of 611,250,000 New Shares and 197,594,357 New Options (having the same terms as the Company's existing listed "AJRO" options, with an exercise price of \$0.039376 (3.9376 cents) on a post-Consolidation basis expiring on 31 July 2019) to the Vendors of Spirit and/or their respective nominee(s), as consideration for the acquisition of 100% of the issued shares of Spirit. Only Vendors of Spirit and/or their respective nominee(s) are eligible to accept the Vendor Offer.

The Equity Offer and the Vendor Offer are collectively referred to in this Prospectus as "**the Offers**".

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the assumptions underlying the financial information in this Prospectus and the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, tax advisor or other independent and qualified professional advisor before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Section 6. There may be risk factors in addition to these that should be considered in the light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No person is authorised to give any information or to make any representation in connection with the Offers described in this Prospectus which is not contained in this Prospectus. Any information not contained in this Prospectus may not be relied upon as having been authorised by the Company, the Lead Manager or any other person in

	<p>connection with the Offers. You should rely only on information contained in this Prospectus.</p>
Disclosing Entity	<p>The Company is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. Refer to Section 10.14 for further information.</p>
Securities Suspended	<p>The Company's securities (Shares and listed options) are currently suspended from trading on ASX pending completion of the Equity Offer and acquisition of Spirit, and ASX being satisfied with the Company's re-compliance with Chapters 1 and 2 of the Listing Rules. A reference to Shares or options as currently being Listed refers to the Shares or options as being subject to suspension.</p>
Financial information presentation	<p>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 beyond the expected listing date on the basis that the anticipated operations of the Company after the completion of the acquisition of Spirit are inherently uncertain. 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.</p> <p>The financial information in this Prospectus should be read in conjunction with, and are qualified by reference to, the information contained in Section 5. Section 5 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.</p> <p>Investors should be aware that certain financial data included in this Prospectus is 'non-IFRS financial information' under Regulatory Guide 230 Disclosing non-IFRS financial information, published by ASIC. The Company believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.</p> <p>Unless otherwise stated or implied, all pro forma data in this Prospectus gives effect to the pro forma adjustments referred to in Section 5.</p> <p>Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Section 5. All financial amounts contained in this Prospectus are expressed in Australian dollars rounded to the nearest \$1,000 unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.</p>
Forward looking statements	<p>This Prospectus may contain forward looking statements, which are only predictions and subject to inherent risks and uncertainties.</p> <p>Except as required by law, and only to the extent so required, neither the Company, its Directors nor any other person cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward looking</p>

statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on such forward looking statements.

Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. The Company and its officers cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

Forward looking statements should be read in conjunction with considering risks including those set out in Section 6 and other information in this Prospectus.

This Prospectus, including the Industry Overview in Section 3, uses market data and third party estimates and projections. There is no assurance that any of the third party estimates or projections contained in this information will be achieved. The Company has not independently verified this information.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those set out in Section 6.

Foreign offer restrictions

This Prospectus may not be distributed outside Australia. The New Shares and New Options may not be offered outside Australia. If you are outside Australia it is your responsibility to obtain any necessary approvals for the Company to allot and issue New Shares and New Options to you pursuant to this Prospectus.

Electronic Prospectus

The Company proposes to make this Prospectus available on its website at www.aruntaresources.com.au. Copies will also be available from Spirit's website which is www.spirit.com.au.

Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus. Persons having received a copy of this Prospectus in its electronic form may, before the Closing Date of the Offer, obtain a hard copy of this Prospectus free of charge by contacting the Company or Security Transfer Registrar Pty Ltd ("**the Share Registry**") on +61 8 9315 2333.

Applications for New Shares or New Options may only be made on the appropriate application form ("**Application Form**") which was attached to or accompanied a copy of this Prospectus, or:

- (subject to having downloaded or received a copy of this Prospectus) using a paper copy of the Application Form downloaded from www.aruntaresources.com.au or Spirit's website which is www.spirit.com.au; or
- an electronic Application Form submitted using an on-line Application facility made available by the Company or the Lead Broker, in accordance with the

instructions for use of the facility and only after downloading and confirming having received an electronic copy of this Prospectus

The Company's and Spirit's websites and their respective contents do not form part of this Prospectus and are not to be interpreted as part of, nor incorporated into, this Prospectus which should form the basis of your investment decision.

Applications

By making an Application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus.

No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares or New Options issued under a Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been lodged.

Defined Terms and Time

Some of the terms and abbreviations used in this Prospectus have defined meanings. These are capitalised and are defined in the Glossary in Section 11 of this Prospectus.

Unless otherwise stated or implied, a reference to a monetary amount is a reference to an amount in Australian dollars and a reference to a time is a reference to Australian Eastern Standard Time (AEST) in Melbourne, Victoria.

Privacy

By filling out an Application Form to apply for New Shares, you are providing personal information to the Company through the Company's service provider, the Share Registry. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you.

Your personal information may also be provided to the Company agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and as authorised under the Privacy Act 1988 (Cth). The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
 - printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
 - market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
 - legal and accounting firms, auditors, contractors, consultants and other advisors for the purpose of administering, and advising on, the Shares for associated actions.
-

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information by sending an email to registrar@securitytransfer.com.au, or writing to or by telephoning the Share Registry as follows:

Security Transfer Registrars Pty Ltd

Attn: Registrar

770 Canning Highway

Applecross WA 6153

Phone: +61 8 9315 2233

If any of your information is not correct or has changed, please contact the Share Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the Share Register will be accessible to certain members of the public.

Photographs and diagrams

Photographs and diagrams used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company or Spirit. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise indicated all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Trademarks

All trademarks are the property of their respective owners and should not be interpreted to mean that any owner or user of a trademark endorses the Prospectus or its contents or that a commercial or other relationship with an owner or user of a trademark exists.

Offer Management

The Equity Offer is managed by Lodge Corporate Pty Ltd [ABN 50 121 323 168] which is a Corporate Authorised Representative [AR 316 212] of Lodge Partners Pty Ltd [AFSL 246271] [ABN 25 053 432 769].

Investigating Accountant's Report and financial services guide

The provider of the Investigating Accountant's Report on the Pro Forma Financial Information is required to provide Australian Retail Investors with a financial services guide in relation to its independent review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided for in Section 9.

Disclaimer

You should only rely on information contained in this Prospectus. No person is authorised to give any information or make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in the Prospectus may not be relied on as having been authorised by the Company, Spirit, the Directors or Proposed Directors.

Further Queries

The Prospectus does not take into account your investment objectives, financial situation or particular needs. Before deciding to invest in the Company it is important that you read the entire Prospectus and consider both the risk factors that could affect the financial performance of the Company and the assumptions underlying the financial information in this Prospectus.

The Prospectus does not provide investment advice. You should seek your own financial advice. The Offers contained in this Prospectus do not take into account your

investment objectives, financial situation and particular needs. It is important that you read this Prospectus carefully and in full before deciding to invest in the Company.

In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding to invest.

Applicants should carefully consider the risk factors that affect the Company and the industry in which it operates or proposes to operate. Section 6 outlines some key risk factors that may impact on the prospects of the Company. Further, any number of known and unknown risks, uncertainties and other factors could affect the actual results, performance or achievements of the Company. Section 6 details the assumptions underlying the Pro Forma Financial Information.

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offers or you are uncertain as to whether obtaining New Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional advisor.

Key Offer Information

Important dates

Prospectus Date	26 April 2016
Opening Date of Equity Offer	27 April 2016
Closing Date of Equity Offer	25 May 2016
Issue of New Shares (completion of the Equity Offer)	31 May 2016
Expected despatch of Holding Statements	2 June 2016
Shares expected to begin trading on ASX (on a conditional and deferred settlement basis)	7 June 2016
Shares expected to begin trading on ASX (on a normal settlement basis)	9 June 2016

Table 1 - Important Dates

Broker Firm Offer

An earlier date than the Closing Date may be specified by Brokers for returning Applications for allocations under the Broker Firm Offer.

Dates may change

The above dates are subject to change and are indicative only. The Company (in consultation with the Lead Manager) reserves the right to vary the dates and times of the Equity Offer, including to close the Equity Offer early, extend the Equity Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Investors are encouraged to submit their Applications as early as possible.

Key Offer statistics

	Minimum Raising (\$2 million)	\$2.5 million raising	Maximum Raising (\$3 million)
Offer Price	\$0.02	\$0.02	\$0.02
Existing Shares ⁽¹⁾	93,925,634	93,925,634	93,925,634
Total number of New Shares to be issued under the Equity Offer	100,000,000	125,000,000	150,000,000
Total number of New Shares to be issued under the Vendor Offer ⁽²⁾	611,250,000	611,250,000	611,250,000
Total number of Shares on issue on Completion of the Offers	805,172,634	830,175,634	855,175,634
Indicative Market capitalisation at the Equity Offer Price ⁽³⁾	\$16.1m	\$16.6m	\$17.1m

Table 2 - Key Offer Statistics

(1) On a post-Consolidation basis, are subject to rounding.

(2) 197,594,357 New Options are also to be issued to the Vendors as part of the consideration for the acquisition of Spirit.

(3) Calculated as the total number of Shares on issue following the Offers multiplied by the Equity Offer Price.

How to invest

Equity Offer

Applications for New Shares under the Equity Offer can only be made by completing and lodging an Application Form which was attached to or accompanied a copy of this Prospectus. Instructions on how to apply are set out in Sections 8.7 and 8.8 and on the appropriate Application Form. Applications under the Equity Offer must be for at least 100,000 New Shares (\$2,000) and in multiples of 50,000 New Shares (\$1,000) thereafter.

Vendor Offer

The Vendor Offer is made solely to and is capable of acceptance only by Spirit Vendors. Instructions for completing and returning the Vendor Offer Application Form are set out in the Vendor Offer Application Form.

Letter from the Chairman and Chairman Elect

26 April 2016

Dear Investor,

On behalf of the Arunta Resources Limited (“Arunta” or “the Company”), we are pleased to invite you to become a Shareholder of Arunta, which proposes to change its name to Spirit Telecom Limited as approved by Arunta Shareholders at the meeting held on 18 April 2016.

Arunta strategically decided in 2015 to seek new opportunities for its Shareholders away from the resources industry. Subsequently, on 24 June 2015, Arunta announced its intention to acquire all the issued shares of Spirit Telecom (Australia) Pty Ltd and to demerge its resources assets into a separate entity. A share sale agreement was signed between Arunta and Spirit on 4 September 2015. Details of the proposed transaction are contained Section 2 of this Prospectus.

Spirit specialises in delivering Superfast Internet to its customers, which comprise residential and commercial users. The superfast Internet sector is experiencing strong growth, as users worldwide require faster speeds to download and upload large amounts of content. Such content not only includes streaming movies and games, but also the growing number of cloud based personal and business applications that demand Superfast Internet.

The following combination of factors is expected to provide Spirit with a solid base from which to continue to grow its profitable and expanding business:

- An experienced and successful management team with a strong track record in the telecommunications industry;
- A growing market for Superfast Internet in Australia to cope with large content files such as movies;
- The increasing utilisation of fibre as the preferred means for users to access broadband data;
- The potential for Spirit to make selected acquisitions that support and enhance the existing business; and
- Growing brand awareness.

The acquisition of Spirit and the Equity Offer will result in a material change in the nature and scale of Arunta’s activities. The purpose of the Prospectus is to assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to provide the Company with the required funding to implement its commercial plans for new business development.

The Company is seeking to:

- Raise a minimum of \$2,000,000 with a maximum of \$3,000,000 by the issue of up to 150,000,000 new shares under the Equity Offer;
- Issue 611,250,000 New Shares and 197,594,357 New Options to the Spirit Vendors as the consideration for the purchase of all the issued capital of Spirit.

Upon re-instatement to trading (quotation) on ASX following completion of the acquisition of Spirit and the Equity Offer, Arunta will have a market capitalisation at the Equity Offer issue price of approximately \$16.1 million at the Minimum Raising amount and \$17.1 million at the Maximum Raising amount.

This Prospectus contains information about the Company, Spirit, the Offers and the proposed acquisition of Spirit. It also contains information about the potential risks of investing in the Company. We encourage you to read this Prospectus carefully and consult your professional advisors.

The securities offered under this prospectus should be considered speculative.

The Arunta Directors believe that the Spirit transaction has the potential to create significant Shareholder value. Furthermore, the Directors believe the opportunity is attractive due to the timely market positioning of Spirit in a growing sector of broadband Internet.

On behalf of the Board, we look forward to welcoming you as a Shareholder of the Company.

Arunta Resources Limited

(to be renamed Spirit Telecom Limited)



Francis Galbally
Chairman



James Joughin
Chairman Elect

1. Investment Overview

Topic	Summary	For more information
1.1 Arunta, Spirit and the transaction		
Who is the issuer of this Prospectus?	Arunta Resources Limited [ACN 089 224 402] incorporated in Australia (" Arunta " or " Company ").	Section 2
Who are Arunta and who Spirit?	<p>Arunta is a former resources company that proposes changing its business by acquiring 100% of the issued capital of Spirit Telecom (Australia) Pty Ltd ("Spirit").</p> <p>Spirit is an established private Australian company operating in the telecommunications industry.</p>	Sections 2 & 4
What will be the Company's business after the acquisition of Spirit?	<p>From completion of the acquisition of Spirit the Company's business will become the provision of telecommunications services.</p> <p>The Company's business and operations will wholly comprise the acquired business and operations of Spirit. It will have no other activities.</p> <p>Spirit provides Superfast Internet services to a range of residential and commercial buildings in Sydney, Melbourne and Brisbane.</p>	Section 4
What is the acquisition transaction?	<p>The acquisition of Spirit by Arunta is to be effected through Arunta purchasing all issued share capital in Spirit from the shareholders of Spirit (as Vendors) in consideration of the issue of 611,250,000 New Shares and 197,594,357 New Options to the Spirit Vendors.</p> <p>This will result in a material change in the nature and scale of Arunta's activities.</p> <p>The acquisition of Spirit is subject to the following conditions:</p> <ul style="list-style-type: none"> • the Company conducting and securing subscriptions from investors of a minimum of \$2 million and no more than \$3 million under the Equity Offer made through this Prospectus; • the Company completing the acquisition of Spirit; • ASX conditionally confirming that it will re-admit the Company to the Official List of ASX; • all material consents required from government authorities for the acquisition of Spirit being obtained; and • the non-occurrence of any event having a material adverse effect on Arunta or Spirit prior to completion of the acquisition of Spirit. 	Section 2
Why has this Equity Offer been issued?	The purpose of the Prospectus is to assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, to qualify the consideration Shares and options for trading, and to make the Equity Offer to provide Arunta with funding.	Section 8.4

Topic	Summary	For more information
Why is the Equity Offer being conducted?	<p>The Equity Offer is being conducted to provide the Company with:</p> <ul style="list-style-type: none"> • an increased working capital capability to provide operational flexibility to meet the demands of growth of the Spirit business; • additional financial flexibility and access to capital markets to pursue growth opportunities; and • the ability to meet the ASX Listing Rules for re-compliance under Chapters 1 & 2. 	Section 8.4
What is Spirit's business model?	<p>Spirit establishes 'anchors' in buildings, covering costs with a modest margin. Spirit is then able to offer its services to other businesses/residents within the same premises.</p> <p>The capital cost is in the initial 'fit out' and wiring of the building.</p> <p>Once complete the labour intensive component of the fit out diminishes to simple Wireless Access Point (WAP)/router configuration and shipment.</p>	Section 4.11
How and where will the Company generate its revenue after completion of the acquisition?	<p>After completion of the acquisition of Spirit, the Company will receive its revenue primarily from the installation and operation of Superfast Internet services in Australia.</p>	Section 4.1
What will be the Company growth strategy after completion of the acquisition?	<p>Spirit will use a component of the proceeds from the Offer to hasten its product rollout across the business and residential sectors and to invest in fit outs for new building implementations. In addition, funds will also be used for scaling in marketing, sales and operational staff to acquire new customers in existing and new markets and geographical expansions.</p> <p>Within buildings served by Spirit, Spirit has significant opportunity to increase penetration to individual users.</p>	Section 4.1
How does Spirit work with NBN Co?	<p>Spirit is a reseller of NBN services.</p> <p>However, Spirit's usual deployment of Superfast Internet uses an alternative network to NBN.</p>	Section 4.7
Where can I find details of Spirit's historical performance?	<p>Section 5 of this Prospectus includes summarised historical financial information for Spirit, a Statement of Profit or Loss and Other Comprehensive Income, and reconciliation of adjusted operating profit/(loss) to EBITDA</p>	Section 5, particularly Section 5.12
What is the Company's dividend policy?	<p>No dividend is expected to be declared in respect of the 2016 fiscal year.</p> <p>Subject to the performance of the Company in subsequent years, the Directors will review the dividend policy.</p>	Section 10.10

Topic	Summary	For more information
1.2 Summary of Key Risks		
Are there risks?	<p>Yes.</p> <p>Section 6 describes some of the potential risks associated with the Spirit business and the industry in which it operates, and risks associated with an investment in Shares which may have a material adverse impact on the viability and financial performance of the Company and the market price of its Shares, should they arise.</p> <p>Spirit is subject to a number of risks, both specific to Spirit and of a general nature, which may either individually or in combination adversely affect the future operating and financial performance of the Company after completion of the acquisition of Spirit, its investment returns, and the value of its Shares.</p> <p>This summary should not be relied on. Greater detail is provided in Section 6. It is strongly recommended that you read Section 6 in full.</p> <p>1.2.1 Specific Risks</p> <p>The risks described in Section 6.2 include risk areas considered specific to the Company which are summarised below:</p> <ul style="list-style-type: none"> • <i>Regulatory compliance</i> Including enquiries or potential action by the ACCC, the as yet unknown outcome of an exemption application, and whether ACCC will make a declaration of Superfast Broadband Access Services with an exemption for smaller scale providers such as Spirit. • <i>Management, technology, third party service provider reliance, competition and development timeframes</i> Including failure to manage and expand Spirit’s products in response to changing technologies, user and service providers’ demands and competitive pressures. • <i>Market penetration and usability of Spirit’s products depend upon various factors outside the control of the Company</i> Including maintenance, upkeep and continued supply of effective service by external suppliers or changes which adversely affect Spirit’s products or give preferential treatment to competitive products. • <i>Reliance on key personnel and skilled staff</i> Including the potential loss of senior executives or the inability to attract, train and retain key individuals or suitable staff. • <i>Maintenance of key business partner relationships</i> Including failing to maintain relationships or withdrawal of support, or loss or interruption to supply or services, or increased service sourcing costs. 	Section 6

	<ul style="list-style-type: none"> • Reliance on new products Including inability to create successful new products, introduction of significant changes to existing products and developing or introducing new and unproven products. New or enhanced products may fail to attract users. • Management of growth Including not properly implementing responses to growth. • Brand establishment and maintenance Including failing to establish and maintain Spirit’s brand or an inability to provide useful and innovative products. Adverse experiences by users of third party platforms, devices or operating systems not controlled by Spirit but which provide access to Spirit’s products may affect Spirit’s brand or attractiveness to users. • The Company will rely on third party providers and Internet search engines (amongst other facilities) to direct customers to Spirit’s products Including not attracting high level of Internet search rankings or competitors being more successful at obtaining higher search rankings. • Customer service Including poor customer service experiences, in adverse publicity, litigation, regulatory enquiries, reductions in the use of the Company’s products or services. • Competition Including competing with businesses and companies with greater financial and other resources than the Company. • Changes in technology Including being unable to expand products and grow in response to changing technologies, user and third party service providers’ demands and competitive pressures. Costs of responding to changing technologies may impact the Company’s profitability or, if prohibitive, reduce the Company’s capacity to expand or maintain its business. • Data loss, theft or corruption Including failing or being unable to prevent hacking, theft or loss of data, or to address vulnerabilities in the Company’s network, with potential loss, theft or corruption of data, or failures by third party service providers and cloud computing service providers. • Security breaches Including breaches of security measures or cyber-attacks, or the perception that its products may be less secure than competitors. 	
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	<ul style="list-style-type: none"> • Insurance Including that the Company will not be insured against all risks if appropriate cover is not available or premiums are considered excessive. The Company may not be fully insured against all losses and liabilities. • Liquidity and realisation risk Including an active market in the shares is not guaranteed, or may be illiquid or volatile. Release of shares from escrow may result in a significant sell down by the holders of those shares, affect the prevailing market price. • Additional requirements for capital Including that further financing may be required in the future. There is no certainty additional financing would be able to be secured, and securing financing may dilute shareholdings or involve restrictions on activities. • Potential acquisitions Including risks commonly encountered in making such acquisitions, if such were to be made. • If the Company's goodwill or intangible assets become impaired, it may be required to record a significant charge to earnings Including that events or changes in circumstances may indicate carrying values may not be recoverable. • Finance risks Including that existing facilities may not be renewed or the Company may not be able to replace the facilities on acceptable terms. <p>1.2.2 General risks</p> <p>Risks that apply to companies generally may affect the performance of the Company or value its securities, include those set out in Section 6.3 including:</p> <ul style="list-style-type: none"> • General economic climate, such as but not only inflation, currency fluctuation, interest rates and supply and demand; • Changes in legislation and government regulation; • Unforeseen risks; • Combination of risks; • Unforeseen expenditure risks; • Long term investment risks; and • The speculative nature of investment. <p>The above is not intended to be an exhaustive list of the risk factors to which the Company or investors in the Company are or may be exposed. The factors not specifically referred to above may in the</p>	
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Topic	Summary	For more information																														
	future materially affect the viability, or performance of the Company and the value of its securities.																															
1.3 Directors and Key Management																																
Who are the Directors at the date of this Prospectus and who will be the directors on Completion of the acquisition of Spirit?	<p>Current Board of Directors</p> <ul style="list-style-type: none"> Francis Galbally Angus Edgar Greg Bound <p>Proposed Board of Directors</p> <ul style="list-style-type: none"> James Joughin - Non-Executive Chair Geoff Neate – Managing Director Terence Gray – Non-Executive Director <p>Each of Mr Joughin, Mr Neate and Mr Gray were elected as directors of the Company at the Second General Meeting with effect upon completion of the acquisition of Spirit.</p> <p>It is anticipated Mr Joughin and Mr Gray will be considered to be independent.</p>	Section 7																														
Spirit’s Management team	<p>The combined experience of the founding managers, Geoff Neate and Joe Tigel is over 30 years’ telecommunications experience.</p> <p>The Management team, including a Chief Technical officer (CTO), Chief Operations Officer (COO) and Financial Controller, has skills across all elements of the Spirit business, particularly in sales and marketing, network management and supply chain management, and experience from a range of non-telecommunications businesses.</p>	Sections 4.9 & 7.1																														
Proposed Director’s remuneration and interests in Shares and Options	Proposed Directors’ post-acquisition direct and indirect interests in Shares and options:	Sections 2.1, 7.6, 7.7 & 10.5.1																														
	<table border="1" data-bbox="284 1420 1225 1899"> <thead> <tr> <th>Proposed Director</th> <th>Shares held on completion</th> <th>Minimum Raising (\$2 million) %</th> <th>\$2.5 million raising %</th> <th>Maximum Raising (\$3 million) %</th> <th>Options held on completion</th> </tr> </thead> <tbody> <tr> <td>James Joughin</td> <td>1,449,275*</td> <td>0.18%</td> <td>0.175%</td> <td>0.17%</td> <td>Nil</td> </tr> <tr> <td>Geoff Neate</td> <td>166,205,910</td> <td>20.64%</td> <td>20.02%</td> <td>19.44%</td> <td>53,493,928</td> </tr> <tr> <td>Terry Gray</td> <td>8,313,376</td> <td>1.03%</td> <td>1.00%</td> <td>0.97%</td> <td>813,418</td> </tr> <tr> <td>TOTAL</td> <td>175,968,561</td> <td>21.85%</td> <td>21.20%</td> <td>20.58%</td> <td>54,307,346</td> </tr> </tbody> </table> <p>Mr Joughin (or his nominee(s)) may subscribe for up to 5 million New Shares under the Equity Offer. The effect on Mr Joughin’s direct and indirect holdings if the maximum number of New Shares will be a total holding of 6,449,275</p>	Proposed Director	Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion	James Joughin	1,449,275*	0.18%	0.175%	0.17%	Nil	Geoff Neate	166,205,910	20.64%	20.02%	19.44%	53,493,928	Terry Gray	8,313,376	1.03%	1.00%	0.97%	813,418	TOTAL	175,968,561	21.85%	21.20%	20.58%	54,307,346	
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Topic	Summary	For more information																														
	<p>Shares, which would be 0.8% of the issued Shares of the Company at the Minimum Raising level, 0.77% at a \$2.5 million raising level, or 0.75% at the Maximum Raising level.</p> <p>Proposed Directors' current direct and indirect interests in Shares:</p> <table border="1" data-bbox="440 412 1094 678"> <thead> <tr> <th>Proposed Director</th> <th>Number of existing Shares (post-Consolidation)</th> </tr> </thead> <tbody> <tr> <td>James Joughin</td> <td>1,449,275</td> </tr> <tr> <td>Geoff Neate</td> <td>724,638</td> </tr> <tr> <td>Terry Gray</td> <td>5,797,102</td> </tr> <tr> <td>TOTAL</td> <td>7,971,015</td> </tr> </tbody> </table> <p>The proposed Managing Director, Mr Neate, will receive remuneration is \$285,158 per annum plus superannuation and use of a company vehicle.</p> <p>The annual non-executive Directors' fees will be \$60,000 per annum payable to the Chairman, and \$30,000 per annum payable to each other non-executive Director.</p>	Proposed Director	Number of existing Shares (post-Consolidation)	James Joughin	1,449,275	Geoff Neate	724,638	Terry Gray	5,797,102	TOTAL	7,971,015																					
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<p>Proposed Management's interests in Shares and Options</p>	<p>Other proposed Management's post-acquisition direct and indirect interests in Shares and options (to be received as consideration for Spirit shares):</p> <table border="1" data-bbox="331 1102 1206 1296"> <thead> <tr> <th></th> <th>Shares held on completion</th> <th>Minimum Raising (\$2 million) %</th> <th>\$2.5 million raising %</th> <th>Maximum Raising (\$3 million) %</th> <th>Options held on completion</th> </tr> </thead> <tbody> <tr> <td>Joe Tigel</td> <td>168,338,754</td> <td>20.91%</td> <td>20.28%</td> <td>19.68%</td> <td>54,417,645</td> </tr> </tbody> </table> <p>Details of the proposed remuneration of Management are set out in Sections 10.5.2 to 10.5.4.</p>		Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion	Joe Tigel	168,338,754	20.91%	20.28%	19.68%	54,417,645	<p>Sections 7.7.2 & 10.5.2 to 10.5.4</p>																		
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<p>Existing Directors' remuneration and interests in Shares and Options</p>	<p>The Existing Directors hold the following direct or indirect interests in the Company's Shares and options (on a post-Consolidation basis):</p> <table border="1" data-bbox="338 1563 1200 1968"> <thead> <tr> <th></th> <th>Shares held on completion</th> <th>Minimum Raising (\$2 million) %</th> <th>\$2.5 million raising %</th> <th>Maximum Raising (\$3 million) %</th> <th>Options held on completion^</th> </tr> </thead> <tbody> <tr> <td>Francis Galbally</td> <td>790,122</td> <td>0.10%</td> <td>0.10%</td> <td>0.092%</td> <td>Nil</td> </tr> <tr> <td>Angus Edgar</td> <td>10,330,970</td> <td>1.28%</td> <td>1.24%</td> <td>1.208%</td> <td>3,956,471</td> </tr> <tr> <td>Greg Bound</td> <td>Nil</td> <td>-</td> <td>-</td> <td>-</td> <td>Nil</td> </tr> <tr> <td>TOTAL</td> <td>11,121,092</td> <td>1.38%</td> <td>1.34%</td> <td>1.30%</td> <td>3,956,471</td> </tr> </tbody> </table> <p>Mr Edgar (or his nominee(s)) may subscribe for up to 12.5 million New Shares</p>		Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion^	Francis Galbally	790,122	0.10%	0.10%	0.092%	Nil	Angus Edgar	10,330,970	1.28%	1.24%	1.208%	3,956,471	Greg Bound	Nil	-	-	-	Nil	TOTAL	11,121,092	1.38%	1.34%	1.30%	3,956,471	<p>Sections 7.8 & 8.5.3</p>
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	<p>under the Equity Offer. The effect on Mr Edgar’s direct and indirect holdings if the maximum number of New Shares is acquired is set out in Section 8.5.3.</p> <p>Each of the Existing Directors is to resign at completion of the acquisition of Spirit and therefore will not receive remuneration after completion of the acquisition. Details of past remuneration are set out in Section 7.8.</p>																																													
1.4 Key Offer Statistics																																														
<p>What are the key Offer statistics?</p>	<p>The expected capital structure of the Company (on a post-Consolidation) basis immediately following completion of the acquisition of Spirit and the Equity Offer, is summarised below:</p> <table border="1" data-bbox="284 622 1222 1312"> <thead> <tr> <th><i>Post-Consolidation shares:</i></th> <th><i>Minimum Raising (\$2 million)</i></th> <th><i>\$2.5 million raising</i></th> <th><i>Maximum Raising (\$3 million)</i></th> </tr> </thead> <tbody> <tr> <td>Pre-acquisition Shares[^]</td> <td>93,925,634 (11.66%)</td> <td>93,925,634 (11.31%)</td> <td>93,925,634 (10.98%)</td> </tr> <tr> <td>Consideration New Shares to be issued to Vendors</td> <td>611,250,000 (75.92%)</td> <td>611,250,000 (73.63%)</td> <td>611,250,000 (71.48%)</td> </tr> <tr> <td>Equity Offer (New Shares)</td> <td>100,000,000 (12.42%)</td> <td>125,000,000 (15.06%)</td> <td>150,000,000 (17.54%)</td> </tr> <tr> <td>Total Shares</td> <td>805,175,634 (100%)</td> <td>830,175,634 (100%)</td> <td>855,175,634 (100%)</td> </tr> <tr> <td>Indicative market capitalisation at completion (approximately):</td> <td>\$16.1 million</td> <td>\$16.6 million</td> <td>\$17.1 million</td> </tr> </tbody> </table> <p><i>* Calculated as the total number of Shares multiplied by the Equity Offer price (2 cents).</i></p> <table border="1" data-bbox="312 1370 1222 1809"> <thead> <tr> <th><i>Post-Consolidation options:</i></th> <th><i>Number</i></th> <th><i>Exercise Price</i></th> <th><i>Expiry Date</i></th> </tr> </thead> <tbody> <tr> <td>Existing listed options (AJRO)[^]</td> <td>25,677,688</td> <td>3.9376 cents</td> <td>31 July 2019</td> </tr> <tr> <td>Existing unlisted options[^]</td> <td>652,174</td> <td>68.3376 cents</td> <td>18 December 2016</td> </tr> <tr> <td>Consideration New Options to be issued to Vendors</td> <td>197,594,357</td> <td>3.9376 cents</td> <td>31 July 2019</td> </tr> <tr> <td>Total options</td> <td>223,924,219</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><i>^ Subject to rounding</i></p>	<i>Post-Consolidation shares:</i>	<i>Minimum Raising (\$2 million)</i>	<i>\$2.5 million raising</i>	<i>Maximum Raising (\$3 million)</i>	Pre-acquisition Shares [^]	93,925,634 (11.66%)	93,925,634 (11.31%)	93,925,634 (10.98%)	Consideration New Shares to be issued to Vendors	611,250,000 (75.92%)	611,250,000 (73.63%)	611,250,000 (71.48%)	Equity Offer (New Shares)	100,000,000 (12.42%)	125,000,000 (15.06%)	150,000,000 (17.54%)	Total Shares	805,175,634 (100%)	830,175,634 (100%)	855,175,634 (100%)	Indicative market capitalisation at completion (approximately):	\$16.1 million	\$16.6 million	\$17.1 million	<i>Post-Consolidation options:</i>	<i>Number</i>	<i>Exercise Price</i>	<i>Expiry Date</i>	Existing listed options (AJRO) [^]	25,677,688	3.9376 cents	31 July 2019	Existing unlisted options [^]	652,174	68.3376 cents	18 December 2016	Consideration New Options to be issued to Vendors	197,594,357	3.9376 cents	31 July 2019	Total options	223,924,219	-	-	Section 8.5.2
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<p>What is the Consolidation?</p>	<p>Consolidation of Arunta’s existing shares and options on a 23 to 1 basis was approved by Arunta Shareholders at the Second General Meeting. The Consolidation is to take effect before completion of the acquisition of Spirit and issue of Equity Offer Shares. The</p>	Section 2.1																																												

