

**AURORA MINERALS LIMITED
ACN 106 304 787
PROSPECTUS**

This Prospectus is being issued for the non-renounceable pro-rata offer to eligible shareholders on the basis of 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.01, to raise up to approximately \$1.17 million (**Entitlement Offer**).

The Entitlement Offer closes at 5:00pm (WST) on Wednesday, 3 July 2019.*

The Entitlement Offer is fully underwritten by Grange Capital Partners Pty Ltd.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL
ADVISER WITHOUT DELAY.**

**AN INVESTMENT IN THE SHARES OFFERED IN CONNECTION WITH THIS PROSPECTUS
SHOULD BE CONSIDERED OF A SPECULATIVE NATURE.**

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Entitlement Offer.

IMPORTANT INFORMATION

This Prospectus is dated 3 June 2019 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 2, 20 Kings Park Road, West Perth, Western Australia, during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Entitlement Offer contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or New Zealand.

Applications for Shares will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

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

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia or New Zealand. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in an Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

CORPORATE DIRECTORY

Directors

Phillip Jackson	Non-Executive Chairman
Geoff Laing	Managing Director
Peter Cordin	Non-Executive Director
Tim Markwell	Non-Executive Director

Company Secretary

Mr Eric Moore
Mr Bruce Waddell

Registered and Principal Office

Suite 2, 20 Kings Park Road
WEST PERTH WA 6005

Telephone: +61 8 6143 1840
Facsimile: +61 8 9321 4692
Email: contact@auroraminerals.com
Website: www.auroraminerals.com

ASX Code

Shares: ARM

Underwriter

Grange Capital Partners Pty Ltd
AFSL 264 772
945 Wellington Street
WEST PERTH 6005

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000
Telephone (local): 1300 850 505
Telephone (international): +61 3 9415 4000

Solicitors to the Entitlement Offer

Bellanhouse Lawyers
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Auditors*

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

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

PROPOSED TIMETABLE

Event	Date
Lodgement of Appendix 3B and Prospectus with ASX	Pre-market on Monday, 3 June 2019
Notice of Entitlement Offer sent to Shareholders	Tuesday, 4 June 2019
Shares quoted on an "EX" basis	Wednesday, 5 June 2019
Record Date for determining Entitlements	Thursday, 6 June 2019
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Wednesday, 12 June 2019
Last day to extend the Entitlement Offer Closing Date	Friday, 28 June 2019
Closing Date of Entitlement Offer (5pm WST)*	Wednesday, 3 July 2019
Shares quoted on a deferred settlement basis	Thursday, 4 July 2019
Notification of Shortfall	Monday, 8 July 2019
Anticipated date for issue of the Shares under the Entitlement Offer Deferred settlement trading ends	Wednesday, 10 July 2019
Anticipated date for commencement of New Shares trading on a normal settlement basis	Thursday, 11 July 2019

All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASX) are indicative only. The Directors may extend the Entitlement Offer Closing Date by giving at least three Business Days' notice to ASX. The Company reserves the right, subject to the Corporations Act, Listing Rules and any other applicable laws, to vary any other date of the Entitlement Offer, including accepting late Applications, either generally or in particular cases, without notice.

LETTER TO SHAREHOLDERS

Dear Shareholder,

On behalf of the Board of Aurora Minerals Limited (**Company** or **Aurora**), I am pleased to invite you to participate in a non-renounceable pro-rata 1 for 1 entitlement offer to Eligible Shareholders of Shares at an issue price of \$0.01 each (**New Shares**), to raise approximately \$1.17 million (before costs) (**Entitlement Offer**). The issue price represents a 21.2% discount to the Company's 30-day VWAP of \$0.0127 as at 29 May 2019.

The Entitlement Offer will only be made to Eligible Shareholders registered at the Record Date who will be sent an Entitlement and Acceptance Form which will be accompanied by this Prospectus. To accept your Entitlement under the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form and pay all application monies prior to the Closing Date in accordance with the instructions on the form and as outlined in this Prospectus.

The Entitlement Offer is fully underwritten by Grange Capital Partners (**Underwriter**), who have binding sub-underwriting agreements in place for the amount to be raised under the Entitlement Offer. Entities associated with three Company directors (Mr Geoff Laing, Mr Peter Cordin and myself) have entered into sub-underwriting agreements with the Underwriter for a sub-underwritten amount of \$500,000, representing 42.7% of the Entitlement Offer proceeds. Further details are contained in Sections 1.6 and 5.2 the Prospectus.