Topic	Summary	For more information
	Company will make announcements to ASX about completion of the Consolidation, which will be available on the ASX website (www.asx.com.au) and the Company's website (www.aruntaresources.com.au). This Prospectus refers to Shares and options on a post-Consolidation basis, which assumes the Consolidation has taken effect, unless otherwise stated.	
Are there any escrow arrangements.	New Shares issued under the Equity Offer will not be escrowed. Some or all of the New Shares and New Options issued under the Vendor Offer may be subject to escrow determined by ASX.	Section 8.12.5
1.5 Summary of the Equity Offer		
What is the Equity Offer?	Arunta is offering to issue a minimum of 100,000,000 and up to 150,000,000 New Shares to raise a minimum of \$2 million and up to \$3 million before costs. The Equity Offer issue price is \$0.02 (2 cents) per New Share. New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all Existing Shares. No options are offered under the Equity Offer.	Section 8.1
How is the Equity Offer structured?	The Equity Offer comprises: <ul style="list-style-type: none"> • the Broker Firm Offer which is only open to clients of Brokers who receive a firm allocation from their Broker; and • the General Offer which is open to all eligible investors. 	Section 8.1
How will the proceeds of the Equity Offer be used?	The proceeds of the Equity Offer are intended to be used for: <ul style="list-style-type: none"> • Scaling in marketing, sales and operational staff; • Core network and building network expansion and upgrades; • A final payment in respect of the prior acquisition by Spirit of Voxcom (an Internet service provider) by Spirit which becomes due upon the effective listing of the Spirit business; • Additional working capital & funding for acquisitions; and • Paying costs of the Offers. 	Section 8.4
Will the Shares be listed?	The Company will apply to ASX for Official Quotation of the New Shares. The Offers are conditional on ASX approving the application. If approval is not given within three months after such application is made (or any longer period as ASIC and ASX may permit) the Offers will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	Section 8.12
Is the Offer underwritten?	No. The Offer is not underwritten. Lodge Corporate Pty Ltd acts as Lead Manager to the Equity Offer, and does not underwrite the Equity Offer.	Sections 8.6 & 10.3.4

Topic	Summary	For more information
What is the Equity Offer allocation policy?	<p>It will be a matter for each Broker as to how they allocate New Shares under the Broker Firm Offer among their clients.</p> <p>If oversubscriptions are received the Company may at its discretion in consultation with the Lead Manager reject General Offer Applications and/or scale back General Offer Applications and issue fewer New Shares than an Applicant applied for under the General Offer. Excess Application Monies will be refunded without interest.</p>	Sections 8.7.4 & 8.8
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Equity Offer.	Section 8.11
What are the tax implications of investing in New Shares?	Potential investors should consult their professional taxation adviser before deciding whether to apply for New Shares pursuant to this Prospectus as any tax liability may vary depending on their individual circumstances.	Section 10.12
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be despatched on or about 2 June 2016.	Section 8.3
How can I apply for New Shares under the Equity Offer?	<p>Broker Offer: Apply by completing a Broker Offer Application Form attached to or accompanying this Prospectus in accordance with your Broker's directions. Your Broker may require the form and payment earlier than the Closing Date.</p> <p>General Offer: Apply by completing a General Offer Application Form attached to or accompanying this Prospectus.</p> <p>Electronic copies of the relevant form may only be used if you received a copy of this Prospectus before applying.</p> <p>To the extent permissible by law, an Application by an Applicant under the Offer is irrevocable.</p>	Sections 8.7.2 & 8.8
Can the Offers be withdrawn?	<p>The Company reserves the right not to proceed with the Offers at any time before completion of the acquisition of Spirit and the issue of New Shares.</p> <p>If the Equity Offer does not proceed, Application Monies will be refunded by the Share Registry, your Broker or the Company.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Equity Offer.</p>	Section 8.13
1.6 Further Information		
Where can I find more information?	<p>Call the Lead Manager on (03) 9200 7000 (from within Australia) if you require assistance to complete the Application Form or require additional copies of this Prospectus.</p> <p>All enquiries in relation to the Broker Firm Offer should be directed to your Broker.</p>	Page 9

Topic	Summary	For more information
	<p>If you are unclear in relation to any matter or are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your solicitor, stock broker, accountant or other independent and qualified professional advisor before deciding whether to invest.</p>	

2. Transaction Overview

2.1 The Transaction

On 24 June 2015 the Company announced it had entered into a binding Term Sheet to acquire all the issued share capital in Spirit Telecom (Australia) Pty Ltd (**Spirit**), subject to certain conditions. The Share Sale Agreement which definitively records the terms of the acquisition of the Spirit Vendors' respective equity interests in Spirit was entered on 4 September 2015. The terms of the Share Sale Agreement are summarised in Section 10.3.1.

Spirit is a corporation incorporated and domiciled in Victoria. Spirit is a modern telecommunications provider, utilising the infrastructure of key carriers and cloud service providers to market Superfast Internet access and telephony services.

The consideration payable for the acquisition of 100% of the issued share capital of Spirit from the Vendors of Spirit will comprise the issue of six hundred and eleven million two hundred and fifty thousand (611,250,000) New Shares and one hundred and ninety-seven million five hundred and ninety-four thousand three hundred and fifty-seven (197,594,357) New Options to the Vendors and/or their respective nominee(s). Further details are set out in Section 10.4.

Arunta will become the 100% owner of Spirit. Arunta's activities will be solely Spirit's telecommunications business.

Arunta disposed of its former activity by the demerger of its former wholly owned subsidiary, Davenport, on 26 February 2016.

On 4 March 2016 Arunta issued 333,333,334 pre-Consolidation Shares (14,492,754 Shares on a post-Consolidation basis) after the demerger of Davenport, at an issue price of 0.075 cents (\$0.00075) per Share on pre-Consolidation (equal to 1.725 cents (\$0.0175) on a post-Consolidation basis) ("**the Placement**").

The Vendors and Proposed Directors (or their associates) who received Placement Shares are as follows:

<i>Vendor/Proposed Director</i>	<i>Proposed recipient entity (associate)</i>	<i>Number of Placement Shares (post-Consolidation)</i>
Chloedarcy Investments Pty Ltd (also associated with G Neate, a Proposed Director)	Eloise Leighton Pty Ltd	724,638
Thiel Group of Companies Pty Ltd	Magnum Opus Holdings Pty Ltd	724,638
Elizabeth Gray and Terence Gray (T Gray is also a Proposed Director)	TRG Pty Ltd	5,797,102
James Joughin (a Proposed Director)	Penbury Grange Pty Ltd	1,449,275

The effect of the above Vendors' associates holding Arunta Shares in addition to the New Shares to be received as consideration is set out in Section 10.4.

The Offers are subject to the following conditions ("**Preconditions to Issue**") being satisfied (unless waived):

- receipt of subscriptions for a minimum of \$2 million under the Equity Offer made under this Prospectus;
- ASX conditionally confirming that it will re-instate the Company's securities to quotation;
- the Company completing the acquisition of Spirit; and
- the non-occurrence of any event having an unremedied material adverse effect on Arunta or Spirit prior to completion of the acquisition of Spirit.

2.2 Shareholder Approval

The Company received approval from its Shareholders for the resolutions described below at the Second Meeting, which was held on 18 April 2016.

The Second Meeting Notice, which set out further detail about the resolutions below, was dispatched to Arunta Shareholders on 16 March 2016 and is available on the Company's website (www.aruntaresources.com.au) and the ASX Companies Announcement Platform at ww.asx.com.au under the Company's current ASX code "AJR". Copies can also be requested from the Company.

The Second Meeting Notice included an independent expert's report relating to the issue of shares to the Spirit Vendors.

Passing the following resolutions at the Second Meeting Notice was a condition of the acquisition of Spirit under the Share Sale Agreement:

- The change in the nature and scale of the activities of the Company resulting from completion of the acquisition of Spirit (Resolution 2);
- Consolidation of Arunta's existing Shares and options on a 23 for 1 basis. (Resolution 3);
- Approval for issue to Spirit Vendors (or their respective nominees) of a total of 611,250,000 New Shares and 197,594,357 New Options as consideration for the acquisition of 100% of the issued shares of Spirit (Resolutions 4, 5 and 6);
- The election of the Proposed Directors named in Section 7.1 to the Board of the Company subject to and with effect upon completion of the acquisition of Spirit (Resolutions 7, 8 and 9).
- The issue of a minimum of 100,000,000 and maximum of 150,000,000 New Shares at the Offer Price of \$0.02 (2 cents) per New Share to investors, being the New Shares offered pursuant to the Equity Offer made under this Prospectus (Resolution 10); and
- Changing the Company's name to "Spirit Telecom Limited", subject to completion of the acquisition of Spirit (Resolution 13).

The Company also obtained Shareholder approval for the following (which are not conditions of the acquisition under the Share Sale Agreement):

- Ratification of the issue of Placement Shares (Resolution 1);
- Participation in the Equity Offer by an Existing Director, Mr Angus Edgar (and/or his nominee(s)) by subscribing for up to 12.5 million New Shares (being up to \$250,000) and a Proposed Director, Mr James Joughin (and/or his nominee(s)) by subscribing for up to 5 million New Shares (being up to \$100,000) (Resolutions 11 and 12). Accordingly, Mr Edgar and Mr Joughin have the right, but not the obligation, to subscribe under the Equity Offer up to the respective approved limits. Mr Edgar and Mr Joughin (and/or their respective nominee(s)) would participate in the Capital Raising on the same terms as other, non-related party investors.
- The adoption of the Employee Security Ownership Plan summarised in Section 10.6, to provide a mechanism to reward and incentivise Management, other key employees and (subject to further Shareholder approval) Directors in the future (Resolution 14).

2.3 Re-instatement of Official Quotation on ASX

The acquisition of Spirit will substantially change the nature and scale of the Company's activities. The change in scale of the Company's activities requires:

- The approval of the Company's Shareholders (which has been obtained, as referred to above).
- The Company to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules.

The Company's Shares are suspended from trading (quotation). In accordance with ASX guidelines, the Company's Shares will remain suspended until such time as it completes the Equity Offer and acquisition of Spirit and re-complies

with the requirements of Chapters 1 and 2 of the ASX Listing Rules. Key requirements of Chapters 1 and 2 of the ASX Listing Rules which are applicable to the Company's re-quotations are:

- satisfying the Shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders.
- satisfying the assets test as set out in Listing Rule 1.3.

It is expected that the acquisition of Spirit and the completion of the Equity Offer pursuant to this Prospectus will enable the Company to satisfy the requirements for re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Applicants should be aware that ASX will not re-instate existing Shares or admit any New Shares to Official Quotation until the Company complies with Chapters 1 and 2 of the ASX Listing Rules. In the event that the Company does not receive conditional approval for the re-instatement of the Company's Shares to Official Quotation, the acquisition of Spirit will be terminated and the Company will not proceed with the Offers. In these circumstances the Company will repay all Application Monies received to Applicants (without interest).

2.4 Change of Name and ASX code

As referred to above, the Company will change its name to "**Spirit Telecom Limited**" following completion of the acquisition of Spirit.

It is anticipated that following the name change, the Company's ASX code will change to "ST1". The new code will be announced to ASX and Applicants or any person seeking to acquire or dispose of the Company's securities on ASX after the acquisition of Spirit and Equity Offer are completed should confirm the new code before trading.

3. Industry Overview

Spirit operates as an Internet Service Provider (ISP) and as such primarily focuses on the fixed Internet sector of the Australian Telecommunications Industry. In this respect, Spirit is classified as a Layer 2 Carriage Service Provider. This means that Spirit is an aggregator of telecommunication services (provided by groups such as Telstra, Vocus and AAPT) to supply an end user with Superfast Internet using its Layer 2 network. For clarity, this means that Spirit uses another carrier's fibre as a virtual extension cord between its own Layer 2 network and a given MDU (Multi Dwelling Unit).

As at June 2015, there are 69 ISP's operating throughout Australia, providing varying types of Internet including, but not limited to, dial-up, ADSL, ADSL2+ or Ethernet based services (including fibre based).¹

The ISP sector is currently witnessing an increase in demand for faster fixed Internet speeds. This has been brought about by, among other things, the proliferation of connected devices, a change in End User (EU) usage patterns and the ever increasing growth in services accessed via the Internet.

3.1 Australia's Internet speeds

Australia has a thirst for better Internet.² Australia's is slow in fixed Internet download speeds, relative to its Asia Pacific neighbours, with an average 8.2 Megabytes per second (Mbps) download speed.³ Globally Australia has been ranked 48th fastest Internet country.⁴ Perhaps more critically only 8.2% of Australia's fixed Internet connections have download speeds greater than 15Mbps.⁵

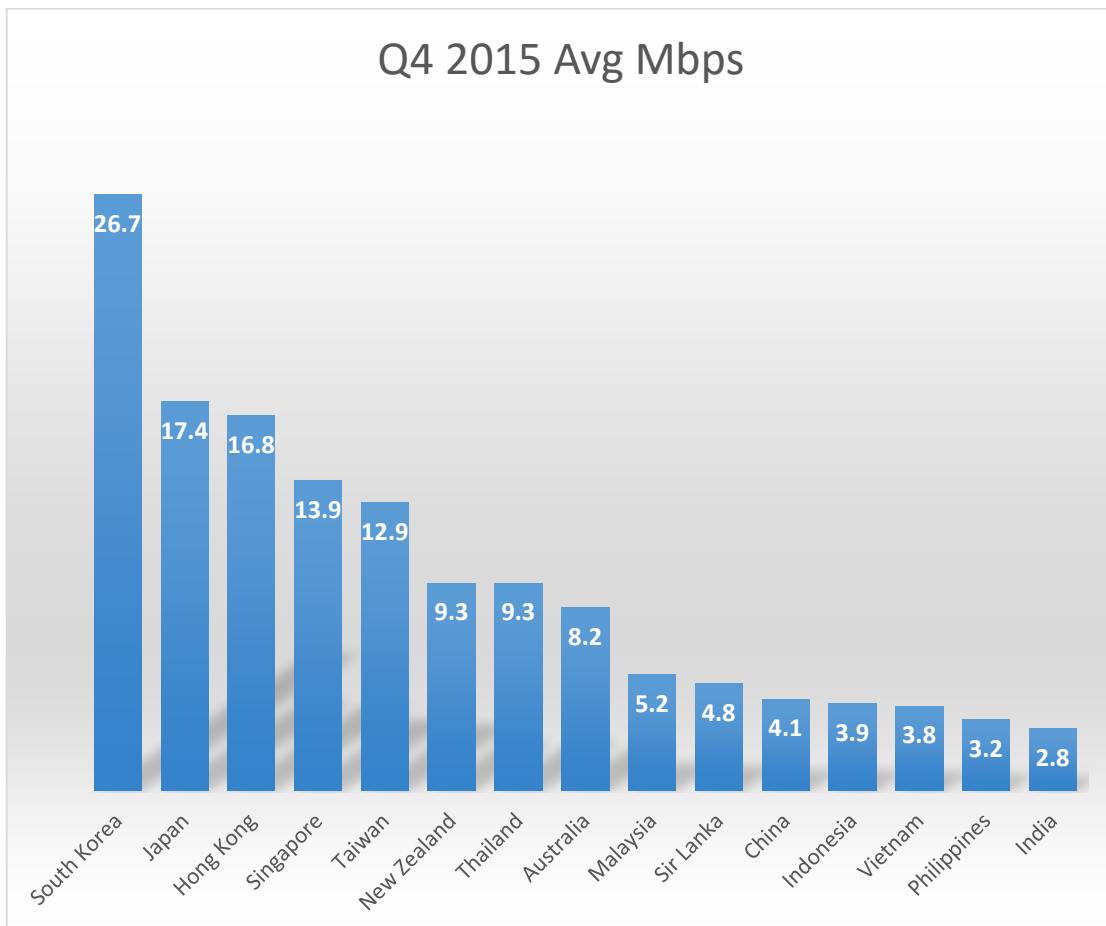


Figure 1 - Akamai's State of the Internet⁶

¹ www.ABS.gov.au: 8153. Internet Activity, Australia, June 2015

² NBN Corporate Plan 2016. P 40

³ Akamai's 'State of the Internet' report. Q4 2015

⁴ Akamai's 'State of the Internet' report. Q4 2015

⁵ Akamai's 'State of the Internet' report. Q4 2015

⁶ Akamai's 'State of the Internet' report. Q4 2015.

Whilst the above illustration is not conclusive, coupled with the growing development of Internet based services (as described below), they demonstrate grounds for anticipating continuing growth in demand for Superfast Internet services.

3.2 Proliferation of connected devices

According to the Cisco VNI Global IP Traffic Forecast, in 2014 there were 17 million Internet users in Australia, representing approximately 70% of the population.⁷ Cisco forecasts this to grow to 21 million users (83% of population) in 2019.⁸ With the growth in PC/Laptops, Tablets, smart phones and Smart TVs, by 2019 there will be 8.7 devices per capita, connected to the network, up from 4.9 devices in 2014.⁹

Change in Usage patterns¹⁰

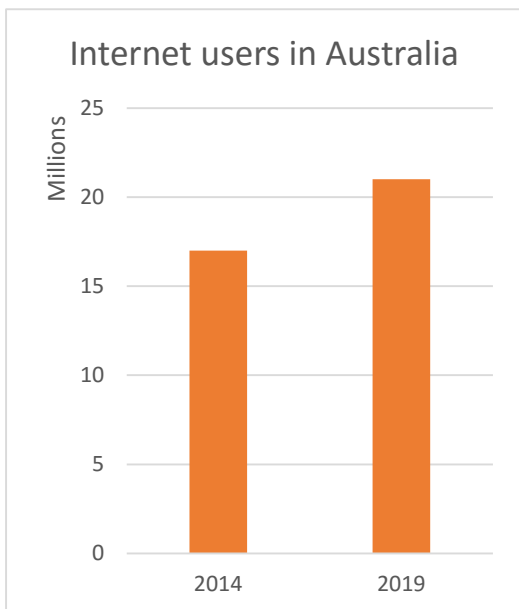


Table 5 - Internet users in Australia 2014 & 2019

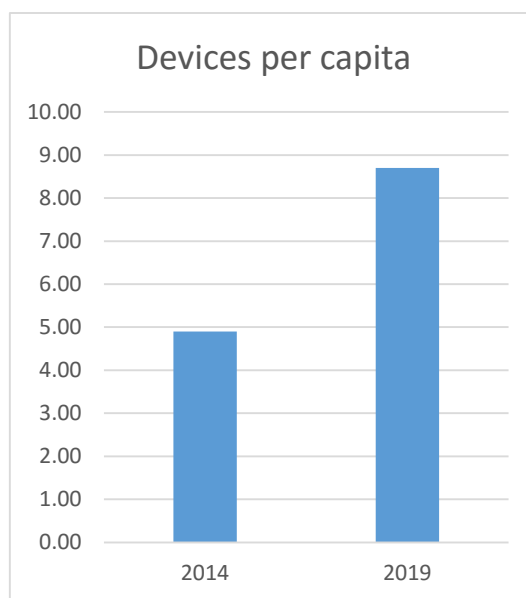


Table 4 - Devices per Capita 2014 & 2019

The many and varied services available over the Internet are no better illustrated than the recent Australian launches of ‘catch up’ TV, such as iView and SBS On Demand as well as streaming services, such as Netflix, Stan, Fetch and Presto. Netflix, as an example, suggests that the required bandwidth for its highest definition product, Ultra HD quality TV, is a recommended 25 Mbps, per stream.¹¹ Given the likelihood that multiple Internet sessions may be active in a given household, this indicates that there will be increasing usage of bandwidth.

The following diagram illustrates the potential adoption of online products and services. For example, online video has been forecast to have over 80% population penetration by 2019.¹²

⁷ Cisco VNI Global IP Traffic Forecast www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/vni-forecast.html

⁸ Cisco VNI Global IP Traffic Forecast www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/vni-forecast.html

⁹ Cisco VNI Global IP Traffic Forecast www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/vni-forecast.html

¹⁰ From data in Cisco VNI Global IP Traffic Forecast www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/vni-forecast.html

¹¹ help.netflix.com/en/node/306

¹² Cisco: The Zettabyte Era—Trends and Analysis (update June 2015)

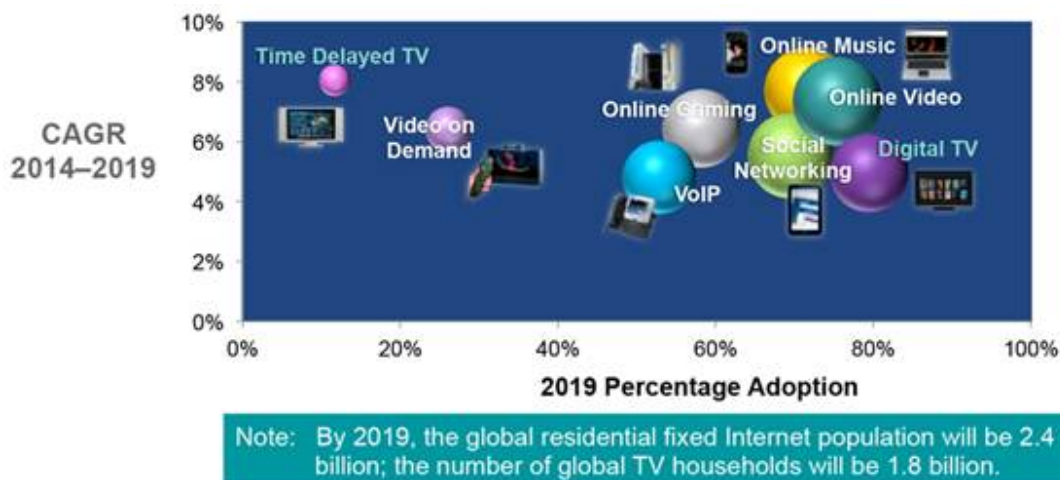


Table 6 - Global Residential Services adoption and growth (compound annual growth rate, CAGR)¹³

Paraphrasing the 1989 Hollywood Blockbuster ‘Field of Dreams’¹⁴, “If you build it, they will come,” sits at the core of Spirit’s long-term outlook for the industry. Faster Internet is a critical enabler of End User behaviour, as is evident in the following global correlation between experienced speeds and number of video minutes viewed, which has been extracted from Cisco’s VNI Global IP Traffic Forecast, 2014-2019.¹⁵

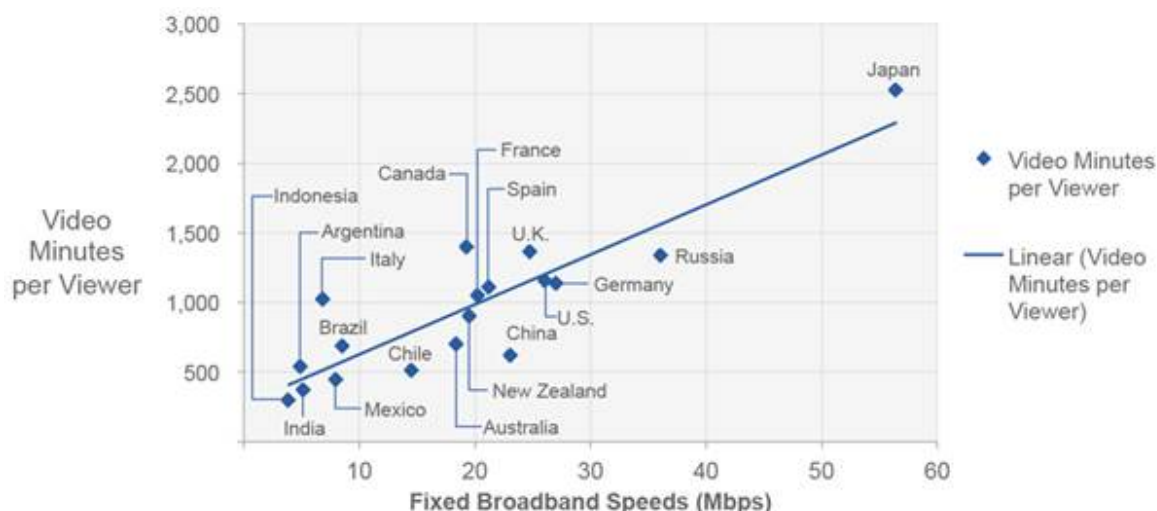


Table 7 - Increase in Experienced speeds (Kbps) Increases Internet Video Viewership (Mins)¹⁶

3.3 Growth in Australia’s Broadband Future

In an article in 2012¹⁷ Dr Robert Pepper, Cisco’s Vice President of Global Technology Policy was quoted as saying:

- That all roads point to the requirements of optic fibre being implemented deep into both wired and wireless networks.
- The future is indeed wireless, but mostly WiFi and not 4G.
- There is a huge increasing requirement for low-latency data transfer and high upload speeds.

¹³ Cisco: The Zettabyte Era—Trends and Analysis (update June 2015)

¹⁴ Universal Picture/Tristar Picture. ‘Field of Dreams’ 1989

¹⁵ Cisco VNI Global IP Traffic Forecast, 2014-2019 and Cisco: The Zettabyte Era—Trends and Analysis (update June 2015)

¹⁶ Cisco VNI Global IP Traffic Forecast, 2014-2019 and Cisco: The Zettabyte Era—Trends and Analysis (update June 2015)

¹⁷ “NBN Stats: Australia’s broadband future and why the Coalition alternative ‘won’t work’”. Nick Ross – ABC Technology and Games. 14 June 2012

- That a fibre to the node infrastructure which relies on a 'last mile' premises connection using Australia's current copper infrastructure, current HFC networks or fixed 4G-like wireless won't have the symmetry, contention ratio, bandwidth or latency to keep up with demand of 2016.
- Australia is about three years behind America and Western Europe is its consumption pattern.

This article summarises Spirit's view that, for faster Internet speeds Australians will seek to have Internet that is fibre based, void of current copper infrastructure and capable of Symmetrical Speeds to meet the burgeoning appetite and catch up to the global trends.

3.4 Growth in Australian business Internet usage

In the previously cited report, Cisco forecasted Australian business to increase Internet traffic at a compound annual growth rate of 16%, between 2014 and 2019.¹⁸ Furthermore, business Internet video traffic is forecast grow at a compound annual growth rate of 28%, over the same period.¹⁹

¹⁸ Cisco VNI Global IP Traffic Forecast, 2014-2019

¹⁹ Cisco VNI Global IP Traffic Forecast, 2014-2019

4. Business Overview

4.1 Overview of the Company

Spirit provides Superfast Internet services to a range of residential and commercial buildings in Sydney, Melbourne and Brisbane. Within these buildings, Spirit has significant opportunity to increase penetration to individual users thereby increasing the value to it of each 'expanded' building.

Spirit will use a component of the proceeds from the Equity Offer to hasten its product rollout across the business and residential sectors and to invest in fit outs for new building implementations. In addition, funds will also be used for scaling in marketing, sales and operational staff to acquire new customers in existing and new markets and geographical expansions.

Spirit commenced operation in 2005 as a reseller of telecommunication products and related services to a specific niche of the small business market, defined by Spirit as companies with less than 100 employees.

During these formative years Spirit grew confidently reselling voice, Internet and mobile based services. Such growth saw Spirit recognised as a BRW Fast Starter in 2009 and three consecutive years in BRW's Fast 100 companies from 2009-2011. During this period Spirit developed a Joint Venture company called Telko. This was sold to the JV partners in 2011.

In 2012 Spirit made a strategically focused restructure by acquiring ISP Voxcom and began to evolve the business to its current operating model which is marketing Superfast Internet access and telephony services, by utilising the infrastructure of key carriers and cloud service providers. Voxcom provides Spirit with its ISP architecture, in the form of a Layer 2 network.²⁰ This has allowed Spirit to improve its gross margin, work more strategically with suppliers and provide scale that has enabled a further acquisition of 'My Telecom', which is currently being migrated onto the Voxcom/Spirit network. Once the migration is complete the network is likely to be upgraded using part of the funds from this Prospectus.

In addition to its Superfast Internet products, Spirit is able to offer a suite of cloud based products to its growing list of commercial and residential customers. Spirit shall apply for a carrier licence which shall provide advantages such as facilities access powers. This would not be a material cost and is not considered to be a material change in business direction.

The diagram below shows the evolution of Spirit's operations and the relevant key changes from 2012.



Figure 2 - Spirit Milestones

The predominant focus of the business is the provision of Superfast Internet services to its customers in residential and commercial MDUs, Business Parks and student accommodation facilities.

The most recent acquisition, in May 2015, was the My Telecom business – a similar operation, providing Superfast Internet to MDUs - which has been seamlessly incorporated into the Spirit operation also offers the potential for the expansion of additional connections within its existing portfolio of buildings.

²⁰ Layer 2 network refers to the OSI model of computer networking and enables the transfer of data between multiple (carrier) networks

An unsolicited external validation for Spirit's model came from the recent recognition by PCMag as Australia's fastest Internet Service Provider²¹ (ISP) for 2015, offering speeds into residential and commercial buildings exceeding 200Mbps. In referring to Spirit as Australia's fastest ISP, PCMag stated "Spirit Telecom also offers Australia's only Symmetrical Residential Fibre service, with speeds of 200/200Mbps, down/up."

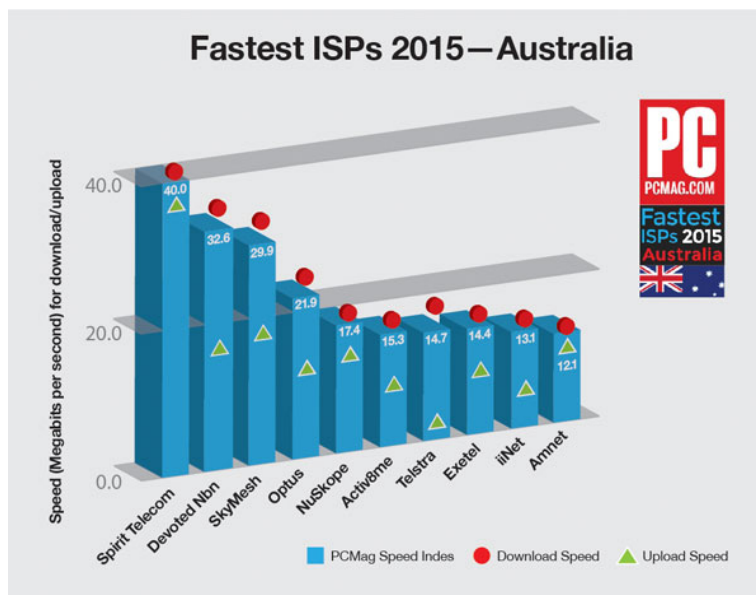


Figure 3 – PCMag (25 August 2015)

4.2 The Spirit network

The diagram below is a depiction of Spirit's core network. The Points-of-Presence (PoPs) in Sydney and Melbourne serve as redundant backups to each other. Spirit's entire network has been designed and built with speed and reliability as the key priority.

Spirit's network peers with most major content providers such as Google, Microsoft, Yahoo, Apple, Amazon and Akamai to ensure superfast direct access to vast volumes of on-demand applications and content.

One Network, Many Services, Any Access

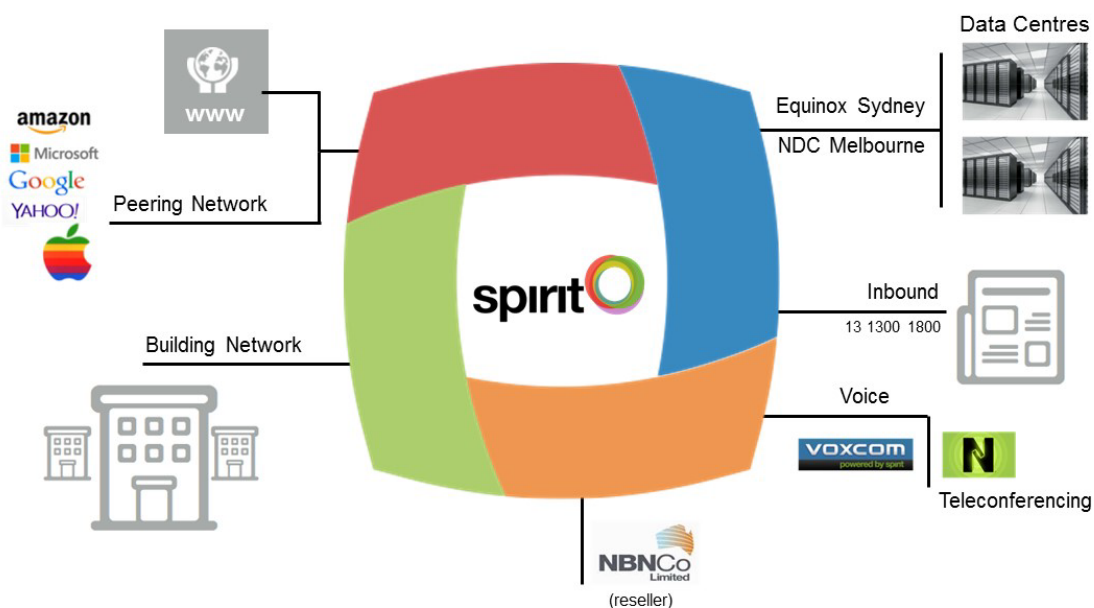


Figure 4 - Spirit Network, Services and Access

²¹ PCMag August 25, 2015



4.3 A typical residential multi-dwelling unit (MDU) deployment

As is depicted in the diagram above, Spirit receives a Layer 2 handoff from a fibre carrier to its own network within a building. From that handoff Spirit connects to a WAN switch before running through the spine of the building to ‘Access’ switches, typically located on every third floor. The Access switches connect to Cat5 Ethernet (or higher, to enable superfast speeds) running into an apartment.

Prior to an end customer’s installation, the apartment connection must be configured to be able to receive Spirit’s Superfast Internet.

End customers in Spirit enabled buildings are able to order via Spirit’s website (www.spirit.com.au).

4.4 A typical commercial deployment

A commercial office varies to a residential insofar as ‘Access’ switches are not located at every third floor. Rather, the initial business customer in the building (known as the ‘anchor’) is provisioned using a singular Access switch. Additional customers in the same MDU are added to either the same Access switch or additional switches are added, depending on volume (customer numbers) requirements.

Figure 5 - A typical residential multi-dwelling unit (MDU) deployment

4.5 Spirit’s Speeds

Fibre is the preferred method of deployment for business performance, unmatched by its old copper predecessors in speed, throughput and reliability.

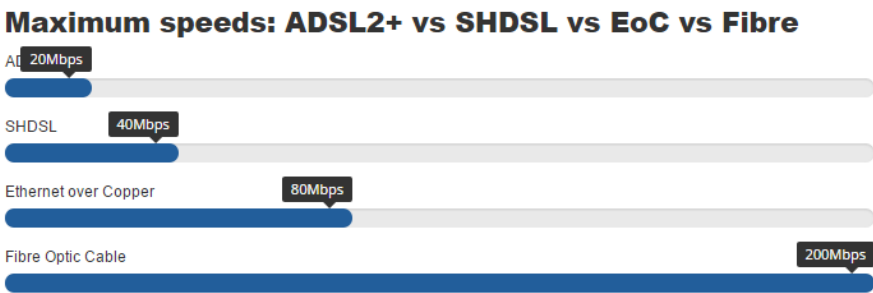


Figure 6 –Spirit’s maximum speeds achieved over different delivery options- ADSL2+²² vs SHDSL²³ vs EoC²⁴ vs Fibre²⁵

²² Critical Information Summary Telstra Bigpond ADSL –www.telstra.com.au/content/dam/tcom/personal/help/pdf/cis-personal/broadband/personal-critical-information-summary-bigpond-adsl-fast-50gb.pdf
²³ AAPT’s new platinum internet speeds - aapt.com.au/aapts-new-platinum-internet-speeds-it-business
²⁴ AAPT Mid band Ethernet -aapt.com.au/mid-band-ethernet
²⁵ www.spirit.com.au/business-fibre-optic-broadband

Fibre-To-The-Building (FTTB) provides exceptionally fast speeds of up to 1Gbps and extremely low latency. Fibre based Internet uses pulses of light to transfer data along strands of glass or plastic and is capable of sending signals over 200 kilometres, without any real loss, compared to a copper based signal, which suffers a lot of degradation over the same distance.²⁶ Therefore it stands to reason that Fibre Optic Internet is many times faster and superior in performance to a regular ADSL or SHDSL broadband service. It is not affected by the distance from a telephone exchange like that of a copper network.

FTTB using the infrastructure of fibre carriers, allows Spirit to provide Superfast Internet to end users without the high capital intensity of rolling out a wide area network. Further, MDUs allow for a number of users utilising the same network, creating a low capital, high gross margin and high operating leverage business.

4.6 The Spirit Brand

A key emphasis has been on positioning the Spirit brand and promoting it to be synonymous with Superfast Internet speed and reliability. Spirit Management has worked hard over many years to ensure it maintains a relevance and differentiation against its competition. Most notably Spirit was recognised as Australia's fastest ISP in August 2015.

The Spirit brand is designed to ensure potential users associate it with superfast download and upload speeds. The recent initiative to offer symmetrical download and upload speeds is a core component of its unique brand as is its product positioning on the Channel 9 television reality series "The Block" in late 2015.²⁷

Spirit is a recognised brand in the telecommunications industry. Its products represent innovation and adaptability in a highly competitive market. Spirit will continue to invest in its brand as it also makes complementary acquisitions to broaden its telecommunications product offering.

4.7 Spirit's Suite of Services

Spirit's suite of services includes:

- I. **The deployment of Superfast Internet** into commercial and residential multi-dwelling units utilises infrastructure of fibre carriers coming into a building and then deploying to the end user, via a series of switches and high calibre Ethernet. FTTB, 'switched Ethernet' deployment allows for a uniform speed throughout the building.

Spirit has the capability to offer speeds beyond 200Mbps to commercial and residential end users, which is up to 25 times faster than Australia's average national home broadband.²⁸ Spirit generally delivers a service with Symmetrical Speeds, where the upload speed will be as fast as the download speed. This benefits the uploading of photos and videos to social networks, cloud storage, audio/video calls and gaming. All Spirit UFI plans currently come with unlimited data and are priced competitively to an average ADSL2 plan and no telephone lines are required.

- II. **Business Data networks and Virtual Private Network (VPN):** Spirit offers a national private network, as one of its flagship data products for the business sector. These managed networks provide a greater level of security and performance and can be deployed with a mix of 'last mile' connections.
- III. **Cloud (Hosted) PBX:** This is the modern flexible and scalable phone system for business. Easy to deploy and easy to support it provides a powerful and tailored voice solution without the traditional up-front investment in on premise systems.
- IV. **Inbound numbers 13/1300/1800:** Inbound numbers represent a valuable broader presence for Australian businesses. 1300 or 13 numbers and 1800 numbers make it easy for customers to identify with a brand nationally.

²⁶ Stuart Gary; 'Why is fibre optic technology faster than copper?' ABC Science. October 2010

²⁷ Spirit appeared on 'The Block', episode of 24th November 2015, and has featured in the last 3 'The Block' series.

²⁸ Based on Akamai's 'State of the Internet' report. Q4 2015

- V. **Teleconferencing services:** These advanced systems allow users to meet in a virtual audio/video conference room. Benefits include easier collaboration between colleagues, a reduction in travel time & costs, lowering the carbon footprint and integrating presentation and interactive tools.
- VI. **Managed services:** Spirit offers business users access to a suite of 'cloud' hosting and enterprise solutions. This is one of the fastest growth areas in the tech world and Spirit provides secure managed access to key cloud providers such as Amazon Web Services, Microsoft Cloud and specialist providers such as MYOB and Xero.
- VII. **NBN services:** Spirit provides services via NBN, offering selected competitive plans and features on this growing platform. NBN services are reseller services and as such are a lesser margin than Spirit's usual deployment of Superfast Internet, which is deployed using an alternative network to NBN.

4.8 Product positioning

The significant increase in content usage and adoption of online services is fuelling the public's high demand for faster fixed Internet speeds. Spirit offers a highly competitive product and has positioned its business strategically as a service provider to building owners and occupiers as the premium offering.

The many and varied services available over the Internet are no better illustrated than the recent Australian launches of 'catch up' TV, such as iView and SBS On Demand as well as streaming services, such as Netflix, Stan, Fetch and Presto. Netflix, as an example, suggests that the required bandwidth for its highest definition product, Ultra HD quality TV, is a recommended 25 Mbps, per stream.²⁹ Given the likelihood that multiple Internet sessions may be active in a given household, the requirement for greater bandwidth Internet is evident.

4.9 Spirit People

Spirit's Management team brings together a significant number of years of experience across several different industries. Aside from telecommunications experience, the Spirit Management team holds experience from such companies as NCR, Lend Lease, Flight Centre, Synergy Energy, Wizard Home Loans and iPrimus. The Management team has skills across all elements of the Spirit business, particularly in sales and marketing, network management and supply chain management. The combined experience of the founding managers, Geoff Neate and Joe Tigel is over 30 years' telecommunications experience. Since commencing Spirit, in 2005, Spirit has added the expertise of a Chief Technical officer (CTO), Chief Operations Officer (COO) and Financial Controller. The combination of long standing founding management, together with the board and senior management, has been responsible for driving the development of the Spirit brand and market positioning, managing the successful acquisition of current customers and creating the staff enthusiasm to be part of a growing business. Further details on Directors and senior management are in Section 7.

4.10 The Spirit Strategy

Spirit's entry into a building generally provides for access to a number of 'expansion' opportunities within a given MDU. To access a building Spirit must engage with the body corporate or building manager to obtain approval to allow its technology to be deployed. As a number of Spirit competitors seek to access buildings, Spirit must be able to provide a competitively priced product and the ability to integrate its technology with minimal disruption to the tenants, whether residential or commercial. Be it residential or commercial, the ability to enhance Spirit's penetration within a building is limited only by its ability to successfully sell its services to the number of potential end users in that building. Each additional customer, within an established building, has potential to grow the connection value of that building and hence its overall value of the business.

Spirit deployment is typically characterised by low up front capital expenditure to become established in a building and thereafter a continuing emphasis on securing operational leverage from that anchor customer(s).

²⁹ help.netflix.com/en/node/306

Another aspect contributing to Spirit’s high gross margin business model is the use of fixed radio technology to transfer fibre backhaul across a greater spread of buildings.

Using either point-to-point or multipoint-to-point Superfast Internet is transferred from one building to the roof of another and fed to the end users via the same switched Ethernet methodology as a FTTB building. Aside from the ease of deployment, this provides for a higher gross margin business model.

Spirit has several channels to increasing its value. With the ever present demand for greater bandwidth, Spirit has a large target market of potential commercial and residential MDUs to continue to promote its services.

In addition, Spirit will actively seek acquisition opportunities to grow, complement and diversify its existing customers and services.

4.11 The Spirit Business Model

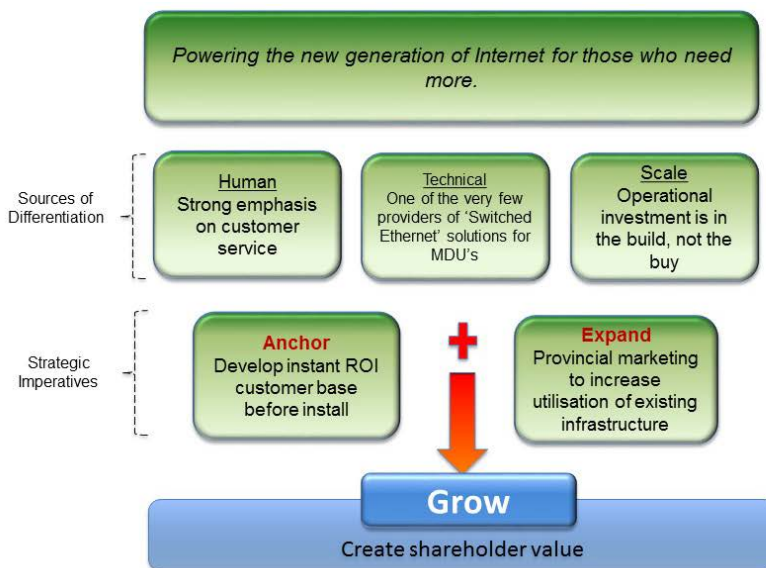


Figure 7 - Spirit Business Model

The key to Spirit’s business model is its ability to keep capital costs low, margin opportunity high and ensure a short time frame to achieve break even operations for new buildings.

This is achieved by understanding each building on its unique merits – reviewing the business tenancy and/or number of residents and tailoring the business case and fit out to ensure the best Internet experience to each potential end customer. To ensure positive gross margin is established at onset of a FTTB opportunity, Spirit establishes an ‘anchor’ in each building.

Such an ‘anchor’ is a business (or businesses) that ensure costs are covered, with a modest margin. In the event of a purely residential establishment, it is based on pre-marketing and partnering with building management and owners’ corporations and bodies corporate to ensure each tenant’s awareness of Spirit’s product offering.

Once established in a building, Spirit is able to offer its services to other businesses/residents within the same premises. This is achieved through local marketing, avoiding the high cost of mass market channels.

Spirit revenue is well spread across a large number of customers, with the largest individual customer representing less than 4% of revenue (as at March 31st 2016). The directors believe that this provides a robust revenue model, as the company is not materially reliant on any individual customer.

The capital cost of establishing a FTTB premises is in the initial ‘fit out’ and wiring of the building. Once complete the labour intensive component of the fit out diminishes to simple Wireless Access Point (WAP)/router configuration and shipment.

5. Financial Information

5.1 Pro-forma Consolidated Statement of Financial Position

The information set out below consists of the Historical Statements of Financial Position derived from the reviewed consolidated financial statements of Arunta Resources Ltd (the Company) and the reviewed financial statements of Spirit Telecom (Australia) Pty Ltd (Spirit) to 31 December 2015, the Directors' estimate of subsequent events from that date to completion of the acquisition of Spirit and Equity Offer and the pro-forma adjustments associated with the demerger of Davenport, completion of the Equity Offer at the Minimum and Maximum Raising amounts and the acquisition of Spirit (collectively referred to as the Pro-Forma Financial Information).

Footnotes including assumptions are included at the end of the pro-forma Consolidated Statement of Financial Position.

The Pro-Forma Financial Information has been reviewed and reported on by Advantage Advisors Corporate Pty Ltd whose Investigating Accountant's Report is set out in Section 9.

The pro-forma Consolidated Statement of Financial Position has provision for capital raising scenarios of \$2 million, \$2.5 million and \$3 million as detailed below.

Arunta Resources Ltd Historical and Pro-forma Consolidated Statement of Financial Position

	Arunta Consolidated Reviewed 31-Dec-15	Arunta Pro-forma Adjustments	Pro-forma Post Davenport Spin Out	Spirit Reviewed 31-Dec-15	Spirit Pro-forma Adjustments	Minimum Raising \$2m less costs	Pro-forma Post Acquisition \$2m raised	Pro-forma Post Acquisition \$2.5m raised	Pro-forma Post Acquisition \$3m raised
Notes	1	2	3	4	5	6	7	8	9
	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS									
Cash and cash equivalents	112,171	177,829	290,000	617,529	0	1,442,300	2,349,829	2,816,829	3,283,829
Trade and other receivables	13,554	-13,554	0	778,700	0	47,700	826,400	828,650	830,900
Prepayments	63,142	-63,142	0	45,000	0	0	45,000	45,000	45,000
Inventories	0	0	0	24,598	0	0	24,598	24,598	24,598
TOTAL CURRENT ASSETS	188,867	101,133	290,000	1,465,827	0	1,490,000	3,245,827	3,715,077	4,184,327
NON-CURRENT ASSETS									
Trade and other receivables	142,366	-142,366	0	7,041	0	0	7,041	7,041	7,041
Other financial assets	1 293,510	-293,510	0	0	0	0	0	0	0

		Arunta Consolidated Reviewed 31-Dec-15	Arunta Pro-forma Adjustments	Pro-forma Post Davenport Spin Out	Spirit Reviewed 31-Dec-15	Spirit Pro-forma Adjustments	Minimum Raising \$2m less costs	Pro-forma Post Acquisition \$2m raised	Pro-forma Post Acquisition \$2.5m raised	Pro-forma Post Acquisition \$3m raised
	Notes	1	2	3	4	5	6	7	8	
		\$	\$	\$	\$	\$	\$	\$	\$	
Property, plant and equipment	2	12,439	-12,439	0	1,950,937	0	0	1,950,937	1,950,937	1,950,937
Intangible assets	3	0	0	0	1,077,251	0	0	1,077,251	1,077,251	1,077,251
Deferred tax assets		0	0	0	332,140	0	152,100	484,240	493,240	502,240
Deferred exploration expenditure	4	261,193	-261,193	0	0	0	0	0	0	0
TOTAL NON-CURRENT ASSETS		709,508	-709,508	0	3,367,369	0	152,100	3,519,469	3,528,469	3,537,469
TOTAL ASSETS		898,375	-608,375	290,000	4,833,196	0	1,642,100	6,765,296	7,243,546	7,721,796
CURRENT LIABILITIES										
Trade and other payables		291,953	-41,953	250,000	887,809	245,000	0	1,382,809	1,382,809	1,382,809
Borrowings		0	0	0	69,796	0	0	69,796	69,796	69,796
Provisions		0	0	0	186,571	0	0	186,571	186,571	186,571
TOTAL CURRENT LIABILITIES		291,953	-41,953	250,000	1,144,176	245,000	0	1,639,176	1,639,176	1,639,176
NON-CURRENT LIABILITIES										
Borrowings		0	0	0	2,187,252	0	0	2,187,252	2,187,252	2,187,252
Provisions		40,318	-40,318	0	97,195	0	0	97,195	97,195	97,195
TOTAL NON-CURRENT LIABILITIES		40,318	-40,318	0	2,284,447	0	0	2,284,447	2,284,447	2,284,447
TOTAL LIABILITIES		332,271	-82,271	250,000	3,428,623	245,000	0	3,923,623	3,923,623	3,923,623
NET ASSETS		566,104	-526,104	40,000	1,404,573	-245,000	1,642,100	2,841,673	3,319,923	3,798,173

	Arunta Consolidated Reviewed 31-Dec-15	Arunta Pro-forma Adjustments	Pro-forma Post Davenport Spin Out	Spirit Reviewed 31-Dec-15	Spirit Pro-forma Adjustments	Minimum Raising \$2m less costs	Pro-forma Post Acquisition \$2m raised	Pro-forma Post Acquisition \$2.5m raised	Pro-forma Post Acquisition \$3m raised
Notes	1	2	3	4	5	6	7	8	9
	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY									
Issued capital	29,058,225	250,000	29,308,225	2,774,984	1,838,513	1,916,159	6,566,497	7,044,747	7,522,997
Reserves	194,760	0	194,760	6,196	0	0	6,196	6,196	6,196
Accumulated losses	-28,686,881	-776,104	-29,462,985	-1,376,607	-2,083,513	-274,059	-3,731,020	-3,731,020	-3,731,020
TOTAL EQUITY	566,104	-526,104	40,000	1,404,573	-245,000	1,642,100	2,841,673	3,319,923	3,798,173

Table 8- Arunta Resources Ltd Historical and Pro-forma Consolidated Statement of Financial Position

Footnotes:

1. Includes Placement of 333,333,334 shares at 0.075 cents on a pre-Consolidation basis (equivalent to 14,492,754 shares at an issue price of 1.725 cents per share on a post-Consolidation basis) per share to raise \$250,000. \$250,000 to pay estimated transaction costs and an additional \$40,000 cash remained. All other assets and liabilities were transferred to Davenport.
2. Pro-forma assets and liabilities of Spirit acquired. Based on 31 December 2015 reviewed financial statements.
3. Following the effective Listing of Spirit, a contingent liability of approximately \$245,000 for a final payment on the acquisition of Voxcom becomes payable. A share based payment Listing expense of \$1,838,513 is recorded representing a deemed issue of shares by Spirit, equivalent to the Shareholder's interest in Arunta post the acquisition.
4. Funds raised less estimated costs required to be paid to legal and other advisors and experts for capital raising and transaction costs incurred by Spirit. Based on the Minimum Raising of \$2 million expected costs are \$557,700 (inclusive of 10% GST).

All capital raising and transaction costs are expected to be deductible for tax at the rate of 30% over a 5 year period and are recorded as a deferred tax asset of \$152,100 for the Minimum Raising.

The portion of GST expected to be able to be claimed is \$47,700 for the Minimum Raising.

5.2 Basis of preparation

a) Pro forma adjustments

The Pro Forma Financial Information has been prepared on the basis of adjusting the Company's and Spirit's Historical Statements of Financial Position as at 31 December 2015 for the financial effects of the following transactions:

- (i) The Placement of 333,333,334 pre-Consolidation shares at 0.075 cents per share (on a pre-Consolidation basis, equivalent to 14,492,754 shares at an issue price of 1.725 cents per share on a post-Consolidation basis) to raise \$250,000 before costs of the issue;
- (ii) Demerger of Davenport Resources Ltd;
- (iii) \$250,000 to pay estimated transaction costs and an additional \$40,000 cash will remain after the demerger and placement. All other assets and liabilities will be transferred to Davenport;
- (iv) Capital raising of between \$2 million and \$3 million before costs of the issue from the issue of between 100,000,000 and 150,000,000 shares under the Equity Offer;
- (v) Following the effective Listing of Spirit, a contingent liability of \$245,000 for a final payment on the acquisition of Voxcom becomes payable;
- (vi) A share based payment Listing expense of \$1,838,513 is recorded representing a deemed issue of shares by Spirit, equivalent to the existing Shareholders' interest in Arunta post the acquisition;
- (vii) Funds raised less estimated costs required to be paid to legal and other advisors and experts for capital raising and transaction costs incurred by Spirit. Based on the Minimum Raising of \$2 million expected costs are \$557,700 (inclusive of 10% GST). All capital raising and transaction costs are expected to be deductible for tax at the rate of 30% over a 5-year period and are recorded as a deferred tax asset of \$152,100 for the Minimum Raising. The portion of GST expected to be able to claimed is \$47,700 for the Minimum Raising.

b) Statement of Compliance

The Financial Information has been prepared:

- (i) in accordance with the recognition and measurement principles of Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), which are consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'), as outlined in the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members; and
- (ii) on an accruals basis; and
- (iii) based on historical cost unless otherwise stated in the notes; and
- (iv) the amounts presented in the Pro Forma Consolidated Statement of Financial Position has been rounded to the nearest dollar; and
- (v) is presented in Australian Dollars.

The Financial Information set out in the Prospectus is presented in an abbreviated form and does not contain all the disclosures and other mandatory professional reporting requirements that are applicable to a general purpose financial report prepared in accordance with the Corporations Act 2001 (Cth).

c) Use of Estimates and Judgements

The preparation of the Pro Forma Financial Information requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and

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

d) Going concern

The Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

e) Basis of consolidation - Reverse acquisition accounting

The proposed acquisition of Spirit (the legal subsidiary) by the Company (the legal parent) is deemed to be a reverse acquisition, since the substance of the transaction is such that the existing shareholders of Spirit will obtain substantial control of the Company.

AASB 3 Business combinations ('AASB 3') sets out the accounting principles to be followed in a reverse acquisition transaction. However, the Directors have concluded that the Company does not meet the definition of a business as prescribed in AASB 3 and, as such, it has been deemed that the acquisition cannot be accounted for in accordance with the guidance set out in AASB 3.

Therefore, consistent with the accepted practice for transactions similar in nature to the acquisition, the Company has accounted for the acquisition of Spirit in the Pro Forma Financial Information of the legal acquirer (the Company) as a continuation of the financial statements of the legal acquired entity (Spirit), together with a share based payment measured in accordance with *AASB 2 Share based payments ('AASB 2')*, which represents a deemed issue of shares by the legal acquired entity (Spirit), equivalent to the current Shareholders in the Company post the acquisition. The excess of the assessed value of the share based payment over the pro forma net assets of the Company as at acquisition date has been expensed to the income statement as a Listing fee.

f) Principles of consolidation

The Pro Forma Financial Information incorporate the assets and liabilities of all subsidiaries of the Company and Spirit Telecom (Australia) Pty Ltd ('the Group') as at 31 December 2015, adjusted for the subsequent demerger and loss of ownership and control of Davenport.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intergroup transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

g) New accounting standards and interpretations

Certain new accounting standards and IFRIC interpretations have been published that are not mandatory for current reporting periods. The Company's assessment of the impact of these new standards and interpretations is that there would be no material impact on the Pro Forma Financial Information.

5.3 Significant Accounting Policies

a) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable, after taking into account any trade discounts and volume rebates allowed, to the extent that it is probable that economic benefit will flow to the company and the revenue can be reliably measured.

Non-recurring revenue:

Call charges, hardware sales and set-up charges are recognised in the period in which the service is delivered.

Recurring revenue:

Internet access, equipment rentals and line rentals are recognised at the time the service is made available, to the extent of the customer contractual commitment.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

e) Inventories

Inventories are measured at the lower of cost and net realisable value.

f) Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss

previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

g) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation commences from the time the asset is available for its intended use. Leasehold improvements are depreciated over the shorter of either the period of the issue or the estimated useful lives of the improvements.

The useful lives used for each class of depreciable assets are as follows:

Building installations and switches	2 – 5 years
Custom installations	2 – 5 years
Plant, furniture and equipment	3 – 10 years
Computer Equipment	3 years
Leasehold improvements	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date to ensure it is not in excess of the assets recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

h) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

i) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

j) Goodwill

Goodwill is recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition.

Goodwill is subsequently measured at cost less any impairment losses.

Goodwill is subject to impairment testing when the directors consider that there is objective evidence the business has been impaired. Impairment losses are calculated based on the director's assessment of the business's recoverable amount. Recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

k) Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

m) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

n) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

o) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

p) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

q) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the tax authority.

5.4 Other financial assets

The pro-forma other financial assets comprise other financial assets and adjustments as at 31 December 2015;

Other financial assets	\$	\$
Other financial assets- Arunta	293,510	
Other financial assets – Spirit	-	293,510
<i>The following subsequent events and pro forma adjustments</i>		
Transfer of Option in unlisted entity (East Exploration) – Davenport demerger	(100,000)	
Transfers of shares in listed entity (Regal Resources Ltd) – Davenport demerger	(4,750)	
Transfers of shares in unlisted entity (Total Face Group) – Davenport demerger	(188,760)	(293,510)
Other financial assets – Pro-forma		-

5.5 Property, plant and equipment

The pro-forma property, plant and equipment comprise property, plant and equipment and adjustments as at 31 December 2015:

Property, plant and equipment	\$	\$
Property, plant and equipment NBV– Arunta		
Leasehold improvements	12,439	
Property, plant and equipment NBV – Spirit		
Leasehold improvements	10,611	
Plant and equipment	156,441	
Other plant and equipment	1,717,303	
Motor vehicles	26,583	
Other property, plant and equipment	39,998	1,963,375
<i>The following subsequent events and pro forma adjustments</i>		
Transfer of leasehold improvements in Davenport demerger		(12,439)
Property, plant and equipment – Pro-forma		1,950,936

5.6 Intangible assets

The pro-forma intangible assets comprise intangible assets and adjustments as at 31 December 2015;

Intangible assets	\$	\$
Intangible assets – Spirit		
Goodwill	500,360	
Other intangibles	576,891	1,077,251
Intangible assets – Pro-forma		1,077,251

5.7 Deferred exploration expenditure

The pro-forma deferred exploration expenditure comprise deferred exploration expenditure and adjustments as at 31 December 2015;

Deferred exploration expenditure	\$
Deferred exploration expenditure – Arunta	261,193
<i>The following subsequent events and pro forma adjustments</i>	
Transfer of deferred exploration expenditure in Davenport demerger	(261,193)
Deferred exploration expenditure – Pro-forma	-

5.8 Contributed Equity

The pro-forma issued share capital as at completion of the acquisition of Spirit and the Equity Offer as at 31 December 2015 assuming the maximum capital raising of \$3 million:

Share Capital	\$	\$
Arunta issued capital at 31 December 2015	29,058,225	
Spirit issued capital at 31 December 2015	2,774,984	31,833,209

Share Capital	\$	\$
<i>The following subsequent events and pro forma adjustments</i>		
Arunta share placement	250,000	
Capital raising – Arunta	3,000,000	
Elimination of issued share capital in Arunta	(29,308,225)	
Deemed fair value of payment to Arunta Shareholders on reverse acquisition	1,878,513	
Cost associated with the acquisition and the Offers	(130,500)	
<i>Total subsequent events and pro forma adjustments</i>		(24,310,212)
Post Spirit transactions and capital raising		7,522,997

The Prospectus has provision for the subscription of between of between 100,000,000 and 150,000,000 shares to raise between \$2 million and \$3 million. Should the minimum \$2 million be raised, the share issue cost would decrease to \$87,000, and the share capital balance would decrease by \$956,500 to \$6,566,497.

5.9 Pro-forma Listing Expenses

The proposed acquisition of Spirit by the Company is deemed to be a reverse acquisition as the substance of the transaction is such that the existing shareholders of Spirit will obtain substantial control of the Company. However, the Company is not considered to meet the definition of a business under AASB 3 Business Combinations ('AASB 3') and, as such, it has been concluded that the acquisition cannot be accounted for in accordance with the guidelines set out in AASB 3. Therefore consistent with the accepted practice for transactions similar in nature to the acquisition, the acquisition is accounted for in the Pro Forma Financial Information as a continuation of the financial statements of the legal acquiree (Spirit), together with a share based payment measured in accordance with AASB 2 Share Based Payments ('AASB 2'), which represents a deemed issue of shares by the legal acquiree (Spirit), equivalent to current Shareholders interest in the Company post the acquisition. The excess of the assessed fair value is of the share based payment over the net assets has been expensed to the income statement as a Listing fee.

Consequently, a Listing expense of \$1,838,513 has been expensed on the acquisition, which represents the excess of the deemed fair value of the Company shares on issue less the pro-forma net assets of the Company on completion of the settlement of all transactions, as set out below:

Fair value of Spirit at the completion date

	No of Shares	\$
Fair value of Spirit on acquisition		7,600,000
Spirit pre-acquisition shares on issue	1,214,934	
Assessed fair value of pro-forma Listing expense		
Deemed post-consolidation Spirit shares issued	186,689	
Deemed price of shares issued	\$10.06	
Deemed fair value of share-based payment, assessed in accordance with AASB 2		1,878,513
Elimination of net assets of Arunta at acquisition		(40,000)
Pro-forma Listing expense recognised on reverse acquisition		1,838,513

5.10 Reserves

The Pro-forma reserves as at 31 December 2015, accounted for under reverse acquisition principles, comprise:

Reserves	\$	\$
Arunta reserves as at 31 December 2015	194,760	
Spirit reserves as at 31 December 2015	6,196	200,956
<i>The following subsequent events and pro forma adjustments</i>		
Elimination of reserves in Arunta		(194,760)
Reserves – Pro-forma		6,196

5.11 Accumulated losses

The Pro-forma accumulated losses as at the completion of the acquisition of Spirit is as follows assuming the maximum capital raising of \$3 million:

Accumulated losses	\$	\$
Per Arunta as at 31 December 2015	(28,686,881)	
Per Spirit as at 31 December 2015	(1,376,607)	(30,063,488)
<i>The following subsequent events and pro forma adjustments</i>		
Estimated operating loss and Davenport demerger – Arunta	(776,104)	
Elimination of pre-acquisition losses on consolidation	29,462,985	
Expensed final payment on the acquisition of Voxcom – Spirit	(245,000)	
Pro-forma Listing expense recognised on reverse acquisition	(1,838,513)	
Spirit transaction costs	(270,900)	
<i>Total subsequent events and pro-forma adjustments</i>		26,332,468
Accumulated losses – Pro-forma		(3,731,020)

5.12 Historical Financial Information

The Company is an ASX listed company whose historical audited full year and reviewed half year financial statements and reports have been lodged with ASIC, released to the ASX and are available for download via the ASX website (www.asx.com.au).

The historical audited Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of Spirit Telecom (Australia) Pty Ltd for the years ended 30 June 2015 and 2014 and the historical reviewed Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income of Spirit Telecom (Australia) Pty Ltd for the 6 months ended 31 December 2015 are set out below. The Spirit Telecom (Australia) Pty Ltd Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income have been derived from the audited or reviewed financial statements at the reported dates. The financial statements of Spirit for the year ended 30 June 2014 were audited by Cursio & Co in accordance with International Auditing Standards and on which an unmodified opinion was issued. The financial statements of Spirit for the year ended 30 June 2015 were audited by Advantage Advisors Audit Partnership in accordance with International Auditing Standards and on

which an unmodified opinion was issued. The financial report of Spirit for the 6 months ended 31 December 2015 was reviewed by Advantage Advisors Audit Partnership.

Statement of Profit or Loss and Other Comprehensive Income

	6 Months ended 31 December 2015, Reviewed Actual	Year ended 30 June 2015, Audited Actual	Year ended 30 June 2014, Audited Actual
Revenue	4,352,209	6,492,091	5,204,579
Other revenue	5,609	19,357	3,225
Cost of Sales	(1,984,702)	(3,590,463)	(2,848,119)
Gross profit	2,373,116	2,920,985	2,359,685
Other Income	7,840	(104,206)	(58,861)
Marketing	(64,480)	-	-
Selling expenses	(156,799)	(154,711)	(77,870)
Administration expenses	(1,824,573)	(2,651,533)	(2,455,625)
Finance costs	(81,961)	(96,723)	(71,638)
Operating profit/(loss) before income tax (Note 1)	253,143	(86,187)	(304,309)
Income tax attributable to operating profit/(loss)	95,701	41,346	(469,187)
Operating profit/(loss) after tax	157,442	(127,534)	164,878
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:	-	-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:	-	-	-
Total other comprehensive income for the year, net of tax	-	-	-
Total other comprehensive income for the year	157,442	(127,534)	164,878

Note 1: The operating loss before income tax of \$86,187 for the year ended 30 June 2015 was after an accrual of \$313,176 in relation to internet charges invoiced in advance by suppliers. If these charges had been accrued in their respective 2014 and 2015 financial years, the "adjusted" operating profits/(losses) before income tax would have been as shown below:

	6 Months to 31 December 2015	12 Months to 30 June 2015	12 Months to 30 June 2014
Operating profit/(loss) as reported	253,143	(86,187)	(304,309)
Reallocation of internet charges	-	184,230	(184,230)
"Adjusted" profit/(loss)	253,143	98,043	(488,539)

Spirit uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to as “non-IFRS” financial measures. The principal non-IFRS financial measure that is referred to in this prospectus is as follows:

Income Statement Information

EBITDA is Earnings before Interest, Tax, Depreciation and Amortisation. This is the principal measure Spirit considers in assessing the operating performance of its business.

A reconciliation of “adjusted” operating profit/(loss) to EBITDA is shown below:

	6 Months ended 31 December 2015 Reviewed	Year ended 30 June 2015 Audited	Year ended 30 June 2014 Audited
“Adjusted” Operating profit/(loss) before tax	253,143	98,042	(488,539)
Add			
Depreciation and amortisation	241,724	233,364	179,448
Interest expense	78,896	87,912	65,645
EBITDA	573,763	419,319	(243,446)

Statement of Financial Position

	As at 31 December 2015, Reviewed Actual	As at 30 June 2015, Audited Actual	As at 30 June 2014, Audited Actual
Assets			
<i>Current assets</i>			
Cash assets	617,529	721,379	833,272
Receivable	778,700	735,817	588,654
Prepayments	45,000	-	-
Inventories	24,598	24,116	-
Total current assets	1,465,827	1,481,312	1,421,926
<i>Non-current assets</i>			
Trade and other receivables	7,041	-	-
Property, plant and equipment	1,950,937	1,794,410	267,772
Intangible assets	1,077,251	1,077,251	576,891
Deferred tax assets	332,140	427,841	469,187
Total non-current assets	3,367,369	3,299,502	1,313,850
Total Assets	4,833,196	4,780,814	2,735,776
Liabilities			
<i>Current Liabilities</i>			
Payables	887,809	934,472	397,041
Financial liabilities	69,796	79,531	575,000
Provisions	186,571	186,063	246,168
Total current liabilities	1,144,176	1,200,066	1,218,209

Statement of Financial Position

Non-Current Liabilities

Financial liabilities	2,187,252	2,240,278	142,902
Provisions	97,195	93,339	-
Total non-current liabilities	2,284,447	2,333,617	142,902
Total Liabilities	3,428,623	3,533,683	1,361,111
Net Assets	1,404,573	1,247,131	1,374,665
Equity			
Issued capital	2,774,984	2,774,984	2,774,984
Reserves	6,196	6,196	6,196
Accumulated losses	(1,376,607)	(1,534,049)	(1,406,515)
Total Equity	1,404,573	1,247,131	1,374,665

6. Key Risks

6.1 Introduction

There are risks which could have a material adverse impact on the Company's operating and financial performance and the price or value of its shares after completion of the acquisition of Spirit.

This Section 6 describes some of the potential risks associated with the Spirit business and the industry in which it operates, and the risks associated with an investment in New Shares which may have a material adverse impact on the financial performance of the Company, and the market price of the shares, should they arise.

It should be noted that the description of risks is not intended to be an exhaustive list of the risk factors to which the Company is or may be exposed. There is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

The Existing Directors and Proposed Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus, before deciding to apply for new shares and consult their professional advisors.

Spirit is subject to a number of risks, both specific to Spirit and of a general nature, which may either individually or in combination adversely affect the future operating and financial performance of Spirit, its investment returns and the value of its Shares.

Risk factors may affect the financial performance, cash flows and growth prospects of Spirit as well as the outcome of an investment in Arunta as a consequence.

Investors should note that the occurrence or consequences of some of the risks described in this Section 6 are partially or completely outside the control of Spirit, its Directors and Management.

The Board aims to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which it can effectively manage them.

There can be no guarantee that Spirit will achieve its stated objectives or that any forward looking statement or forecasts will eventuate.

This Section 6 has been prepared without taking into account an Applicants' financial objectives, financial situation and particular needs. Applicants should seek professional investment advice if they have any queries in relation to making an investment in the Company.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters, including the risks described in this Section 6, and have regard to their own investment objectives, financial circumstances and taxation position before investing in Spirit. If you do not understand any part of this Prospectus, or are in any doubt as to whether to invest in Shares or not, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional advisor before deciding whether to invest.

6.2 Specific risks

A number of specific risk factors that may impact the future performance of the Company are set out below and investors should note that this list is not exhaustive.

6.2.1 Regulatory compliance

Spirit has advised that as the Minister for Communications did not believe that Parts 7 & 8 of the Telecommunications Act 1997 (Cth.) apply to Spirit's network operations, an exemption from those provisions was not applicable or necessary. Although the Minister advised the Australian Competition and Consumer Commission (ACCC) of his view, the ACCC continues its inquiries. Therefore, in order to obtain regulatory certainty Spirit has submitted an application for Ministerial exemption to encompass any ACCC view. An exemption may require some form of wholesale supply as a condition.

However, ACCC proposes to regulate Spirit's and other relevant services by declaration of Superfast Broadband Access Services under Part XIC of the Competition and Consumer and Act 2010 (Cth) and has published its draft decision, which considers an exemption for smaller scale providers such as Spirit. If the ACCC makes its declaration, with or without the Ministerial exemption Spirit may or may not be required to provide wholesale access, as well as retail, at some or all of its network locations.

If:

- the ACCC's proposed declaration decision did not proceed and it -
 - had not concluded its inquiries into Spirit's compliance or
 - had concluded its inquiries with a view that Spirit's network operations were captured by Parts 7 & 8, and
- Spirit had not been granted an exemption by the Minister, and
- the ACCC –
 - decided to restrain and/or penalise Spirit's relevant activity, and
 - pursued punitive penalties rather than an alternative resolution under its enforcement policy,

Spirit may have to litigate successfully any ACCC view that Spirit's relevant activities are captured by Parts 7 & 8 of the Act in order to avoid the risk that any potential penalties may be set at an amount that could exceed its capacity to remain solvent or materially impact its profitability. However, Spirit has maintained constructive and cordial dialogue with each authority and, if such circumstances set out above did materialise, Spirit would pursue a negotiated outcome regarding wholesale access or any other requirements.

Finally, as at 31 December 2015, the customers potentially impacted by a regulatory decision is less than 7% of the Spirit's revenue.

6.2.2 Management, technology, third party service provider reliance, competition and development timeframes

One of Spirit's key strengths is its astute use of the latest telecommunications technology. However technical advantages in the information and communications technology industry may be short lived. Accordingly, the Company's success will depend, in part, on its ability to manage and expand Spirit's products and grow its business' user base and therefore generate revenue in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure or delays in doing so may adversely impact the success of the Company.

6.2.3 Market penetration and usability of Spirit's products depend upon various factors outside the control of the Company

The Company will be dependent on the ability of Spirit's products to operate effectively. However, the Company cannot control the maintenance, upkeep and continued supply of effective service from external suppliers in these areas. Any changes in such platforms, operating systems or devices that adversely affect the functionality of Spirit's products or give preferential treatment to competitive products could adversely affect usage of Spirit's products.

6.2.4 Reliance on key personnel

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

6.2.5 Need to attract and retain skilled staff

The Company's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and

retaining such personnel. A failure to do so may have an adverse effect on the operations and profitability of the Company's business.

6.2.6 Maintenance of key business partner relationships

The Company will rely on relationships with key business partners to enable it to continue to deliver Spirit's products. A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Company's financial position.

Spirit's services are sourced from a network of third parties. Loss or interruption to this supply may result in increased service sourcing costs. Increased costs of services may negatively impact Spirit's profit margins.

6.2.7 Reliance on new products

The Company's ability to grow Spirit's products' user base and generate revenue will depend in part on its ability to create successful new products. The Company may introduce significant changes to existing products or develop and introduce new and unproven products, including technologies with which we have little or no prior development or operating experience. If the new or enhanced products fail to attract users, the Company may fail to generate sufficient revenue or operating profit to justify its investments, and accordingly operating results could be adversely affected.

6.2.8 Management of growth

There is a risk that the Company will not be able to manage rapid growth of the business. The capacity of the Company to properly implement and manage business growth may affect the Company's financial performance. This may result in the share price decreasing to a price at which is less than the issue price of the shares under the Prospectus

6.2.9 Brand establishment and maintenance

The Company believes that establishing and maintaining Spirit's brand in the telecommunications industry is important to growing its proposed user base and product acceptance. This will depend largely on the Company's ability to provide useful and innovative products. The actions of external industry participants may affect the brand if users do not have a positive experience using platforms, devices or operating systems that provide access to Spirit's products. If the Company fails to successfully establish and maintain its brand, its business and operating results could be adversely affected.

6.2.10 The Company will rely on third party providers and Internet search engines (amongst other facilities) to direct customers to Spirit's products

Should the Spirit brand or its products fail to attract a high level of Internet search ranking, direction of users or potential new customers to its products it could be limited and its business and operating results could be adversely affected. The Company's search result rankings are outside of its control and competitors' search engine procedures may result in their websites receiving a higher search result ranking. Reduced numbers of potential users directed to Spirit's products could adversely affect its business and operating results.

6.2.11 Customer service

The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to service requests by customers. Poor customer service experiences may result in the Company losing key customer service personnel or fails to provide adequate training and resources for customer service personnel. Poor experiences may result in adverse publicity, litigation, regulatory enquiries a reduction in the use of the Company's products or services, which may negatively affect the Company's revenues.

6.2.12 Competition

The Company will compete with other businesses and companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

6.2.13 Changes in technology

The Company's success will depend, in part, on its ability to expand its products and grow its business in response to changing technologies, user and third party service providers' demands and competitive pressures. Failure to do so may impact the success of the Company. Further, the cost of responding to changing technologies is unpredictable and may impact the Company's profitability or, if such cost is prohibitive, may reduce the Company's capacity to expand or maintain its business.

6.2.14 Data loss, theft or corruption

Spirit stores data with a variety of third party service providers and cloud computing service providers. Hacking or exploitation of some unidentified vulnerability in its network could lead to loss, theft or corruption of data.

Although Spirit has strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In the event of a security breach or loss, theft or corruption of data, it is likely that Spirit's revenues and profitability would be negatively affected.

6.2.15 Security breaches

If Spirit's security measures are breached, or if its products are subject to cyber-attacks that restrict User access to its products, its products may be perceived as less secure than competitors and users may stop using Spirit's products.

6.2.16 Insurance

The Company will maintain insurance where it is considered appropriate for its needs. However, the Company will not be insured against all risks, either because appropriate cover is not available or because the directors consider the required premiums to be excessive having regard to the benefits that would accrue.

Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs losses or liabilities for which it is uninsured, the value of the Company's assets may be at risk.

6.2.17 Liquidity and realisation risk

There can be no guarantee that an active market in the shares will develop or that the price of the shares will increase. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the shares.

Further, there is a risk that once the shares subject to escrow or trading restrictions are released from the restrictions attaching to them, there may be a significant sell down by the holders of those shares. This may affect the prevailing market price at which Shareholders are able to sell their shares.

6.2.18 Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back Spirit branded product development as the case may be.

6.2.19 Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects, although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

6.2.20 If the Company's goodwill or intangible assets become impaired, it may be required to record a significant charge to earnings

Under Generally Accepted Accounting Principles, the Company reviews its intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually.

6.2.21 Finance risks

There is a risk that one or both facilities may not be renewed for a future period or periods and there is a risk that the Company cannot replace the facilities on acceptable terms.

6.3 General risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

6.3.1 General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market prices. The Company's future revenues and securities price may be affected by these factors, which are beyond the Company's control. The directors make no forecast in regard to:

- The future demand of Spirit's products and services beyond December 2015;
- The level of future spending on telecommunications services in Australia;
- General financial issues which may affect policies, exchange rates, inflation and interest rates; and
- Deterioration in economic conditions, possibly leading to reductions in spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance.
- The strength of the equity and share markets in Australia internationally.
- Financial failure or default by any entity in which the Company may become involved in a contractual relationship; and
- Industrial disputes in Australia and overseas.

6.3.2 Changes in legislation and government regulation

The Company may be affected by changes to government policies and legislation, including, but not limited to, those relating to the telecommunications, defence and homeland security sectors and taxation.

Specifically, the Australian government has announced significant changes to the regulatory landscape of the telecommunications sector with the creation of the NBN. Given the revisions to the Telecommunications Act 1997 (Cth), specifically Parts 7 and 8 and the broad interpretations of numerous sections of the Telecommunications Act, parts of Spirit's service offering may be subject to regulatory uncertainty until certain aspects of the Act are appropriately ruled or tested. In the event that any parts of Spirit's business are deemed not to comply with legislation or relevant regulatory policy in the telecommunications sector, this will have a detrimental impact on Spirit's business, and in turn, this could have a negative impact on the value of the shares held by Shareholders in the Company.

6.3.3 Unforeseen risk

There may be other risks which Directors, Proposed Directors or Management are unaware of at the time of issuing this Prospectus which may impact on the Company, its operation and/or the valuation and performance of the Company's Shares.

6.3.4 Combination of risks

The Company may be subject to a combination of risks, including any of the risks outlined in this Section 6, which could affect the performance valuation, financial performance and prospects of the Company.

6.3.5 Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

6.4 Long term investment

Investors are strongly advised to regard an investment in the Company as a long term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur. The Company cannot guarantee its future earnings and cannot provide a guaranteed level of return to investors.

6.5 Speculative nature of investment



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

7. Key Individuals, Interests and Benefits

Upon successful completion of the acquisition of Spirit, the Board will be reconstituted. None of the current Arunta Directors will remain on the Board. Resolutions for the election of the Proposed Directors were passed at the Second General Meeting on 18 April 2016, and take effect upon completion of the acquisition of Spirit.

The profiles of each of the Proposed Directors who will constitute the post-acquisition Board of Directors of the Company are provided below:

7.1 Proposed Board of Directors

Proposed Director	Expertise, experience and qualifications
 <p>James Joughin Non-Executive Chair</p> <p><i>Bachelor of Business</i></p> <p><i>CPA</i></p> <p><i>GAIDC</i></p>	<p>James Joughin brings over 30 years of general corporate experience, having been a senior partner of Ernst & Young until 2013. He was a partner of that firm for 17 years and headed the Mergers and Acquisitions division in Melbourne.</p> <p>James is also an experienced company director and holds non-executive directorships of a number of private companies and a public company. He is currently chair of a private engineering and planning group and previously chair of the finance and risk committee at both private and not for profit organisations.</p> <p>For most of his career, James has been providing advice to Boards in relation to growth strategies, improving shareholder value, mergers and acquisitions, funding (both debt and equity) and IPOs (Initial Public Offerings).</p>
 <p>Geoff Neate Managing Director</p> <p><i>Bachelor of Business (Monash),</i></p> <p><i>Masters of Marketing (Melb)</i></p> <p><i>Spirit Board Member since 2004</i></p>	<p>Geoff is a co-founder of Spirit Telecom, starting the business in 2005.</p> <p>Geoff has been a senior executive with several established organisations such as Primus Telecom, RACV, Telstra and Lend Lease Corporate Services.</p> <p>His three years at Primus Telecom as General Manager of the Consumer Division, included managing near 500 staff, \$8 million marketing spend and \$47 million operational expenses.</p> <p>With over 20 years' experience in telecommunications, he has witnessed the industry transform and has shaped Spirit's activities accordingly.</p>

Proposed Director

Expertise, experience and qualifications



Terence Gray

Non-Executive
Director

*B.Bus, Grad Dip
App Fin*

*Spirit Board
Member since
2014*

Terence is a corporate consultant to Lodge Partners Pty Ltd offering investment management and corporate advisory services.

He has over 20 years' financial markets experience including funds management and corporate finance.

Terence has held roles as Head of Equities at ANZ Funds Management, Chief Investment Officer at Allianz Equity Management, Head of Research, Allianz Dresdner Asset Management and Director of Corporate Finance, Grange Securities.

He has deep knowledge of funds management and the Australian equity market. His grounding as an institutional investor running large investment teams and as a corporate advisor to junior companies provides insight and expertise in company valuation, corporate fund raising and M&A activity.

Each Proposed Director has confirmed to the Company that they anticipate being available to perform their duties as an executive Director or non-executive Director of the Company (as applicable) without constraint from other commitments.

7.2 Current Directors

As at the date of this Prospectus, the Existing Directors of Arunta are:

Francis Galbally

Angus Edgar

Greg Bound

Each of Mr Edgar, Mr Galbally and Mr Bound will resign as Directors of Arunta at completion of the acquisition of Spirit.

After completion of the acquisition of Spirit, the Board will comprise Mr Joughin, Mr Neate and Mr Gray, as set out in Section 7.1.

7.3 Proposed Senior Management Team

At completion of the acquisition, Spirit will be the employer of all the Group's employees.

Proposed Executive

Expertise, experience and qualifications



Joe Tigel

General Manager –
Product & Sales

*Assoc. Dip (Arts)
Monash*

Joe is a co-founder of Spirit and has worked for the past 11 years developing Spirit's operations, building customer numbers and opening new sales channels. He has significant experience in dealing with the SME market and is a key driver of Spirit's growth.

Prior to Spirit Joe worked as Regional Development manager for Wizard Hone Loans. He has also worked in management and sales positions at Lend Lease, National Mutual and Westpac.

Proposed Executive**Expertise, experience and qualifications**

Russell Mitchell
Chief Operations
Manager
B. Bus (Monash)

Russell was COO & Executive Director of People Energy Pty Ltd for three and a half years. He has a strong commercial background in retail energy and service based industries in B2C and B2B.

Previous roles included General Manager – Sales and Marketing with Simply Energy, Head of Marketing with Synergy (formerly Western Power- WA).

Russell is also a Director of Kingston Heath Golf Club.



Allan Dib
Chief Technical Officer

Allan came to Spirit via the acquisition of Voxcom and has assumed and maintained the position of designing and developing Spirit's core network.

Allan is a technical entrepreneur who has successfully built networks and corresponding businesses to service a burgeoning customer base. Whilst running Voxcom he was a winner of BRW Fast 100 in 2011.

Allan recently published his first book '1-Page Marketing Plan' on Amazon.



Andrew Walsh
Financial Controller
CPA
Post Grad Diploma
Accounting

Andrew Joined Spirit after 18 years with the Flight Centre Travel Group, where he had 6 direct reports and a team of 22 with the responsibility for the strategic direction of the finance function.

As the newest member of Spirit's executive, Andrew is responsible for the financial control, financial planning & analysis, and risk management functions.



Melanie Leydin
Company Secretary

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. The practice provides outsourced company secretarial and accounting services to public and private companies specialising in ASX listed entities.

Melanie has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

7.4 Interests and Benefits

This Section sets out the nature and extent of the interests and fees of certain persons involved in the Offers. Other than as set out in this Prospectus, no:

- Director or Proposed Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the time of lodgement of the Prospectus with ASIC, or has held in the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of the Company or the Offers or to any Director or Proposed Director to induce them to become, or qualify as, a Director of the Company.

7.5 Interests of Advisors

The Company has engaged the following professional advisors in relation to the Offers:

- Lodge Corporate Pty Ltd has acted as Lead Manager to the Offer. Fees and other amounts payable to Lodge Corporate Pty Ltd by the Company are set out in Section 10.3.4.
- Quinert Rodda and Associates Pty Ltd has acted as legal advisor to the Company and former subsidiaries of the Company. The Company and former members of its corporate group have paid, or agreed to pay, approximately \$198,775 (excluding disbursements and GST) in the two years prior to the Prospectus Date. Subsequently, fees will be charged in accordance with normal charge out rates.
- Advantage Advisors Corporate Pty Ltd [ACN 109 824 786] has acted as the Investigating Accountant. Advantage Advisors Corporate Pty Ltd is associated with the Company's auditor, Advantage Advisors Audit Partnership. The Company and former members of its corporate group have paid, or has agreed to pay, approximately \$15,000 (excluding disbursements and GST) to Advantage Advisors Corporate Pty Ltd and approximately \$53,500 (excluding disbursements and GST) to Advantage Advisors Audit Partnership in the two years prior to the Prospectus Date. Further amounts may be paid to Advantage Advisors Corporate Pty Ltd in accordance with normal charge out rates.

Fees and other amounts Spirit has agreed to pay to Lodge Corporate Pty Ltd are set out in Section 10.3.5.

Spirit has paid, or agreed to pay, approximately \$25,000 (excluding disbursements and GST) to Advantage Advisors Audit Partnership in the two years prior to the Prospectus Date. Further amounts may be paid to Advantage Advisors Audit Partnership by Spirit in accordance with normal charge out rates.

These amounts, and other expenses of the Offers, to the extent not paid by the Company or Spirit prior to completion of the acquisition of Spirit and the Equity Offer will be paid out of funds raised under the Equity Offer or available cash. Further information on the use of proceeds and costs of the Equity Offer is set out in Section 8.4.

7.6 Proposed Directors' remuneration

7.6.1 Proposed Managing Director and CEO

It is anticipated the Company will enter into an employment agreement with Geoff Neate that governs his employment with the Company. Refer to Section 10.5.1 for details of the proposed terms of Mr Neate's employment.

7.6.2 Proposed Non-Executive Director Remuneration

From the date of completion of the acquisition of Spirit the annual non-executive Directors' fees will be \$60,000 per annum payable to the Chairman, and \$30,000 per annum payable to each other non-executive Director.

Under the Constitution, the Directors decide the total amount paid to each Director as remuneration for their services. Under ASX Listing Rules, the total amount paid to all non-executive Directors must not exceed in total in any financial year the amount fixed at a general meeting of the Company, which is presently \$200,000.

Superannuation is not included in the total. Remuneration must not include a commission on, or a percentage of, the profits or income of the Company.

Directors may also be reimbursed for travel and other expenses incurred in attending to the Company affairs.

Non-executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or services which are not in the capacity as a Director of the Company.

There are no proposed retirement benefit schemes for Directors other than statutory superannuation contributions.

7.7 Proposed Directors' and Management's interests in Shares and Options

Following completion of the acquisition of Spirit the Proposed Directors and Management will have the following direct or indirect interests in the Shares and options of the Company.

Directors are not required by the Constitution to hold any Shares in the Company.

7.7.1 Proposed Directors' interests

Proposed Director	Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion [^]
James Joughin	1,449,275*	0.18%	0.175%	0.17%	Nil
Geoff Neate	166,205,910	20.64%	20.02%	19.44%	53,493,928
Terry Gray	8,313,376	1.03%	1.00%	0.97%	813,418
TOTAL	175,968,561	21.85%	21.20%	20.58%	54,307,346

[^] To be received as part of the consideration for the acquisition of Spirit.

* Mr Joughin (or his nominee(s)) may subscribe for up to 5 million New Shares under the Equity Offer. If Mr Joughin (or his nominee(s)) subscribed for the 5 million New Shares under the Equity Offer, and assuming no other Shares are acquired or disposed of by him (or them), his (or their) total holding will be 6,449,275 Shares, which would be 0.8% of the issued Shares of the Company at the Minimum Raising level, 0.77% at a \$2.5 million raising level, or 0.75% at the Maximum Raising level.

The interests of Proposed Directors or their associates in existing Shares are set out in Section 2.1.

7.7.2 Other Proposed Management's interests

	Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion
Joe Tigel	168,338,754	20.91%	20.28%	19.68%	54,417,645 [^]

[^] To be received as part of the consideration for the acquisition of Spirit.

Mr Russell Mitchell, Mr Allan Dib and Mr Andrew Walsh and their respective associates (if any) do not hold Shares or options of the Company and are not Vendors (and therefore will not receive any New Shares or New Options).

The proposed remuneration of the proposed Management is set out in Sections 10.5.1, 10.3.6 and 10.5.

7.8 Existing Directors' Remuneration and Interests in Shares and Options

In the two years prior to the date of this Prospectus, the Existing Directors of the Company were paid the following directors' fees (plus GST, if applicable):

Francis Galbally:	\$55,000;
Angus Edgar:	\$125,000;
Greg Bound:	\$17,500.

During the same period consulting fees of \$40,000 plus GST were paid to Mungala Investments Pty Ltd, a company associated with Mr Edgar.

The Existing Directors are to resign at completion of the acquisition of Spirit, and therefore will not receive remuneration after completion of the acquisition.

The Existing Directors hold the following direct or indirect interests in the Company's Shares and options (on a post-Consolidation basis):

Existing Director	Shares held on completion	Minimum Raising (\$2 million) %	\$2.5 million raising %	Maximum Raising (\$3 million) %	Options held on completion [^]
Francis Galbally	790,122	0.10%	0.10%	0.092%	Nil
Angus Edgar	10,330,970*	1.28%	1.24%	1.208%	3,956,471
Greg Bound	Nil	-	-	-	Nil
TOTAL	11,121,092	1.38%	1.34%	1.30%	3,956,471

** Mr Edgar (or his nominee(s)) may subscribe for up to 12.5 million New Shares under the Equity Offer, and will receive a transaction fee of 4% on that amount from the Lead Manager as described in Section 10.3.4. The effect on Mr Edgar's direct and indirect holdings if the maximum number of New Shares is acquired is set out in Section 8.5.3.*

7.9 ASX Corporate Governance Council Principles and Recommendations

The following table sets out the proposed Corporate Governance Statement anticipated to apply after completion of the acquisition of Spirit.

The proposed Corporate Governance Statement discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (**Recommendations**) after completion of the acquisition of Spirit. The Recommendations are not mandatory, however Recommendations that are not followed are identified and reasons provided for not following them along with what (if any) alternative governance practices are to be adopted in lieu of the recommendation.

The Company's current Corporate Governance Plan will cease to apply upon completion of the acquisition of Spirit.

It is also proposed that after completion of the acquisition of Spirit the Company will adopt a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the anticipated size and nature of the new Board and the magnitude of the Company's post-acquisition of Spirit operations, Proposed Directors have advised the Company that they do not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as they are of the strong view that the experience and skill set of the new Board will be sufficient to perform these roles. Under proposed new Board Charter, existing committees will not be maintained and the duties that would ordinarily be assigned to individual committees will be carried out by the full Board.

Further details are set out after the following Corporate Governance Statement.

The Company's Corporate Governance Plan will be available on www.spirit.com.au, which will be the Company's post-transaction website.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<i>Principle 1: Lay solid foundations for management and oversight</i>		
<p>Recommendation 1.1</p> <p>A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.</p>	YES	<p>The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.</p>
<p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.</p>	YES	<p>(a) The Company has guidelines for the appointment and selection of the Board in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
		(b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a Director.
<p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has had written agreements with each of its Directors and senior executives for the past financial year.</p>
<p>Recommendation 1.4</p> <p>The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>	YES	<p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.</p>
<p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as</p>	YES	<p>(a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.</p> <p>(b) The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website.</p> <p>(c) (i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO/MD and senior executives. In addition, the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Board will include in the annual report each year, the measurable objectives, progress against the objectives and the proportion of male and female employees in the whole organisation, at senior management level and at Board level.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
defined in the Workplace Gender Equality Act.		
<p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	WILL COMPLY	<p>(a) Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Company's operations are of sufficient magnitude.</p> <p>(b) The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis. It may do so with the aid of an independent advisor.</p> <p>(c) The Company shall disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>
<p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	YES	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company shall disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>
Principle 2: Structure the Board to add value		
<p>Recommendation 2.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p>	NO	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Nomination Committee. Pursuant the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The Board's nomination responsibilities are set out in the Board Charter.</p> <p>The Board devotes time at on an annual basis to discuss Board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>		<p>appropriate balance of skills, experience, independence and knowledge of the entity.</p>
<p>Recommendation 2.2</p> <p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	<p>YES</p>	<p>The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently in its membership.</p> <p>The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience are available in this Prospectus.</p>
<p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director</p>	<p>YES</p>	<p>(a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers Terrence Gray and James Joughin to be independent.</p> <p>(b) There are no independent Directors who fall into this category.</p> <p>(c) The Prospectus discloses the length of service of each Director.</p>
<p>Recommendation 2.4</p> <p>A majority of the Board of a listed entity should be independent Directors.</p>	<p>YES</p>	<p>The Board is composed of 2 independent Directors, Mr James Joughin and Mr Terrence Gray, and 1 non-independent Director, being Mr Geoff Neate.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>Recommendation 2.5</p> <p>The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	YES	The Chairman, Mr James Joughin, is an independent Director and is not the CEO/Managing Director.
<p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.</p>	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
Principle 3: Act ethically and responsibly		
<p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	YES	<p>(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting		
<p>Recommendation 4.1</p> <p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director, who is not the Chair of the Board,</p> <p>and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the relevant qualifications and experience of the members of the committee; and</p> <p>(iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial</p>	NO	<p>(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director who is not the Chair.</p> <p>(b) The Company does not intend to have an Audit and Risk Committee as the Board did not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p>(i) the Board will devote time at Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</p> <p>(ii) all members of the Board are involved in the Company's audit function to ensure the proper</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		maintenance of the entity and the integrity of all financial reporting.
<p>Recommendation 4.2</p> <p>The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company will obtain a sign off on these terms for each of its financial statements in the past financial year.</p>
<p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	<p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> <p>The Company's external auditor will attend Company's AGM's.</p>
Principle 5: Make timely and balanced disclosure		
<p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, the Corporate Governance Plan details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Corporate Governance Plan, which incorporates the Board Charter, is available on the Company website.</p>
Principle 6: Respect the rights of security holders		
<p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
<p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
RECOMMENDATIONS (3RD EDITION)	COMPLY	EXPLANATION
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	YES	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	YES	(a) The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee (if it is considered it will benefit the Company), with at least three members, all of whom must be independent Directors, and which must be chaired by an independent Director. A copy of the Corporate Governance Plan is available on the Company's website. (b) The Company does not have an Audit and Risk Committee as the Board does not consider the Company would benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the Board devoting time at all Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2 The Board or a committee of the Board should: (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and	YES	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
(b) disclose in relation to each reporting period, whether such a review has taken place.		(b) The Company's Board will complete a review of the Company's risk management framework in the past financial year.
<p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	YES	<p>(a) The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>(b) The Company did not have an internal audit function for the past financial year. Due to the size of the Company, the Board does not consider it necessary to have an internal audit function.</p> <p>(c) The Company will employ the following process for evaluating and continually improving the effectiveness of its risk management and internal control processes:</p> <p>(i) the Board will monitor the need for an internal audit function having regard to the size, location and complexity of the Company's operations;</p> <p>(ii) the Board will periodically undertake an internal review of financial systems and processes where systems are considered to require improvement these systems are developed; and</p> <p>(iii) The Board will review risk management and internal compliance procedures at each Board meeting and monitors the quality of the accounting function.</p>
<p>Recommendation 7.4</p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	WILL COMPLY	If the Company has any material exposure to economic, environmental and social sustainability risk, it will disclose any such exposure and how it manages or intends to manage those risks, in future Corporate Governance Statements.
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1</p> <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the</p>	NO	<p>Due to the size and nature of the existing Board and the magnitude of the Company's operations, the Company does not currently have a Remuneration Committee. Pursuant the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The Board's Remuneration responsibilities and processes are set out in the Board Charter.</p>

RECOMMENDATIONS (3 RD EDITION)	COMPLY	EXPLANATION
<p>members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		
<p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	WILL COMPLY	<p>The Company's policies and practices will be disclosed in the Remuneration Report contained in its Annual Report.</p> <p>The Board will ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>
<p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	YES	<p>(a) The Company had an equity based remuneration scheme during the past financial year. The Company's Corporate Governance Plan prohibits Key Management Personnel entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p> <p>(b) Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in equity based remuneration or in unvested entitlements.</p>

Table 9 -ASX Corporate Governance Council Principles and Recommendations

7.10 Board Charter

Following completion of the acquisition of Spirit, it is anticipated that the new Board will adopt a new written charter. The charter will set out:

- the Board composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

Under the charter the Board's role will be to, among other things:

- represent the interests of Shareholders by overseeing and appraising the Company's strategies, polices and performance;
- provide strategic direction for, and approval of, corporate strategy and performance objectives;

- review and ratify systems of risk management, internal compliance and control, codes of conduct and legal and regulatory compliance to ensure appropriate compliance systems and controls are in place;
- monitor senior management's performance and implementation of strategy, and seek to ensure appropriate resources are available;
- approve and monitor the operational and financial position and performance of the Company;
- approve and monitor the progress of major capital expenditure, capital management, acquisitions and divestments;
- approve and monitor budgets; and
- oversee control and accountability systems.

Matters specifically reserved to the Board or its committees will include:

- appointment of the Chair;
- appointment and removal of the Managing Director and CEO;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and their delegated authorities;
- approval of dividends;
- review of corporate codes of conduct;
- approval of major capital expenditure, acquisitions and divestments in excess of authority levels delegated to management;
- calling meetings of Shareholders; and
- any other specific matters nominated by the Board from time to time.

The charter will provide that the management function is conducted by, or under the supervision of, the Managing Director and CEO as directed by the Board. Management must supply the Board information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to access management and to request additional information at any time they consider it appropriate. The Board collectively and individual director may seek independent professional advice at the Company's expense, subject to the reasonable approval of the Chair of the Board and the advice being made available to the Board as a whole.

7.11 Board Committees

The Board may, after completion of the acquisition of Spirit, from time to time establish committees to assist in the discharge of its responsibilities. Given the size of the proposed post-transaction Board and the Company, the Proposed Directors have advised they believe that it will not be necessary to maintain or establish separate standing Board committees for audit, risk, nomination and remuneration, and that it will be more appropriate for the Board to carry out these functions. As a result, the role and responsibilities of the Board in respect of nomination, audit, risk and remuneration will be incorporated into the Company's Board Charter.

7.12 Diversity Policy

The post-acquisition workforce of the Company will comprise individuals with diverse skills, backgrounds, perspectives and experiences and this diversity is valued and respected. The Company's diversity policy will have meritocracy as a guiding principle, seek to align the Company's management systems with its commitment to continue to develop a culture that values and achieve diversity in its workforce and on its Board.

In its annual report, the Company will disclose the measureable objectives for achieving diversity and progress toward achieving them and will also disclose the proportion of women in the whole organisation, women in senior positions and women on the Board.

7.13 Continuous Disclosure Policy

The Company is required to comply with the continuous disclosure obligations of the ASX Listing Rules and the Corporations Act. Subject to the exceptions in the ASX Listing Rules, the Company is required to disclose any information to ASX that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company securities.

The Company is committed to observing its continuous disclosure obligations under the Listing Rules and the Corporations Act. After completion of the acquisition of Spirit the Company will adopt a policy which establishes procedures that are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information. Under the disclosure policy the Board will be responsible for managing the Company's compliance with its continuous disclosure obligations.

In addition to being provided to ASX, continuous disclosure announcements will also be available at www.spirit.com.au, the Company's post-transaction website.

7.14 Shareholder Communications

The Board's aim will be to ensure Shareholders are provided with sufficient information to assess the performance of the Company and that Shareholders are informed of all major developments affecting the affairs of the Company in accordance with all applicable laws. The Company is required by law to communicate to Shareholders through the lodgement of all relevant financial and other information with ASX. This information will also be published on www.spirit.com.au.

The website will also contain information about the Company, including media releases, key policies and charters of the Board.

7.15 Securities Trading Policy

Following completion of the acquisition of Spirit, it is anticipated that the new Board will adopt a written policy for dealing in the Company's Shares which will apply to the Company, its Directors, officers, management and employees (**the Company Persons**).

The policy is intended to explain the types of conduct in relation to dealing in Shares that is prohibited by the Corporations Act and establish best practice procedures in relation to the Company Persons dealing in Shares.

Subject to certain exceptions, including severe financial hardship or during a period the Company is subject to heightened disclosure requirements, the policy defines certain "trading windows" during which trading by Directors and senior Executives in Shares is permitted while trading at any other time is prohibited. The trading windows will be four week periods commencing on the opening day of trading on the day after the dates on which:

- the Company releases its half year results to ASX;
- the Company releases its annual results to ASX;
- the Company holds its annual general meeting (assuming an update of the full year's results is given at the meeting), and
- any additional periods determined by the Board from time to time.

Outside of the trading windows, the Company Persons must receive clearance for any proposed dealing in Shares. In all instances, buying and selling of Shares is not permitted at any time by any person who possesses price-sensitive information.

7.16 Code of Conduct

The new Board will recognise the need to observe the highest standards of corporate practice and business conduct. Accordingly, the post-transaction Board will adopt a code of conduct, to take effect from Listing, to be followed by all employees and officers. The key aspects of this code will be to:

- act fairly with honesty and integrity in the best interests of the Company and in the reasonable expectations of Shareholders;

- act in accordance with all applicable laws, regulations, and the Company's policies and procedures;
- have responsibility and accountability for individuals for reporting and investigating reports of unethical practices; and
- use the Company resources and property properly.

The code of conduct will set out the Company policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information and conflicts of interest.

8. Details of the Offers

8.1 The Offers

The Offers comprise the Equity Offer and the Vendor Offer.

All references to shares and options in this Section 8 assume the Consolidation approved at the Second General Meeting has been completed, and are on a post-Consolidation basis.

8.1.1 The Equity Offer

This Prospectus invites investors to apply for a minimum of 100,000,000 and up to 150,000,000 New Shares in the Company at an offer price of \$0.02 (2 cents) per Share (“the Offer Price”) to raise a minimum of \$2,000,000 and a maximum of \$3,000,000 before costs of the Offers.

The Equity Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

Details of how to apply for New Shares under the Equity Offer are set out in Sections 8.7 and 8.8.

8.1.2 Structure of the Equity Offer

The Equity Offer comprises:

- **the Broker Firm Offer** – open to Australian resident clients of Brokers who have received a firm allocation from their Broker; and
- **the General Offer** – an invitation to eligible investors to apply for New Shares.

Details of the allocation policies under the Broker Firm Offer and the General Offer are described in Sections 8.7.4 and 8.8.

8.1.3 Vendor Offer

This Prospectus contains an offer of six hundred and eleven million two hundred and fifty thousand (611,250,000) New Shares and one hundred and ninety-seven million five hundred and ninety-four thousand three hundred and fifty-seven (197,594,357) New Options to the Vendors of Spirit and/or their respective nominee(s) as consideration for the acquisition of 100% of the issued shares of Spirit. Only Vendors of Spirit and/or their respective nominee(s) are eligible to accept the Vendor Offer.

No funds will be raised through the Vendor Offer.

8.1.4 New Shares and New Options

All New Shares will, once issued, rank equally with the Company’s currently issued Shares. A summary of the rights attaching to New Shares is set out in Section 10.7 of this Prospectus.

Each New Option will entitle the holder to be issued one fully paid ordinary Share upon exercise and payment of the exercise price. The New Options have an exercise price of \$0.039376 (3.9376 cents), an expiry date of 31 July 2019 and the same terms as the Company’s existing “AJRO” options.

Shares issued upon valid exercise of a New Option will rank equally with and have the same terms as the Shares currently on issue.

The full terms of the New Options are set out in Section 10.8.

8.2 Conditions of the Offers

Completion of the Offers is conditional upon the Preconditions to Issue described in Section 2.1 being satisfied or, in limited cases, waived.

If the Preconditions to Issue above are not satisfied or, where applicable, waived, the Offers will not proceed and no New Shares or New Options will be issued pursuant to this Prospectus and all Application Monies received will be refunded to Applicants (without interest) in accordance with the Corporations Act.

8.3 Important Dates

Prospectus Date	26 April 2016
Opening Date of Equity Offer	27 April 2016
Closing Date of Equity Offer	25 May 2016
Issue of New Shares (Completion of the Equity Offer)	31 May 2016
Expected despatch of Holding Statements	2 June 2016
Shares expected to begin trading on ASX (on a conditional and deferred settlement basis)	7 June 2016
Shares expected to begin trading on ASX (on a normal settlement basis)	9 June 2016

Table 10- Important Dates

An earlier date than the Closing Date may be specified by Brokers for returning Applications and payment of Application Monies for allocations under the Broker Firm Offer.

The above dates are subject to change and are indicative only. The Company (in consultation with the Lead Manager) reserves the right to vary the dates and times of the Offers, including to close the Equity Offer early, extend the Equity Offer or accept late Applications, without notifying any recipient of this Prospectus or any Applicants. Applicants are encouraged to submit their Applications as early as possible.

8.4 Purpose of this Prospectus, the Offers and Use of Funds

The Prospectus has been issued to make the Equity Offer to raise funds, to assist the Company to meet the re-quotations requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (including, for example, obtaining Shareholder spread), and to qualify the New Shares and New Options issued under the Vendor Offer for secondary trading (subject to any escrow arrangements imposed on Spirit Vendors' New Shares and New Options by ASX).

The purpose of the Equity Offer is to provide the Company with an increased working capital capability to provide operational flexibility to meet the demands from the Spirit growth.

The proceeds of the Equity Offer are intended to be used after the acquisition of Spirit for:

- Scaling in marketing, sales and operational staff
- Core network and building network expansion and upgrades
- A final payment in respect of the prior acquisition by Spirit of Voxcom (an Internet service provider) by Spirit which becomes due upon the effective listing of the Spirit business
- Additional working capital and funding for acquisitions
- Paying costs of the Offers.

Further detail is provided in the table below.

The Directors believe that following completion of the Equity Offer the Company will have sufficient funds available from the cash proceeds of the Equity Offer to fulfil the purposes of the Offers and meet the Company's stated business objectives.

The Company is intending to apply the funds raised under the Equity Offer in the manner detailed in the following table:

Item	Minimum Raising (\$2 million)		Maximum Raising (\$3 million)	
	Year 1	Year 2	Year 1	Year 2
Cash reserves as at 31st December 2015 ⁴	\$617,530		\$617,530	
Funds raised from the Offer	\$2,000,000		\$3,000,000	
Total Funds available	\$2,617,530	\$1,311,280	\$3,617,530	\$2,116,280
Business and production expansion, including: scaling in marketing, sales and operational staff to acquire new customers in existing and new markets and geographical expansion Building Fitouts	\$130,000	\$136,500	\$265,000	\$316,500
Core network and building network expansion & upgrades (CAPEX)	\$425,000	\$180,000	\$425,000	\$180,000
Final Voxcom acquisition payment ¹	\$244,500	\$-	\$244,500	\$-
Fees & Commissions ²	\$486,750	\$-	\$546,750	\$-
Estimated other expenses of the Offers	\$20,000	\$-	\$20,000	\$-
Additional working capital & Funding for acquisitions ³	\$1,311,280	\$994,780	\$2,116,280	\$1,619,780
Total Funds allocated	\$2,617,530	\$1,311,280	\$3,617,530	\$2,116,280

NOTES:

¹ See below for further information

² See below for further information

³ Spirit has advised it does not require the funds raised under the Prospectus to continue to run its operations and the funds raised are primarily to assist the Company in complying with Chapters 1 and 2 of the Listing Rules.

Scaling in marketing, sales and operational refers to expenditure primarily on salaries and wages of personnel engaged or to be engaged in sales and marketing of Spirit's services, with the objective of increasing customer numbers and generating revenue from sales. Sales & Marketing costs will also include additional expenditure on activities supporting sales and marketing such as advertising, travel and hosting or attending conferences.

Core network and building network expansion and upgrades principally refer to the capital works and expenditure allocated to grow the number of buildings on Spirit's network or to upgrade existing buildings within Spirit's network. It also refers to the potential upgrade of the core Layer 2 network that may be required due to the increase demand brought about by the increased number of users, among other things. These works and expenditure would be undertaken with the objective of and generating revenue from customers.

The final Voxcom acquisition payment of \$244,500 is payable to the vendors of Voxcom upon Spirit achieving its effective Listing on ASX. This obligation was a term of Spirit's acquisition of Voxcom which enabled Spirit to acquire an Internet Service Provider which provided it with the opportunity to extend its business into its current form.

Fees and commissions, and estimated legal, accounting, printing posting & administration expenses are costs of the Capital Raising and associated with the acquisition of Spirit.

Spirit has advised that the day to day expenses of the current business operations other than the planned expanded sales and marketing and capital expenditure on building fitouts are relatively small, and are managed from cash flow generated by existing sales. Spirit's continuing obligations relate to managing its supplier

payments in relation to its daily operations. Spirit has a term loan from Bankwest of \$1.5 million and shareholder loans of \$0.575 million. The remaining obligation of Spirit is the final payment of \$244,500 to the vendors of Voxcom. Part of the funds received under the capital raising will be used to make the payment to Voxcom vendors. There are no other major fixed obligations.

The estimates of expenditure set out in the above table and the description of Spirit's day to day expenses, continuing obligations and intentions are based on budgets and other information provided by Spirit. The actual level and break-up of expenditure may change on an ongoing basis depending on factors which may include changes in market conditions, the development of new or existing opportunities and other factors (including the risk factors described in Section 6). Accordingly, the Company's future capital requirements subsequent to completion of the acquisition of Spirit will depend on numerous factors and the Company may require further financing in addition to amounts raised under the Equity Offer. Any additional equity financing will dilute shareholdings. Additional debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

8.5 Effect of the Offers

8.5.1 Pro forma historical consolidated balance sheet

The Company's pro forma balance sheet following completion of the acquisition of Spirit and Equity Offer, including details of the pro forma adjustments, is set out in Section 5.

8.5.2 Share and Option Structure

Prior to the issue of New Shares, the Company will have 93,925,634 Shares (on a post-Consolidation basis, subject to rounding). The expected capital structure of the Company (on a post-Consolidation) basis immediately following completion of the acquisition of Spirit and the Equity Offer, is summarised below:

<i>Post-Consolidation shares:</i>	<i>Minimum Raising (\$2 million)</i>	<i>\$2.5 million raising</i>	<i>Maximum Raising (\$3 million)</i>
Pre-acquisition Shares [^]	93,925,634 (11.66%)	93,925,634 (11.31%)	93,925,634 (10.98%)
Consideration New Shares to be issued to Vendors	611,250,000 (75.92%)	611,250,000 (73.63%)	611,250,000 (71.48%)
Equity Offer (New Shares)	100,000,000 (12.42%)	125,000,000 (15.06%)	150,000,000 (17.54%)
Total Shares	805,175,634 (100%)	830,175,634 (100%)	855,175,634 (100%)

Table 11 - Shares

<i>Post-Consolidation options:</i>	<i>Number</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
Existing listed options (AJRO) [^]	25,677,688	3.9376 cents	31 July 2019
Existing unlisted options [^]	652,174	68.3376 cents	18 December 2016
Consideration New Options to be issued to Vendors	197,594,357	3.9376 cents	31 July 2019
Total options	223,924,219	-	-

Table 12 - Options

Details of New Shares and New Options to be issued to Vendors as consideration for the acquisition of Spirit are set out in Section 10.4. Escrow restrictions which may be applied to all or some of those New Shares and New Options by ASX are described in Section 8.12.5. No New Shares issued under the Equity Offer will be subject to escrow.

8.5.3 Control Implications of the Offers

As at the date of this Prospectus, the following Shareholders have advised the Company that they, alone or with their associates, hold relevant interests in 5% or more of the voting shares of the Company (on a post-Consolidation basis):

- Mr Angus Edgar (and/or his associates): 10,330,970 Shares, being 11.00% of the Company's currently issued Shares, and 3,956,471 options.

Mr Edgar (or his nominee(s)) may subscribe for up to 12.5 million New Shares under the Equity Offer. If Mr Edgar (or his nominee(s)) Subscribed for the 12.5 million New Shares under the Equity Offer, and assuming no other Shares are acquired or disposed of by him (or them), his (or their) total holding will be 22,830,970 Shares, which would be 2.84% of the issued Shares of the Company at the Minimum Raising level or 2.67% at the Maximum Raising level.

- Mr Neil Biddle (and/or his associates): 5,853,516 Shares (6.23% of the Company's currently issued Shares), and 2,701,522 options.

Assuming no other Shares are acquired or disposed of by Mr Biddle (or his nominee(s)), his (or their) holding would be 0.73% of the issued Shares of the Company at the Minimum Raising level or 0.68% at the Maximum Raising level.

Vendors of Spirit or their nominees will, in total, hold approximately 72.3% of the Shares of Arunta after Completion of the acquisition of Spirit and the Equity Offer if the Maximum Raising is achieved, and approximately 76.8% of the shares of Arunta if only the Minimum Raising is achieved. Investors in the Equity Offer will hold between approximately 12.4% and 17.5%, and current Shareholders between approximately 10.1% and 10.8%, of the shares of Arunta after the acquisition of Spirit and capital raising.

Following completion of the acquisition of Spirit and the Equity Offer three Vendors will hold relevant interests in 5% or more of the voting shares of the Company (alone or with their respective associates):

- Joshart Investments Pty Ltd (and/or its associates): 168,338,754 Shares, being 20.91% at the Minimum Raising level or 19.68% at the Maximum Raising level. Joshart Investments Pty Ltd will also receive 54,417,645 New Options as part of the consideration for the acquisition of its Spirit shares;
- Chloedarcy Investments Pty Ltd (and/or its associates): 166,205,899 Shares, being 20.55% at the Minimum Raising level or 19.35% at the Maximum Raising level. This figure includes Shares acquired by an associate of Chloedarcy Investments Pty Ltd under the Placement as described in Section 2.2. Chloedarcy Investments Pty Ltd will also receive 53,493,928 New Options as part of the consideration for the acquisition of its Spirit shares; and
- Thiel Group of Companies Pty Ltd ((and/or its associates): 86,277,966 Shares, being 10.63% at the Minimum Raising level or 10.00% at the Maximum Raising level. This figure includes Shares acquired by an associate of Thiel Group of Companies Pty Ltd td under the Placement as described in Section 2.2. Thiel Group of Companies Pty Ltd will also receive 27,656,202 New Options as part of the consideration for the acquisition of its Spirit shares.

No other Vendor, alone or with its associates, would acquire more than 5% of the issued Shares of the Company.

Further details about New Shares to be issued to Vendors are set out in Section 10.4.

The current Board of Arunta will resign and the new Board of three directors elected at the Second General Meeting will take office with effect at completion of the acquisition of Spirit.

8.6 Key terms and conditions of the Equity Offer

The key terms and conditions of the Equity Offer are summarised in the table below:

What is the type of security being offered?	Fully paid ordinary Shares in the capital of Arunta.
What are the rights and liabilities attached to the security being offered?	A description of the New Shares, including the rights and liabilities attaching to them, is set out in Section 10.7.
What is the consideration payable for each security being offered?	The Offer Price is \$0.02 (2 cents) per New Share.
What is the Offer Period?	<p>The Broker Firm Offer is expected to open at 12pm (AEST) on 27 April 2016 and is expected to close at 8pm (AEST) on 25 May 2016 but may close early. An earlier date than the Closing Date may be specified by Brokers for returning Applications for allocations under the Broker Firm Offer.</p> <p>The General Offer is expected to open at 12pm (AEST) on 27 April 2016 and is expected to close at 8pm (AEST) on 25 May 2016 but may close early.</p> <p>More details about dates are set out above in Section 8.3 . As referred to in Section 8.3, dates are indicative only and may change.</p>
What are the amount to be raised?	The Company is seeking to raise a minimum of \$2 million and a maximum of \$3 million (before costs).
What is the proposed use of the funds raised?	The proposed use of funds raised by the Equity Offer is set out above in Section 8.4
Is the Equity Offer underwritten?	No. The Equity Offer is not underwritten.
What is the minimum and maximum Application size?	<p>The minimum Application amount is 100,000 New Shares (\$2,000) and multiples of 50,000 New Shares (\$1,000) thereafter.</p> <p>There is no maximum number or value of New Shares that may be applied for, provided that an Applicant alone or with its associates (as that terms is defined in the Corporations Act) may not acquire an interest in more than 20% of the issued voting Shares of the Company). Applications for New Shares in addition to a Broker Firm Offer allocation will be treated as a General Offer Application.</p>
What is the allocation policy?	<p>It is a matter for each Broker how they allocate firm New Shares among their eligible clients. For further information on the Broker Firm Offer allocation policy see Section 8.7.4.</p> <p>If oversubscriptions above the Maximum Raising amount are received, the Company may at its discretion in consultation with the Lead Manager reject General Offer Applications and/or scale back General Offer Applications and issue fewer New Shares than an Applicant applied for.</p> <p>For further information on the General Offer allocation policy see Section 8.8.</p>

<p>Will the New Shares be listed?</p>	<p>The Company will apply to ASX for quotation of the New Shares and the New Options within 7 days after the date of this Prospectus.</p> <p>The Company's Shares presently trade under the code "AJR". It is anticipated that the code will change to "ST1" after completion of the acquisition of Spirit and re-instatement to quotation.</p> <p>Completion of the acquisition of Spirit and the Equity Offers is conditional on ASX approving the application for quotation. If approval is not given within three months after such application is made (or such period as varied by ASIC) the Offer will be withdrawn and all Application Monies will be refunded to Applicants without interest in accordance with the Corporations Act.</p>
<p>When are the New Shares expected to commence trading?</p>	<p>It is expected that trading (quotation) of the New Shares on ASX (on a conditional and deferred basis) will commence on or about 7 June 2016.</p> <p>As referred to in Section 8.3, dates are indicative only and may change.</p>
<p>When will I receive confirmation that my Application has been successful?</p>	<p>It is expected that initial holding statements will be despatched by standard post on or about 2 June 2016.</p> <p>As referred to in Section 8.3, dates are indicative only and may change.</p>
<p>Are there any escrow arrangements</p>	<p>New Shares issued under the Equity Offer will not be escrowed.</p> <p>New Shares and New Options issued under the Vendor Offer may be subject to escrow. Escrow arrangements which may apply to all or some of those New Shares and New Options are described in Section 8.12.5.</p>
<p>Is there brokerage, commission or stamp duty considerations?</p>	<p>No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Equity Offer.</p> <p>The Company will pay an aggregate fee to the Lead Manager of 6% (plus GST) of the total amount raised by it under the Equity Offer. See Section 10.3.4 for details of commissions, fees and expenses payable by the Company to the Lead Manager.</p>
<p>Are there any tax considerations?</p>	<p>Potential investors should consult their professional taxation adviser before deciding whether to apply for New Shares pursuant to this Prospectus as any tax liability may vary depending on their individual circumstances.</p>
<p>What should you do with any enquiries?</p>	<p>All enquiries in relation to this Prospectus including obtaining additional copies of this Prospectus should be directed to the Lead Manager on (03) 9200 7000 between 9.00am and 5.00pm (AEST), Monday to Friday.</p> <p>All enquiries in relation to the Broker Firm Offer should be directed to your Broker.</p> <p>If you require assistance to complete an Application Form, have any questions in relation to the Offers or you are uncertain as to whether obtaining New Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.</p>

Table 13 - Key terms and conditions of the Equity Offer

8.7 Broker Firm Offer

8.7.1 Who may apply

The Broker Firm Offer is open to persons who have received a firm allocation of New Shares from their Broker and who have a registered address in Australia. If you have received a firm allocation of New Shares from your Broker, you will be treated as a Broker Firm Offer Applicant in respect of that allocation. You should contact your Broker to determine whether you can receive an allocation of New Shares from them under the Broker Firm Offer.

8.7.2 How to apply

If you have received an allocation of New Shares from your Broker and wish to apply for those New Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions.

Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry or the Company. Applicants under the Broker Firm Offer should contact their Broker or the Lead Manager on (03) 9200 7000 to request a copy of this Prospectus and Application Form, or download a copy at www.aruntaresources.com.au. An earlier date than the Closing Date may be specified by Brokers for returning Applications for allocations under the Broker Firm Offer. Your Broker will act as your agent and it is you and your Broker's responsibility to ensure that your Application Form and Application Monies are received before 8pm (AEST) on the Closing Date or any earlier closing date as determined by your Broker.

Applications for New Shares under the Broker Firm Offer must be for a minimum of 100,000 New Shares (\$2,000) and thereafter in multiples of 50,000 New Shares (\$1,000) and payment for the New Shares must be made in full at the issue price of \$0.02 (2 cents) per New Share.

The Broker Firm Offer is expected to open at 12pm (AEST) on 27 April 2016 and is expected to close at 8pm (AEST) on 25 May 2016. The Company and the Lead Manager may elect to close the Broker Firm Offer early or extend the Broker Firm Offer, or accept late Applications either generally or in particular cases. The Broker Firm Offer may be closed at any earlier date and time, without further notice. Investors are therefore encouraged to submit their Applications as early as possible.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out in the Application Form.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

8.7.3 Payment

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by their broker.

8.7.4 Allocation policy under the Broker Firm Offer

The Lead Manager will determine the allocation policy to Brokers under the Broker Firm Offer.

New Shares that have been allocated to Brokers for allocation to their Australian resident retail clients will be issued to the Applicants nominated by those Brokers. It will be a matter for each Broker as to how they allocate New Shares among their retail clients, and Brokers (and not the Company or the Lead Manager) will be responsible for ensuring that their retail clients who have received a firm allocation from them receive the relevant New Shares.

8.7.5 Rejection of Applications

The Lead Manager, in agreement with the Company, reserve the right to reject any Broker Firm Offer Application which is not correctly completed or which is submitted by a person who they believe is or may be ineligible or not appropriate to participate in the Broker Firm Offer. The Company may treat a Broker Firm Offer Application by an

Applicant who does not have a registered address in Australia as an Application under the General Offer. A Broker Firm Offer Application for more than the number of New Shares allocated to the Applicant by their Broker will be treated as an Application under Broker Firm Offer for the allocated number of New Shares and an Application under the General Offer for the additional New Shares. The Application for the additional New Shares may be accepted in respect of the full amount, or any lesser amount lower, without further notice to the Applicant.

8.8 General Offer

Applications under the General Offer may be made, and will only be accepted, in one of the following forms:

- on a General Offer Application Form which was attached to or accompanied this a copy of Prospectus;
- on a paper copy of the electronic General Offer Application Form which accompanied an electronic copy of this Prospectus, which can be found at and downloaded from www.aruntaresources.com.au; or
- an electronic Application Form submitted using an on-line Application facility made available by the Company or the Lead Broker, in accordance with the instructions for use of the facility and only after downloading and confirming having received an electronic copy of this Prospectus.

Instructions for completing and lodging General Offer Application Forms and paying Application Monies are set out in the General Offer Application Form. Unless you have made arrangements with your broker or the Lead Manager, the completed General Offer Application Form and payment should be sent to:

**Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153**

Payments are to be made in Australian currency by a cheque (made payable to "Arunta Resources Ltd" and crossed "Not Negotiable") drawn on an Australian branch of an Australian bank, unless otherwise specified for Applications made using on-line Application facility, or by prior arrangement with the Company or Lead Manager. Applications under the General Offer cannot otherwise be made by BPAY. Do not send cash.

The General Offer is expected to open at 12pm (AEST) on 27 April 2016 and is expected to close at 8pm (AEST) on 25 May 2016. The Company and the Lead Manager may elect to close the General Offer early or extend the General Offer, or accept late Applications either generally or in particular cases. The General Offer may be closed at any earlier date and time, without further notice. Investors are therefore encouraged to submit their Applications as early as possible.

Applications for New Shares under the General Offer must be for a minimum of 100,000 New Shares (\$2,000) and thereafter in multiples of 50,000 New Shares (\$1,000) and payment for the New Shares must be made in full at the issue price of \$0.02 (2 cents) per New Share.

If subscriptions above the Maximum Raising amount are received (oversubscriptions), the Company may at its discretion in consultation with the Lead Manager reject General Offer Applications and/or scale back General Offer Applications and issue fewer New Shares than an Applicant applied for under the General Offer. Application Monies paid for New Shares not issued will be refunded (without interest) in accordance with the Corporations Act.

The Company, in consultation with the Lead Manager, reserves the right to reject at its absolute unfettered discretion any General Offer Application which is submitted by a person who it believes is or may be ineligible to participate in the General Offer.

8.9 All Equity Offer Applications

It is your responsibility to ensure that your Application Form(s) and payment(s) are mailed in time to allow for delivery before the date specified by your Broker or the Closing Date (as applicable). It is also your responsibility to ensure sufficient funds are available upon presentation of cheques and/or for DvP settlement, as applicable. If returning your Application Form to your broker, please allow sufficient time for your broker to receive and

process your Application. The Company, the Lead Manager and the Share Registry take no responsibility for lost or delayed mail, or misprocessed acceptances and payments, or errors or delays by brokers. The Company, in consultation with the Lead Manager may, but is not obliged to, accept late Applications.

An Application under the Equity Offer is an offer by the Applicant to the Company for the number of Shares specified in the Application Form, at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form.

To the extent permitted by law, an Application under the Equity Offer is irrevocable. If the amount received as Application Amount is less than the amount payable for the New Shares applied for, the Company may (but is not obliged to) treat the Application as being for the number of New Shares represented by the amount received and issue fewer New Shares than were applied for. The Company, in consultation with the Lead Manager, may correct or fill in any Application Form and/or treat as valid and give effect to an Application Form notwithstanding any error or that any information is incomplete. The Company, in consultation with the Lead Manager, may reject an acceptance where payment of the Application Monies is not received or a cheque or funds transfer is not honoured, or without prejudice to its rights, issue New Shares in response to the Application and recover outstanding Application amount from the Applicant.

Acceptance of an Equity Offer Application will give rise to a binding contract upon issue of New Shares to a successful Applicant.

There is no maximum number or value of New Shares that may be applied for under the Equity Offer, provided that an Applicant alone or with its associates (as that term is defined in the Corporations Act) may not acquire an interest in more than 20% of the issued voting Shares of the Company unless permitted by the Corporations Act without further action by the Company. The Company in consultation with the Lead Manager determine a person to be eligible or ineligible to participate in the Offer, and may amend or waive the Application procedures or requirements, in its discretion subject to compliance with applicable laws.

By making an Application, you declare that you were given access to a copy of this Prospectus, together with the applicable Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

8.10 Vendor Offer

The Vendor Offer of New Shares and New Options is made solely to and is capable of acceptance only by Spirit Vendors. Spirit Vendors must complete a Vendor Offer Application Form attached to or accompanying a copy of this Prospectus and return it to the Company or as specified in the Vendor Offer Application Form by the time specified in the Vendor Offer Application Form. Instructions for completing and returning the Vendor Offer Application Form are set out in the Vendor Offer Application Form.

8.11 Commissions Payable

The Company will pay an aggregate fee to the Lead Manager of 6% (plus GST) of the total amount raised by it under the Equity Offer. See Section 10.3.4 for details of commissions, fees and expenses payable by the Company to the Lead Manager.

No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Equity Offer.

8.12 ASX Listing, Registers and holding statements, deferred settlement trading

8.12.1 Application to ASX for quotation of New Shares and New Options

The Company will apply for quotation of the New Shares and New Options on ASX within seven days of the Prospectus Date. The new ASX code for the Company after it changes its name to Spirit Telecom Limited is anticipated to be ST1.

The ASX and its officers take no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX has admitted the Company to the Official List or any of its securities to Official Quotation is not to be taken as an indication of the merits of the Company, Spirit, the New Shares or the New Options.

If the Company does not make such an Application within seven days after the date of the Prospectus, or (other than as provided below) if permission is not granted for the official quotation of New Shares on ASX within three months after the date of issue of this Prospectus (or such longer period as ASIC and ASX may permit), all Application Monies will be refunded (without interest) to the Applicant in accordance with the requirements of and within the time prescribed by the Corporations Act. New Shares and New Options issued as consideration for the acquisition of Spirit upon which restriction (escrow) obligations are imposed by ASX may not be quoted until the escrow period ends. The admission of those New Shares and New Options to quotation before the end of the applicable escrow period is not a condition of the Offers, and it is expressly not stated or implied that permission will be sought for the official quotation of those New Shares and New Options, or granted within three months or any other period after the Prospectus Date.

8.12.2 ASX Waivers

ASX has granted the Company waivers of Listing Rules:

- to permit it to re-comply with the Listing requirements with a 2 cent issue price rather than a 20 cent issue price, and to permit it to have options on issue with an exercise price of less than 20 cents;
- to permit the issue of New Shares and New Options to Proposed Directors or their associates under the Vendor Offer at the same time as the rest of the New Shares and New Options are issued as consideration for the acquisition of Spirit, if the acquisition of Spirit is completed more than one month after the Second General Meeting;
- to permit the issue of New Shares subscribed for by an Existing Director or a Proposed Director at the same time as New Shares are issued under the Equity Offer, if issued more than one month after the Second General Meeting.

8.12.3 CHESS and issuer sponsored holdings

The Company participates in the Clearing House Electronic Sub-register System ("CHESS"). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of New Shares and New Options issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of shares or options can be transferred without having to rely upon paper documentation. 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. Security holders may request a holding statement at any other time, however a charge may be made for such additional statements.

8.12.4 Deferred settlement trading and selling Shares on market

It is expected that trading (quotation) of the New Shares on ASX (on a conditional and deferred basis) will commence on or about 7 June 2016.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. Any person who sells New Shares or New Options before receiving a holding statement does so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if a person sells New Shares or New Options before receiving a holding statement, even if that person obtained holding details of holding through the Lead Manager or their Broker.

Initial holding statements are expected to be despatched by standard post on or about 31 May 2016.

Shares are expected to commence trading on ASX on a normal settlement basis on or about 9 June 2016.

All the above dates are subject to change – see Section 8.3 for further information.

8.12.5 Escrow (Restriction) of New Shares and New Options

None of the New Shares offered under the Equity Offer will be subject to restriction (escrow).

Existing Shares and listed AJRO Options of the Company will not be subject to escrow.

ASX may restrict (escrow) all or some of the New Shares and New Options issued as consideration for the acquisition of Spirit under the Vendor Offer. Restriction periods are usually two years from re-admission to Official Quotation for New Shares and New Options received as consideration for the acquisition of Spirit shares that were issued to or are held by related parties (principally directors and their associates), or one year from the issue of the Spirit shares if not issued to or held by related parties. New Shares and New Options issued to acquire Spirit shares for which cash payments were made may be excluded from escrow, in the proportion that the cash amount paid for Spirit shares bears to the Equity Offer issue price.

The Company will announce details of what, if any, restrictions are applied to New Shares and New Options issued under the Vendor Offer before re-instatement to Official Quotation.

8.13 Discretion regarding the Offers

With the consent of the Lead Manager, the Company may withdraw the Offers at any time before the issue of New Shares to successful Applicants. If the Offers, or any part of them, do not proceed, Application Monies will be refunded to Applicants (without interest) in accordance with the Corporations Act.

The Company in consultation with the Lead Manager also reserves the right to close the Equity Offer or any part of it early, extend the Offers or any part of them, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than applied for.

8.14 Restrictions on Distribution

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, 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. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

No action has been taken to register or qualify this Prospectus, the New Shares, the New Options or the Offers or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

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

If you are outside Australia it is your responsibility to obtain all necessary approvals for the Company to offer, allot and issue the New Shares or New Options to you pursuant to this Prospectus. The return or submission of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you are a person whom the Company's securities can be offered and issued lawfully, that all relevant laws have been complied with and that all relevant approvals have been obtained.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Shares unless otherwise permitted by law.

The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the New Shares and New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offers to any person in the United States; and
- it will not offer or sell the New Shares or New Options in the United States or unless permitted by the laws of the applicable place (without requiring any action by the Company) in any other jurisdiction outside Australia.

9. Investigating Accountants Report



22 April 2016

The Directors
Arunta Resources Limited
Level 14
31 Queen Street
MELBOURNE VIC 3000

Dear Sirs

INVESTIGATING ACCOUNTANTS REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON ARUNTA RESOURCES LIMITED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

Introduction

Advantage Advisors Corporate Pty Ltd (AAC) have been engaged by Arunta Resources Limited - ABN 73 089 224 402 (Arunta) to report on the historical financial information and pro forma historical financial information of Arunta Resources as at 30 June 2015 for inclusion in the Prospectus dated on or about 22 April 2016 (Prospectus) in respect to the issue of between 100million and 150 million shares of Arunta at a price of 2 cents per share to raise between \$2 million and \$3 million (Offer).

The purpose of the Offer is to provide working capital and to fund the on-going operations of the business following the acquisition of Spirit Telecom (Australia) Pty Ltd – ABN 99 112 320 804 (Spirit), a Melbourne based provider of superfast internet access and telephony services.. Further details concerning the operations and objectives of the Offer and Arunta are set out in Sections 2 and 4 of the Prospectus.

Expressions and terms defined in the document have the same meaning in this report.

Advantage Advisors Corporate Pty Ltd holds an Australian Financial Services Licence (AFSL Number 311489).

This report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested AAC to perform a limited assurance engagement in relation to the following financial information included in the Prospectus:

Advantage Advisors Corporate
Pty Ltd

Level 7, 114 William Street
Melbourne VIC 3000
Australia

GPO Box 2266
Melbourne VIC 3001
Australia

ACN 109 824 786

AFSL Licence No. 311489

T +61 3 9274 0600

F +61 3 9274 0660

consult@advantageadvisors.com.au

advantageadvisors.com.au



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INTERNATIONAL

Liability limited by a scheme approved
under professional standards legislation.



Independent Member of
Walker Wayland Australasia Limited,
a network of independent accounting firms

a) Historical Financial Information being the:

i) summarised historical statements of financial position of Arunta as at 31 December 2015 (**Arunta Historical Financial Information**).

ii) summarised historical statements of :

a) financial performance of Spirit for the years ending 30 June 2014, 2015 and the half year ended 31 December 2015 (**Spirit Historical Statement of Financial Performance**); and:

b) summarised historical statement of financial position of Spirit as at 30 June 2014, 2015 and 31 December 2015 (**Spirit Historical Statement of Financial Position**).

(together, the **Spirit Historical Financial Information**)

b) Pro Forma Financial Information being the:

pro forma consolidated statement of financial position of Arunta as at 31 December 2015, which assumes completion of the pro forma adjustments as described in Note (a) of Section 5.2 of the Prospectus.

The Historical Financial Information and the Pro Forma Financial Information are together the **Financial Information**.

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

Historical Financial Information

The Arunta Historical Financial Information has been extracted from the financial report of Arunta for the six months ended 31 December 2015, which was reviewed by Advantage Advisors Audit Partnership in accordance with the Australian Auditing Standards on Review Engagements ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Advantage Advisors Audit Partnership issued an unmodified review opinion with an emphasis of matter on the financial report. The emphasis of matter paragraph indicated that a material uncertainty exists which casts doubt about Arunta's ability to continue as a going concern. Advantage Advisors Audit Partnership issued an unqualified audit opinion on the annual financial report for the year ended 30 June 2015 which also contained an emphasis of matter paragraph in relation to Arunta's ability to continue as a going concern.

The financial statements of Spirit for the year ended 30 June 2014 were audited by Cursio & Co and for the year ended 30 June 2015 by Advantage Advisors Audit Partnership in accordance with Australian Auditing Standards and on which unmodified opinions were issued. Advantage Advisors Audit Partnership also issued an unmodified limited review conclusion (which is not an audit) in respect of the half year ended 31 December 2015.

Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

Pro Forma Financial Information

The Pro Forma Consolidated Statement of Financial Position as at 31 December 2015 has been derived from the Historical Financial Information of Arunta and Spirit after adjusting for the effects of pro forma adjustments described in Note (a) of Section 5.2 of the Prospectus (Pro Forma Adjustments). Those Pro Forma Adjustments include:

- i) The acquisition of Spirit, accounted for as a reverse acquisition as described in Section 5.9 of the Prospectus; and
- ii) The effects of the Offer and other related transactions.

The stated basis of preparation of the Pro Forma Financial Information is the recognition and measurement principles contained in Australian Accounting Standards as set out in Section 5.2 of the Prospectus.

Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position or financial performance.

Unless specifically described, the Pro Forma Historical Statement of Financial Position does not include adjustments for the Company's business occurring after 31 December 2015 that do not relate to the acquisition or the capital structure of the Company

Directors' Responsibility

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

Our responsibility

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

Our limited assurance engagement included procedures such as review of accounting records and documents, work papers, enquiries of directors, management and other advisors, and consideration of the Pro Forma Adjustments.

A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Based on limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Sections 5.1 and 5.12 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 5.2 of the Prospectus.

Pro Forma Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information being the Statement of Financial Position as at 31 December 2015 is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 5.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we note that the purpose of the Financial Information is for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

AAC has consented to the inclusion of this report in the prospectus in the form and context in which it is included, but has not authorised the issue of the Prospectus. Accordingly AAC makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Liability

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Independence

Neither AAC nor its Directors or employees have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter.

Advantage Advisors Audit Partnership provides audit assurance services to Arunta and Spirit.

Neither AAC nor its Directors or employees have any interest in the outcome of the Offer other than in connection with the preparation of this report for which professional fees will be received.

Yours faithfully



Greg Lay
Director
Advantage Advisors Corporate Pty Ltd

Advantage Advisors Corporate
Pty Ltd

Level 7, 114 William Street
Melbourne VIC 3000
Australia

GPO Box 2266
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T +61 3 9274 0600

F +61 3 9274 0660

consult@advantageadvisors.com.au

advantageadvisors.com.au

Financial Services Guide

This Financial Services Guide is dated 22 April 2016 and forms part of the Independent Limited Assurance report ("this report").

About us

Advantage Advisors Corporate Pty Ltd (ABN 66 109 824 786, ("Advantage Advisors") hold Australian Financial Services Licence no 311489) authorising it to provide general financial product advice for securities to retail and wholesale investors.

Advantage Advisors has been engaged by Arunta Resources Ltd, ACN 892 244 402 ("The Company") to a report in the form of an Independent Limited Assurance Report for inclusion in the prospectus issued by Arunta on or about 22 April 2016 to potential investors considering investing in the company.

This Financial Services Guide

The Corporations Act 2001 (Cth) requires Advantage Advisors to provide this Financial Services Guide ("FSG") in connection with this report. This FSG contains information about Advantage Advisors generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of this report, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian financial services licence allows us to provide general financial product advice to for securities to retail and wholesale investors. Advantage Advisors does not accept instructions from retail clients. Advantage Advisors provides no financial services to retail clients and receives no remuneration from retail clients for financial services. Advantage Advisors does not provide any personal retail financial product advice to retail investors nor does it provide market related advice to retail investors.



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Liability limited by a scheme approved
under professional standards legislation.



Independent Member of
Walker Wayland Australasia Limited,
a network of independent accounting firms

General financial product advice

This report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of this report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

Advantage Advisors charges fees to produce reports, including this report. These fees are negotiated and agreed with the entity who engages Advantage Advisors to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this report our fees are charged on a fixed basis plus GST.

Partners, Directors or employees of Advantage Advisors, or other associated entities, may receive dividends, salary or wages from Advantage Advisors. The fees charged for the preparation of this report agreed by the Company amount to \$15,000 plus GST.

Associations with issuers of financial products

Advantage Advisors and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, Advantage Advisors Audit Partnership may be the auditor of, or provide financial services to the issuer of a financial product and Advantage Advisors may provide financial services to the issuer of a financial product in the ordinary course of its business. Advantage Advisors Audit Partnership is the auditor of both Arunta Resources Ltd, ACN 892 244 402 and Spirit Telecom (Australia) Pty Ltd, ACN 112 320 804.

Complaints

Advantage Advisors has professional indemnity insurance cover for reports of this nature under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of Section 912B of the Corporations Act 2001 (Cth).

Advantage Advisors has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 12431). All complaints must be in writing and addressed to Advantage Advisors Corporate Pty Ltd. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Advantage Advisors is only responsible for this report and the FSG. Advantage Advisors will not respond in any way that might involve any provision of financial product advice to any retail investor and is not responsible for any material publicly released by the company with this Report or offer.

Contact Details

Advantage Advisors can be contacted by sending a letter to the following address:

Advantage Advisors Corporate Pty Ltd
Level 7, 114 William Street
Melbourne, Vic. 3000

10. Additional Information

10.1 Registration

Arunta was registered on 24 August 1999 and is a public company limited by shares.

Spirit was registered on 23 December 2004 and is a proprietary company limited by shares.

10.2 Corporate Structure

Figure 9.3 shows the Arunta entities following the acquisition of Spirit. Spirit will become a 100% owned and controlled subsidiary of Arunta. Arunta distributed all the shares of Davenport *in specie* after the First General Meeting, and as a consequence Davenport is no longer a subsidiary of Arunta.



Figure 8 - Post transaction Group entities

10.3 Material Agreements

There are a number of contracts or contract types which upon the acquisition of Spirit may be significant or material to the Company or of such a nature that an investor may wish to have further details when making an assessment of whether to apply for Shares.

10.3.1 Share Sale Agreement

On 4 September 2015 the Company, Spirit and the share and equity holders of Spirit entered into the Share Sale Agreement. The Share Sale Agreement sets out the terms and conditions upon which the Company proposes to acquire Spirit.

As described in this Prospectus, the consideration payable in respect of the acquisition of Spirit is the issue of:

- 611,250,000 New Shares to the Spirit Vendors; and
- 197,594,357 New Options with an exercise price of \$0.039376 (3.9376 cents) and expiry date of 31 July 2019 to the Spirit Vendors.

The Share Sale Agreement contains a number of pre-completion covenants agreed by the parties. These include Spirit providing the Company with information so the Company can comply with its obligations to ASX, Spirit conducting its business in a manner that maintains its revenues, profitability and assets and the Company will use reasonable endeavours to maintain the profitability of its business.

As at the date of this Prospectus, under the terms of the Share Sale Agreement completion of the acquisition of Spirit is conditional upon satisfaction or waiver of the following conditions which are yet to be fulfilled or waived:

- the Company securing subscriptions from investors of not less than \$2 million under the Equity Offer made through this Prospectus; and
- ASX conditionally confirming that it will re-instate the Company's securities to quotation.

Completion is also conditional on the non-occurrence of any event having an unremedied material adverse effect on Arunta or Spirit prior to completion of the acquisition of Spirit.

The Share Sale Agreement includes warranties from Spirit typical for agreements of a similar kind, including warranties regarding the accuracy of financial statements, accuracy of disclosed assets and liabilities, the provision of all relevant material to the Company, the enforceability of all contracts entered into between Spirit and its customers and suppliers and the absence of false statements. Similarly, the Share Sale Agreement contains warranties from the Company including in respect of the accuracy of financial information, the ability to issue consideration shares and options, the provision of all relevant material to Spirit including any material contracts and the accuracy of information in connection with the Company.

The Share Sale Agreement also contains warranties from the Spirit equity holders including warranties regarding ownership of and title to equity interests that are to be acquired by the Company, waiver of any claim by an equity holder against Spirit and that the equity holders are not in default of any material contract, loan agreement or security obligation.

Various post-completion covenants are mutually given by the parties, including the promise to do all things and execute all documents that may be required to effect completion of the acquisition of Spirit. The Company agrees to procure the resignations of Greg Bound and Francis Galbally and to convene a meeting of the Company's board at which resolutions are passed for those resignations and the appointment of 3 suitably qualified directors, nominated by Spirit to the Company's board. (Mr Edgar will also resign as a Director of the Company at completion of the acquisition of Spirit, however this is not a condition in the Share Sale Agreement).

The parties mutually agree that no claim may be made in connection with breach of warranty unless the total loss suffered by the party due to the causes of action exceeds \$100,000. The parties further mutually agree that the maximum liability of each party with regards to a breach of a warranty is \$500,000. All claims for breach of warranty must be made on or before the period ending 12 months after completion of the acquisition of Spirit.

Where a party is in default under the terms of the Share Sale Agreement the other party may serve a notice to remedy to default. If the default remains un-remedied for seven days following notice then the party not in default may choose to either proceed with specific performance of the Share Sale Agreement or terminate the Share Sale Agreement. Where the Share Sale Agreement is terminated all other rights the party not in default has remain unaffected.

The Share Sale Agreement otherwise contains general terms pertaining to confidentiality, the Share Sale Agreement forming the entirety of the transaction between the parties, governing law, severance and provision of notice to all parties.

10.3.2 Bankwest Loan Facility

On 29 March 2016 Spirit entered into a further Variation of Facilities (**Variation**) with Commonwealth Bank of Australia trading as Bankwest (**Bankwest**). The Variation effectively replaces a Facilities Agreement entered in 2011 and varied in 2015. Amounts that are remaining under the original Facilities Agreement continue to be secured under the Variation. The Variation expressly adopts Bankwest's General Security Terms (**Terms**).

Pursuant to the terms of the Variation, Bankwest provided Spirit with a facility of \$1,500,000 for the purpose of purchasing assets of My Telecom (**Facility**). The Facility expires on 15 May 2018, being 36 months from the date on which the Facility was first drawn.

The outstanding amount of the Facility must not exceed the sum originally loaned under the Variation. Interest is payable on the outstanding amount as a commercial rate determined by reference to the Bank Bill Swap Bid Rate plus a margin. An unused limit fee of 0.50% per annum is calculated daily on the difference between the outstanding amount and the maximum Facility amount. This amount is payable at the end of each interest period.

The Facility is secured under the Variation by a first-ranking security interest against all assets and undertakings of Spirit. Guarantees of Spirit's obligations under the Variation have been executed by Enrico Lenzi, Michael Allen, Branimir Sipek and Geoffrey Neate. Spirit must meet certain financial obligations and debt ratios and provide its annual and semi-annual accounts.

The Terms outline circumstances constituting an event of default including, but not limited to, an undertaking not being fulfilled, obligations not being met in relation to money owed or a controller being appointed. Should an event of default occur any outstanding amount is payable on demand, with Bankwest also having capacity to appoint a receiver.

The Variation and the Terms otherwise contains terms which are consistent with similar arrangements, including warranties as to the accuracy of information provided, confidential information, the provision of notice from one party to another, that all costs incurred by Bankwest are payable by Spirit and what occurs should any part of the Variation and/or the Terms be considered inconsistent with law.

10.3.3 Shareholder Loan Agreements

Spirit entered into three loan agreements with shareholders (collectively the Shareholder Loan Agreements), namely Geoffrey Raymond Neate and Jennifer Margaret Neate, Eloise Leighton Pty Ltd and Sharjoe Pty Ltd (collectively the Lenders). Spirit received funds of \$575,000 from the Shareholder Loan Agreements in combination, with provision for further sums to be advanced.

In November 2015 variation documents which provide that the loan terms end on 1 July 2017 were executed by the Lenders and Spirit.

Interest accrues daily and is calculated on the Commonwealth Bank of Australia published rate for Better Business Variable Rate loan plus a 1.5% fixed margin. Should this Interest Rate no longer be available the new rate will be the Reserve Bank Cash Target Rate plus 6%.

Spirit is required to use its best endeavours to grant a first ranking security interest (mortgage or charge) over its assets under each of the Shareholder Loan Agreements, with provision for the registration of the Lenders security interest. As at the date of this Prospectus the security interests of the Lenders have not been registered. The security provided is to be released by the Lenders upon repayment of the amounts under the Shareholder Loan Agreements.

Subject to the variation referred to above, if an event of default occurs the Lenders have the right to enforce their security interest. Should enforcement of the security interest be insufficient to repay any outstanding amount then the Lender may bring proceedings or have Spirit wound up. An event of default includes non-payment, insolvency and compulsory acquisition.

The Shareholder Loan Agreements otherwise contain terms typical of arrangements of this kind including the provision of notices from one party to the other, the governing law applicable to the Shareholder Loan Agreements and the method for repayment of the funds.

10.3.4 Lodge Lead Manager Mandate Letter

On 12 February 2016 the Company engaged Lodge Corporate Pty Ltd ("**Lodge**") to act as Lead Manager to the Equity Offer pursuant to the terms of a lead manager mandate letter ("**Lead Manager Mandate**"). The Lead Manager Mandate remains in effect until terminated by either Lodge or the Company.

In its capacity as Lead Manager, Lodge will provide various services which include developing and implementing the investor education process, co-ordinating, managing and finalising placement and issue of New Shares to investors under the Equity Offer, and assisting with the preparation of relevant marketing materials and coordinating investor presentations to prospective investors.

The Company has agreed to pay Lodge capital raising fees equal to 6% (plus GST) of the amount raised under the Equity Offer (comprising a management fee of 2% and commission of 4%). Lodge will pay a transaction fee of 4% from the capital raising fees on the allocation under the Equity Offer of 12.5 million shares (\$250,000) reserved for Angus Edgar. Provided the Company has given its consent for the expenditure, Lodge will be reimbursed for out of pocket expenses incurred in relation to the Equity Offer.

Either party may terminate the Lead Manager Mandate without cause upon written notice being provided to the other party. Where the Company terminates the Lead Manager Mandate, Lodge will be entitled to fees as outlined above where an issue of securities, transaction or action to which the Lead Manager Mandate would have applied is announced by the Company within 12 months of termination.

The Company provides various representations and warranties under the Lead Manager Mandate, including there being no active litigation against or affecting the Company, that to the best of the Company's knowledge it is not in breach of any provisions of the Corporations Act and all information provided and statements made by the Company to Lodge in connection with the Equity Offer are true, complete and correct in all material respects.

The Lead Manager Mandate otherwise contains terms consistent with similar arrangements, including clauses relating to confidentiality, the provision of information from the Company to Lodge for the conduct of its role as Lead Manager of the Equity Offer and the limitation of liability and indemnity in favour of Lodge.

10.3.5 Lodge Corporate Advisory Mandate

On 6 May 2015 Spirit engaged Lodge to provide corporate advisory and capital raising services under the terms of a corporate advisory engagement letter ("**the Engagement Letter**"). The Engagement Letter remains in effect until completion of an acquisition of Spirit or termination by either party.

Pursuant to the terms of the Engagement Letter Lodge has agreed to provide corporate advisory services which include management of the Spirit's acquisition transactions and capital raisings, assistance in the drafting of documents and participation in the due diligence process.

In consideration of the provision of the services outlined above, Spirit has agreed to pay Lodge a monthly retainer of \$7,500, payable from 1 May 2015. Lodge is further entitled to repayment of all out of pocket expenses incurred through performance of its role under the Engagement Letter, provided prior approval of Spirit is obtained for expenses above \$1,000.

Spirit has agreed to pay Lodge 3% of the value of Spirit upon successful completion of the capital raising and subsequent effective Listing of Spirit, with the total collectively paid under the monthly retainers at the time of Listing to be deducted from this amount.

Either party may terminate the Engagement Letter by providing notice to the other party. Spirit may terminate the Engagement Letter without cause while Lodge may only terminate with cause.

In the event the Engagement Letter is terminated by Spirit prior to completion of an acquisition of Spirit, other than where such termination is a result of Lodge breaching its obligations under the Engagement Letter, Lodge will be entitled to accrued rights relating to expenses incurred up to the date of termination and all amounts payable in respect of the fees outlined above.

The Engagement Letter otherwise contains terms consistent with similar arrangements including provisions relating to confidentiality, the provision of information from Spirit to Lodge for the performance of its role under the Engagement Letter and limitation of liability and indemnity in favour of Lodge in the event that advice is given by Lodge based on information provided by Spirit or third parties that is misleading, inaccurate or incomplete.

10.3.6 Company Secretarial Services Engagement

In March 2016 Spirit entered an agreement with Leydin Freyer Corp Pty Ltd [ACN 161 707 713] for the provision of a range of company secretarial services from 1 May 2016. The letter provides for a monthly fee of \$3,500 per month plus GST for the company secretarial services. Leydin Freyer Corp Pty Ltd is associated with, responsible for employment and payment of, the proposed Company Secretary, Ms Melanie Leydin. The engagement can be terminated by either party by one month's notice without cause, or immediately for cause.

10.3.7 Telehousing Agreements

Spirit enters contractual arrangements referred to as "telehousing agreements" with building owners or managers (including bodies corporate and owners' corporations or their representatives). These agreements provide for the installation of Spirit's equipment in buildings, including equipment by which data is transmitted to and from customers with premises within buildings.

Each current telehousing agreement is considered to be in the ordinary course of Spirit's business. These agreements include terms upon which Spirit's access to buildings for installation and maintenance of its equipment is obtained, Spirit maintains insurance, the term of the agreement, conditions for termination and obligations to remove equipment upon termination.

Spirit will continue to seek to enter telehousing agreements for additional buildings following completion of its acquisition by the Company.

10.3.8 Supply Arrangements

Spirit engages third parties in connection with the provision of a variety of services and equipment for its operations and delivery of services to customers. These third parties provide assistance with, amongst other things, data retention, internet connectivity, use of premises to conduct business and complaint management.

The contractual arrangements between Spirit and third parties are considered to be in the ordinary course of Spirit's business. These arrangements govern the relationship between Spirit and third parties including specifying the services and/or equipment provided, conditions for termination, how confidential information is dealt with and the ownership of intellectual property.

Spirit will continue to engage third parties in connection with the provision of services and equipment following completion of its acquisition by the Company.

10.4 Top 10 Spirit shareholders

The top 10 shareholders of Spirit are set out in the table below. The table also sets out their anticipated percentage interest in the Company following completion of the acquisition of Spirit and the Equity Offer.

Vendor (and/or nominee(s))	Number of Arunta Shares	% interest in Arunta at Minimum Raising (\$2 million)	% interest in Arunta at Maximum Raising (\$3 million)	Number of New Options
Joshart Investments Pty Ltd	168,338,754	20.91%	19.68%	54,417,645
Chloedarcy Investments Pty Ltd *	166,205,910	20.55%	19.35%	53,493,928
Thiel Group of Companies Pty Ltd *	86,277,966	10.63%	10.00%	27,656,202
Wignell Investments Pty Ltd	36,345,871	4.51%	4.25%	11,749,266
Susan Celia Lenzi	25,162,744	3.13%	2.94%	8,134,177
Jetan Pty Ltd	22,121,118	2.75%	2.59%	7,150,934
UBS Nominees Pty Ltd	13,825,667	1.72%	1.62%	4,469,324
Tempest Asset Management Pty Ltd	13,825,667	1.72%	1.62%	4,469,324
David A Phillips Pty Ltd	5,591,765	0.69%	0.65%	1,807,609
Marcus Dell Pty Ltd	5,591,765	0.69%	0.65%	1,807,609
TOTAL for Top 10	543,287,227	67.30%	63.35%	175,156,018
<u>Other Vendors</u>	<u>75,209,151</u>	<u>9.52%</u>	<u>8.13%</u>	<u>22,438,339</u>
<u>TOTAL (for all Vendors, their nominees and/or associates)</u>	<u>618,496,378</u>	<u>76.82%</u>	<u>71.48%</u>	<u>197,594,357</u>

* Includes Placement Shares issued to an associate of the vendor (or nominee).

10.5 Managing Director and other Management Employment Arrangements

10.5.1 Managing Director Contract

Geoff Neate is employed by Spirit in the position of Managing Director. His current remuneration is \$285,158 per annum.

It is intended by Spirit that the Company will enter into a formal contract with Geoff taking effect upon completion of the acquisition of Spirit, which will replace of his agreement with Spirit. The key terms of the anticipated agreement are continued payment of his current remuneration amount (\$285,158 per annum), superannuation at the greater of 10% of the statutory rate and use of a company vehicle. The agreement will also include termination and confidentiality provisions.

10.5.2 Financial Controller Contract

Andrew Walsh is engaged by Spirit as its full-time Financial Controller pursuant to a written employment agreement entered into on 16 November 2015.

Andrew receives an annual salary of \$130,000 per annum. Andrew will receive a company bonus of \$3,000 per year where Spirit achieves its financial targets. A further personal bonus of \$3,000 is payable where Andrew achieves personal objectives by a due date as agreed with Spirit.

Andrew receives various entitlements arising under applicable Australian law including Annual leave, sick leave and superannuation. Spirit provides Andrew with tools of the trade, including a laptop/PC, mobile phone and an ADSL2+ connection at Andrew's personal residence, for business and reasonable personal use.

Andrew's employment with Spirit may be terminated by either party upon provision of two weeks written notice, or immediately by Spirit upon payment of two week's salary in lieu of notice. Spirit may also terminate Andrew's employment immediately for cause including breach of the terms and conditions of employment or misconduct. Upon termination Andrew is to return all company property in his control to Spirit.

Andrew is bound by confidentiality provisions contained within the employment agreement. This includes non-disclosure of confidential information acquired during his employment and remains in effect upon termination of the employment agreement. Andrew is further prohibited from retaining, taking or making copies of any materials that he has access to as part of his employment.

10.5.3 Chief Operations Officer Contract

Russell Mitchell is engaged by Spirit as its full-time Chief Operating Officer pursuant to a written employment agreement entered into on 1 August 2015.

Russell receives an annual salary of \$137,000 per annum. Russell will receive a company bonus of \$3,000 per year where Spirit achieves its financial targets. A further personal bonus of \$3,000 is payable where Russell achieves personal objectives by a due date as agreed with Spirit.

Russell receives various entitlements arising under applicable Australian law including annual leave, sick leave and superannuation. Spirit provides Russell with tools of the trade, including a laptop/PC and mobile phone, for business and reasonable personal use.

Russell's employment with Spirit may be terminated by either party upon provision of two weeks written notice, or immediately by Spirit upon payment of two week's salary in lieu of notice. Spirit may also terminate Russell's employment immediately for cause including breach of the terms and conditions of employment or misconduct. Upon termination Russell is to return all company property in his control to Spirit.

Russell is bound by confidentiality provisions contained within the employment agreement. This includes non-disclosure of confidential information acquired during his employment and remains in effect upon termination of the employment agreement. Russell is further prohibited from retaining, taking or making copies of any materials that he has access to as part of his employment.

10.5.4 General Manager – Product and Sales

Joe Tigel is employed by Spirit as its full-time Chief Operating Officer. There is no written employment agreement. Joe receives an annual salary of \$150,000 per annum, plus superannuation at the greater of 10% of the statutory rate and a vehicle allowance of \$13,200 per annum. Joe Tigel's employment is subject to other terms usual for employees, including entitlements arising under applicable Australian law including annual leave and sick leave. Joe is not entitled to and there is no agreement for him to receive bonuses or other short or long term incentives.

10.6 Employee Security Ownership Plan

The Company adopted an Employee Security Ownership Plan ("ESOP") at the Second General Meeting. The ESOP terms were included in the explanatory memorandum which accompanied the notice of that meeting. A copy of the notice of meeting can be obtained from the ASX website under the code "AJR" or the Company's website.

As at the date of this Prospectus, no securities have been offered or issued under the ESOP and there is no current proposal to issue securities under the ESOP. Any decision to issue securities under the ESOP would be made in respect of any proposed recipient after the acquisition of Spirit is complete. Any issues of securities or agreements to issue securities under the ESOP will be announced to ASX.

The ESOP provides for shares, options or other securities or interests to be issued to eligible persons. The purpose of the ESOP is to:

- (a) provide eligible persons with an additional incentive to work to improve the performance of the Company;
- (b) attract and retain eligible persons essential for the continued growth and development of the Company;
- (c) to promote and foster loyalty and support amongst eligible persons for the benefit of the Company; and
- (d) to enhance the relationship between the Company and eligible persons for the long term mutual benefit of all parties.

Eligible persons are employees of or consultants to the Company or an associated body corporate and, in the case of consultants, may include bodies corporate. Participants in the ESOP, the number, type and terms of any securities offered or issue, and the terms of any invitation, offer or issue are determined by the Board with the advice of the remuneration committee, if any. Directors and related parties of the Company may only participate if Shareholder approval is obtained in accordance with the Listing Rules.

The total number of Securities which may be issued under the ESOP from time to time is the number which is 10% (ten percent) of the number of Shares on issue at the time of issue of the Security. Shares issued on exercise of an option or exercise or conversion of an interest issued under the ESOP, and options or other interests which have been converted or cancelled or which have lapsed are not counted in determining the number of Securities issued under the ESOP.

The Directors may make loans to eligible persons to assist acquiring or for the purpose of acquiring securities under the ESOP.

A copy of the proposed ESOP terms has been lodged with ASIC as part of the Second Meeting Notice, and is taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the ESOP terms during the application period of this Prospectus, which the Company will provide free of charge.

10.7 Rights and liabilities attaching to Shares (including New Shares offered under the Equity Offer and Vendor Offer)

The New Shares offered under this Prospectus will be fully paid ordinary shares in the issued capital of the Company which will, upon issue, rank equally with all other Arunta Shares then on issue.

The rights and liabilities attaching to New Shares are set out in or regulated by Arunta's Constitution, the Corporations Act, the ASX Listing Rules, the ASX Settlement Rules and common law. The Constitution is subject to the Corporations Act and the ASX Listing Rules. The Company's Constitution has been lodged with ASIC and is taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the Constitution during the application period of this Prospectus, which the Company will provide free of charge

A copy of the Constitution of Arunta is also available for inspection on the Company's website.

The following summary of key rights and obligations attaching to the New Shares is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, investors should seek independent legal advice.

Shareholder liability

The liability of Shareholders (members) is limited to the amount unpaid on shares, if not fully paid.

All existing Shares and the New Shares offered the Prospectus are fully paid shares. They will not be subject to any calls for payment to the Company and therefore will not carry any liability, and will not become liable for forfeiture for non-payment of calls.

General meetings and voting

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

Unless particular rights or restrictions attach to a class or classes of Shares, at a general meeting of Shareholders or a class of Shareholders every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has:

- one vote on a show of hands; and
- has one vote for each fully paid Share held by him or her, on a poll.

Partly paid Shares shall have such number of votes on a poll as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

A Shareholder holding more than 5% of the issued voting shares of the Company eligible to vote on a resolution, or five Shareholders eligible to vote on a resolution may demand a poll on the resolution. Shareholders may be eligible to vote on a resolution join in calling for a poll.

While the Company is a listed entity, Shareholders are entitled to at least 28 days' prior written notice of general meetings. Shareholders are entitled to appoint proxies, attorneys and representatives to attend, vote and speak at general meetings on their behalf.

A Shareholder may nominate a candidate for election as a Director. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution. Shareholders may remove directors by resolution in the manner provided for in the Corporations Act.

Shareholders may inspect the minutes of general meetings and resolutions passed by Shareholders. Inspection of other books of the Company, unless authorised by law, requires the authorisation of the Directors.

Dividends, distributions and lien

The Board may from time to time determine that a dividend is payable to Shareholders. A general meeting of Shareholders may only determine a dividend but only if the Directors have recommended a dividend, and then only up to the amount recommended.

Interest is not payable on dividends.

The Company may establish one or more dividend reinvestment plans by resolutions of the Board or resolutions of a general meeting. A dividend reinvestment plans may provide for dividends which the Board may declare to

be applied by the Company to the payment of the subscription price of Shares to be issued to the relevant Shareholder, or for shares to be issued instead of declaring a dividend. The Board is not obliged to admit a Shareholder to a dividend reinvestment plan.

The Company may distribute shares or other assets *in specie*. The Directors may agree to Shareholders who receive shares in another company under an *in specie* distribution becoming a shareholder of that company, and to provide for matters incidental to making an *in specie* distribution of assets.

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

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

The Company has a first and paramount lien on Shares for all money payable to the Company by the Shareholder or his or her estate (including jointly held shares). The lien extends to dividends payable to a Shareholder.

Transfers of Shares and divestment of small holdings

Shares of the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules. Restricted (escrowed) Shares are not transferrable unless permitted by the terms of the restriction. The Company is authorised to apply holding locks to restricted Shares.

The Company may sell a Shareholder's Shares if the holding is a small parcel (a parcel with a value of \$500 or less at the then current ASX trading price). The Company must give Shareholders 6 week's notice to "opt out" of the sale and retain their Shares.

Variation of rights

The rights attaching to a class of shares may only be varied or abrogated with the authorisation by a special resolution passed at a separate meeting of the holders of the shares of that class or with the written consent of holders of three quarters of all shares in that class.

Presently all Shares are a single class of fully paid ordinary shares, which will include the New Shares.

Alteration of 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.

10.8 Rights and liabilities attaching to New Options offered under the Vendor Offer

The New Options will be issued on the same terms as the Company's existing listed AJRO options. The exercise price of the New Options will be \$0.039376 (3.9376 cents). on a post-Consolidation basis.

Rights attaching to the New Options offered under this Prospectus are set out below:

- Each Option entitles the holder to acquire one ordinary fully paid share in the capital of the Company.
- The Options will expire on 31 July 2019 ("the Expiry Date"). The Options can be exercised by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that has not been exercised prior to the Expiry Date automatically lapses. Holders shall not be entitled to exercise their options (and the Company will not be required to issue shares upon such exercise) if it would be unlawful to do so.
- The exercise price is payable in full on exercise.

- Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, and unless otherwise specified at the time of issue options are freely transferable. All shares issued upon exercise of options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued ordinary fully paid shares. The Company will apply for official quotation by ASX of all shares issued upon exercise of options, subject to any restriction obligations imposed by ASX.
- The options will not give any right to participate in dividends until shares are issued pursuant to the exercise of the relevant options.
- There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to Shareholders without first exercising the options. Subject to any waiver granted by ASX, the Company will send notices to option holders at least five (5) business days prior to the record date applying to offers of securities made to Shareholders during the currency of the options.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.

Shares issued upon the exercise of Options will be fully paid ordinary Shares and will have the same voting and other rights as the existing Shares of the Company.

10.9 Litigation and Claims

Other than as referred to in Section 6.2.1, the Directors and Proposed Directors are not aware of any litigation of a material nature instituted, pending or threatened involving the Company or Spirit (respectively).

10.10 Dividend Policy

The Company does not expect to declare any dividends in respect of the 2016 fiscal year.

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

10.11 Company Tax Status

Arunta is and will be subject to tax at the Australian corporate tax rate.

10.12 Taxation Considerations

There may be tax implications arising from acquiring, receiving or disposing of New Shares or New Options, the receipt of dividends both franked and unfranked (if any) from the Company, participation in any on-market buy-back and on the future disposal of Shares. Potential investors should consult their professional tax adviser before deciding whether to apply for New Shares pursuant to this Prospectus as any tax liability may vary depending on their individual circumstances.

10.13 Consents to be named and disclaimers of responsibility

Each of the parties listed in this Section 10.13 (each a "Consenting Party"), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given its written consent and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to the being named in this Prospectus and where applicable the inclusion of its

report and/or statements by it specified below (and references to its report or statements by it) in this Prospectus that are specified below in the form and context in which the report or statements by it appear:

- Each of the Proposed Directors, Mr James Joughin, Mr Geoffrey Neate and Mr Terence Gray;
- The proposed Company Secretary, Ms Melanie Leydin;
- Lodge Corporate Pty Ltd as Lead Manager and Corporate Advisor;
- Advantage Advisors Corporate Pty Ltd as Investigating Accountant and the inclusion in this Prospectus of its Investigating Accountant's Report in the form and context in which it is named and it is included;
- Leydin Freyer Corp Pty Ltd as the proposed company secretarial services provider to the Company;
- Quinert Rodda and Associates Pty Ltd as legal advisor to the Company in relation to the Offers;
- Security Transfer Registrars Pty Ltd as the Share Registry.

10.14 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will continue to be 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 shares

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

10.15 Governing law

The Offers and the contracts that arise from the acceptance of Applications are governed by the laws applicable in Victoria, Australia. Each person who applies for securities (New Shares, New Options, or both) under this Prospectus submits to the non-exclusive jurisdiction of the courts of Victoria, Australia, and the relevant appellate courts

10.16 Authorisation of this Prospectus

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

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with ASIC.

11. Glossary

Term	Description
\$	Australian dollars
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ACN	Australian Company Number
AEST	Australian Eastern Standard Time in Melbourne, Victoria
AJR	is the current ASX code of Arunta and existing Shares
AJRO	is the ASX code for existing listed Arunta options, which have the same terms as New Options
Applicant	a person applying for New Shares under the Equity Offer or for New Shares and New Options (as consideration for Spirit shares) under the Vendor Offer
Application	an application to subscribe for New Shares offered under the Equity Offer or for New Shares and New Options (as consideration for Spirit shares) under the Vendor Offer
Application Form	An Application Form attached to or accompanying a copy of this Prospectus (including an electronic form provided by an online Application facility)
Application Monies	The Offer Price multiplied by the number of New Shares applied for under the Equity Offer and/or the amount paid by an Applicant New Shares under the Equity Offer
Arunta	Arunta Resources Limited [ACN 089 224 402] (the Company)
ASIC	the Australian Securities and Investments Commission
ASX	the Australian Securities Exchange, as operated by ASX Limited [ACN 008 624 691]
ASX Listing Rules	the listing rules of ASX
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretation
Board or Board of Directors	the directors of the Company from time to time
Broker	an ASX participating organisation
Broker Firm Offer	the offer of New Shares to Australian resident clients of Brokers who have received a firm allocation as part of the Equity Offer under this Prospectus
CAGR	Compound Annual Growth Rate
Carriage Service Provider	A carriage service provider is defined in section 87 of the Telecommunications Act 1997 to include a person who supplies, or proposes to supply, a listed carriage service to the public using a network unit owned by one or more carriers or a network unit in relation to which a nominated carrier declaration is in force.
CEO	Chief Executive Officer
CHES	Clearing House Electronic Sub-register System, operated in accordance with the Corporations Act
Closing Date	The date by which Applications must be received by the Share Registry being 8pm (AEST), 25 May 2016 or such other date and time determined by the Company
Company	Arunta Resources Limited [ACN 089 224 402]
Consenting Party	a person or entity which has given its consent to being named in this Prospectus, identified in Section 10.13

Term	Description
Consolidated Statement of Financial Position	Means the pro forma consolidated statement of financial position in Section 5.1
Consolidation	the proposed 23 to 1 consolidation of the Company's existing Shares and options approved by Shareholder at the Second General Meeting
Constitution	the Constitution of the Company
Corporations Act	the Corporations Act 2001 (Cth)
Davenport	Davenport Resources Limited [ACN 153 414 852]
Director	means director of the Company from time to time
DvP	means "delivery versus payment", a method of settlement where payment is made simultaneously with or in anticipation of the delivery of the security)
EBITDA	Earnings Before Interest Expenses, Taxation, Depreciation and Amortisation, in a relevant period
Engagement Letter	means the corporate advisory engagement letter between Lodge and Spirit described in Section 10.3.5
Equity Offer	the offer of a minimum of 100,000,000 and up to 150,000,000 New Shares under this Prospectus, comprising the Broker Firm Offer and the General Offer
ESOP	The Company's Employee Security Ownership Plan adopted at the Second General Meeting
Existing Directors	the current Board of the Company, being Francis Galbally, Angus Edgar and Greg Bound
Fibre-To-The-Building (FTTB)	means the process of connecting a carriers' fibre to a particular point in a building (usually referred to as a main distribution frame (MDF)) before distributing it to the End User (EU).
First General Meeting	the general meeting of the Shareholders of Arunta held on 19 February 2016
FY2014	Financial Year ended 30 June 2014
FY2015	Financial Year ended 30 June 2015
General Meetings	The First General Meeting and the Second General Meeting
General Offer	an invitation to eligible investors to apply for New Shares as part of the Equity Offer
Group	the Company and its subsidiaries (Spirit) at completion of the acquisition of Spirit
GST	Goods and Services Tax
Historical Statements of Financial Position	means the historical statements of financial position derived from the reviewed financial statements specified in Section 5.1
HY2016	The six months ended 31 December 2015
Investigating Accountant's Report	The report prepared by Advantage Advisors Corporate Pty Ltd [ACN 109 824 786] in Section 9
ISP	Internet Service Provider
Layer 2	Layer 2 Tunnelling Protocol used for secure node-to-node communication by Internet service providers and other virtual private network service providers in support of multiple, simultaneous tunnels in the network core (the OSI model of computer networking and enables the transfer of data between multiple (carrier) networks)
Lead Manager	Lodge Corporate Pty Ltd [ABN 50 125 323 168]
Lead Manager Mandate	means the agreement for provision of lead management services between Lodge Corporate Pty Ltd and Arunta as described in Section 10.3.4
Listing	Admission to the Official List

Term	Description
Lodge	Lodge Corporate Pty Ltd [ABN 50 125 323 168]
Management	The executives of Spirit Telecom (Australia) Pty Ltd identified in Section 7
Mbps	Megabytes per second
Maximum Raising	the maximum amount to be raised under the Equity Offer, being \$3,000,000
MDU	Multi Dwelling Unit – a building that houses more than one residential and/or commercial tenant
Minimum Raising	the minimum amount to be raising under the Equity Offer, being \$2,000,000
New Options	options to be issued to Spirit Vendors as part of the consideration for the acquisition of their Spirit shares pursuant to this Prospectus, the terms of which are set out in Section 10.8
New Shares	Shares offered pursuant to this Prospectus
Offers	the Equity Offer and the Vendor Offer
Offer Price	\$0.02 (2 cents) per New Share offered under the Equity Offer
Official List	means the official list of ASX
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Opening Date	the date the Equity Offer opens, being 27 April 2016 or such other date determined by the Company
Placement	means the issue of 333,333,334 pre-Consolidation shares at 0.075 cents per share (on a pre-Consolidation basis, equivalent to 14,492,754 Shares at an issue price of 1.725 cents per Share on a post-Consolidation basis) completed on 4 March 2016
Preconditions to Issue	means the preconditions to the issue of New Shares and New Options offered under this Prospectus described in Section 2.1
Pro Forma Consolidated Statement of Financial Position or Pro Forma Balance Sheet	means the Company's pro forma balance sheet following completion of the acquisition of Spirit and the Equity Offer, including details of the pro forma adjustments, set out in Section 5.1
Pro-Forma Financial Information	has the meaning set out in Section 5.1
Proposed Directors	James Joughin, Geoffrey Neate and Terence Gray
Prospectus	this document (including the electronic form of the Prospectus) and any supplementary or replacement Prospectus in relation to this document
Prospectus Date	the date on which a copy of this Prospectus is lodged with ASIC, being 26 April 2016
Recommendations	ASX Corporate Governance Principles and Recommendations (3 rd Edition)
ROIC	Return On Invested Capital
Second General Meeting	the general meeting of the Shareholders of Arunta held on 18 April 2016
Second Meeting Notice	the notice of meeting for the Second General Meeting, including an explanatory memorandum and an independent expert's report
Share Registry	Security Transfer Registrars Pty Ltd [ACN 008 894 488]
Share(s)	fully paid ordinary share(s) in the capital of Arunta (on a post-Consolidation basis unless otherwise stated)
Shareholder	A holder of Shares
Spirit	Spirit Telecom (Australia) Pty Ltd [ACN 112 320 804]
Share Sale Agreement	means the Share Sale Agreement between the Company, the Vendors, Spirit and the directors of Spirit for the purchase of all the shares of Spirit dated 4 September 2015, as amended by agreement between the parties
Superfast Internet	refers to a download transmission speed normally more than 25Mbps, as defined by the Telecommunications Act 1997 Sect 142A
Symmetrical Speeds	where the upload speed will be as fast as the download speed

Term	Description
Vendors	the shareholders of Spirit
Vendor Offer	the Offer of 611,250,000 New Shares and 197,594,357 New Options to the Vendors made under this Prospectus
Voxcom	Voxcom Pty Ltd [ACN 112 563 505]
WAN	Wireless Area Network

12. General Offer Application Form

GENERAL OFFER APPLICATION FORM
THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

All Correspondence to:
 Security Transfer Registrars Pty Ltd
 PO BOX 535, APPLECROSS WA 6953
 770 Canning Highway, APPLECROSS WA 6153
 T: +61 8 9315 2333 F: +61 8 9315 2233
 E: registrar@securitytransfer.com.au
 W: www.securitytransfer.com.au

ARUNTA RESOURCES LIMITED
 TO BE RENAMED SPIRIT TELECOM LIMITED
 ACN: 089 224 402

BROKER STAMP

Broker Code

Advisor Code

PLEASE READ CAREFULLY ALL INSTRUCTIONS ON THE REVERSE OF THIS FORM
 This application relates to the offer of Fully Paid Ordinary Shares at the price of \$0.02 per Share.

I / We apply for:

, , shares at AUD\$0.02 per share A \$, , .

Full Name of Applicant / Company
 Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #2
 Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Joint Applicant #3
 Title (e.g.: Dr, Mrs) Given Name(s) or Company Name

Account Designation (for example: THE SMITH SUPERFUND A/C)

Postal Address
 Unit Street Number Street Name or PO BOX

Suburb / Town / City State Postcode

Country Name (if not Australia)

CHESSE HIN (where applicable)
 If an incorrect CHESSE HIN has been provided (for example, an incorrect number as registration details do not match those registered) any securities issued will be held on the Issuer Sponsored subregister.

Tax File Number / Australian Business Number **Tax File Number of Security Holder #2 (Joint Holdings Only)**

Contact Name **Contact Number**
 ()

Email Address

 @

Declaration and Statements:

- (1) I/We declare that all details and statements made by me/us are complete and accurate.
- (2) I/We agree to be bound by the Terms & Conditions set out in the Prospectus and by the Constitution of the Company.
- (3) I/We authorise the Company to complete and execute any documentation necessary to effect the issue of Securities to me/us.
- (4) I/We have received personally a copy of the Prospectus accompanied by or attached to this Application form, or a copy of the Application Form or a direct derivative of the Application Form before applying for the Securities.
- (5) I/We acknowledge that the Company will send me/us a paper copy of the Prospectus and any Supplementary Prospectus (if applicable) free of charge if I/we request so during the currency of the Prospectus.
- (6) I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Securities in the Company and that no notice of acceptance of the application will be provided.

TO MEET THE REQUIREMENTS OF THE CORPORATIONS ACT, THIS FORM MUST NOT BE HANDED TO ANY PERSON UNLESS IT IS ATTACHED TO OR ACCOMPANIED BY THE PROSPECTUS DATED 26 APRIL 2016 AND ANY RELEVANT SUPPLEMENTARY PROSPECTUS.

This Application Form relates to the Offer of Fully Paid Shares in ARUNTA RESOURCES LIMITED pursuant to the Prospectus dated 26 April 2016.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHESS participants should complete their name and address in the same format as they are presently registered in the CHESS system.

Insert the number of Shares you wish to apply for. The application must be for a minimum of 100,000 Shares and thereafter in multiples of 50,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it shall be final.

PAYMENT

All cheques should be made payable to ARUNTA RESOURCES LIMITED and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Do not forward cash as receipts will not be issued.

LOGGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to: OR
ARUNTA RESOURCES LIMITED
 C/- Security Transfer Registrars Pty Ltd
 PO Box 535
 APPECROSS WA 6953

Delivered to:
ARUNTA RESOURCES LIMITED
 C/- Security Transfer Registrars Pty Ltd
 770 Canning Highway
 APPECROSS WA 6153

Applications must be received by no later than 8pm AEST on the Closing Date 25 May 2016 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.

CHESS HIN/BROKER SPONSORED APPLICANTS

The Company intends to become an Issuer Sponsored participant in the ASX CHESS System. This enables a holder to receive a statement of holding rather than a certificate. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to ARUNTA RESOURCES LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below.

TYPE OF INVESTOR

Individual

Use given names in full, not initials.

Company

Use the company's full title, not abbreviations.

Joint Holdings

Use full and complete names.

Trusts

Use trustee(s) personal name(s). Do not use the name of the trust.

Deceased Estates

Use the executor(s) personal name(s).

Minor (a person under the age of 18)

Use the name of a responsible adult with an appropriate designation.

Partnerships

Use the partners' personal names. Do not use the name of the partnership.

Superannuation Funds

Use the name of the trustee(s) of the super fund.

CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &
 Ms Louise Susan Williams

Mrs Susan Jane Smith
 <Sue Smith Family A/C>

Ms Jane Mary Smith &
 Mr Frank William Smith
 <Estate John Smith A/C>

Mr John Alfred Smith
 <Peter Smith A/C>

Mr John Robert Smith &
 Mr Michael John Smith
 <John Smith and Son A/C>

Jane Smith Pty Ltd
 <JSuper Fund A/C>

INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &
 Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith
 or
 John Smith Deceased

Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd Superannuation Fund

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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13. Corporate Directory

Current Directors

Francis Galbally
Angus Edgar
Greg Bound

Proposed Directors (Post Acquisition)

James Joughin
Geoff Neate
Terence Gray

Registered Office

Level 14, 31 Queen Street
Melbourne Victoria 3000
Telephone: + 61 8610 8633
Facsimile: +61 8610 8666
Website: www.aruntaresources.com.au

Current ASX Code: AJR

Anticipated ASX Code: ST1

Lead Manager to the Equity Offer

Lodge Corporate Pty Ltd
Level 6, 90 Collins Street
Melbourne Victoria 3000
Telephone: + 61 3 9200 7000
Facsimile: + 61 3 9200 7077
Website: www.lodgepartners.com.au

Legal Advisor

Quinert Rodda & Associates Pty Ltd
Suite 1, Level 6, 50 Queen Street
Melbourne Victoria 3000
Telephone: +61 3 8692 9000
Facsimile: +61 3 8692 9040
Website: www.qrlawyers.com.au

Investigating Accountant

Advantage Advisors Corporate Pty Ltd
Level 7, 114 William Street
Melbourne, Victoria 3000
Telephone: +61 3 9274 0600
Facsimile: +61 3 9275 0660
Website: www.advantageadvisors.com.au

Proposed Company Secretary

Melanie Leydin CA
Leydin Freyer
Level 4, 100 Albert Road,
South Melbourne, VIC 3205
Telephone: +61 3 9692 7222
Website: www.leydinfreyer.com.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Website: www.securitytransfer.com.au