Aurora has embarked on an exciting path to acquire new projects, in addition to maintaining its current portfolio of interests in entities with attractive exploration/development projects. While many junior resource companies look to deliver value for their shareholders by discovering new orebodies, Aurora's strategy is to identify and acquire a project or projects with known orebodies, and look to unlock the value from known orebodies through the integration of sorting technology to defined resources. This strategy is designed to significantly reduce or eliminate exploration risk from the project development process, with the objective to dramatically reduce timelines to production. The mining industry is typically slow to adopt new technology and companies willing to look beyond the prevailing knowledge and standard technology can create valuable opportunities from defined resources overlooked by others.

Aurora has adopted a holistic approach with respect to identifying and acquiring the best projects to apply its strategy to and aims to deliver highly leveraged outcomes as a result. Sorting is an advanced processing technology, ubiquitous in recycling, that is ideal for pre-concentration of ore prior to processing. Pre-concentration enables remote processing options and is a circuit breaker in the "economies of scale model". Pre-concentration effectively decouples mining from processing allowing ore bodies to be split into economic material and waste before the considerable costs of processing are applied. Sorting is an emerging disruptive technology in the mining space with extraordinary potential. A key outcome of the strategy is that projects will be developed with a reduced environmental footprint through the integration of technology that limits power and water requirements and reduces tailings production.

In addition to considerable experience in the mining industry generally, Geoff and his team have spent several years getting to understand the dynamics of pre-concentration through sorting and have designed, and built, two sorting operations. The team has been involved in

pre-concentration projects from early stage concepts to design, commissioning and production and run numerous feasibility studies.

The capital raised through the Entitlement Offer will support ongoing activities of identifying and assessing projects that may be acquired. Aurora has to date undertaken a significant review process through which a number of opportunities have been identified. This process will continue with a larger team specifically focussed on securing acquisition and development funding.

With respect to the remainder of the portfolio, we continue to view the resource commodity and equities markets in a “recovery” mode. Aurora continues to optimise its portfolio with the view that the recovery still has some way to run but that the Company will remain vigilant for opportunities to “monetise” its projects/investments as they mature.

Aurora holds a 17.25% interest in Peninsula Mines Limited (**Peninsula**) and supported Peninsula’s corporate restructure earlier this year. The Company expects that the recent capital raising will allow Peninsula to progress work on its project portfolio while leveraging into new opportunities.

Predictive Discovery Limited (**Predictive**), of which the Company holds a 21.91% shareholding, remains focussed in West African with prime gold tenure in the Birimian greenstone belts of Côte d’Ivoire, Guinea, Burkina Faso and Mali. The recent capital raising underpinned by Capital Drilling Partners who joined the register as a cornerstone investor will facilitate greater focus on the development of key assets.

Aurora retains a 1.1% holding in Nusantara Resources Limited (**Nusantara**), which continues to develop the 1.74Moz Awak Mas Gold Project located in Sulawesi, Indonesia.

The Prospectus includes further details of the Entitlement Offer and the effect of the Entitlement Offer on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of the Company, I thank you for your continued support. I believe that, with our progress on multiple fronts, this capital raising will support a higher level of activity and provide the platform for an acquisition. I strongly urge you to consider taking up your Entitlement and being part of this exciting new phase in our Company’s development.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P Jackson', with a long horizontal flourish extending to the right.

Mr Phillip Jackson
Non-Executive Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.3
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The Company is subject to a range of risks which apply to the mining and resources sector, and gold industry generally, including the success of its operations and exploration programs, a loss of key personnel, the price of commodities and exchange rates. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • New projects and acquisitions <p>The Company has, to date, and will continue to actively pursue and assess (including preliminary due diligence and early stage negotiations), other new business opportunities and investments, particularly those in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.</p> <p>If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to any then current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).</p> <p>Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.</p> <p>Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.</p> <p>As at the date of this Prospectus, the Company has identified a number of opportunities which it is pursuing. These opportunities have not yet progressed beyond preliminary due diligence and early stage negotiations with potential vendors and therefore there is no guarantee that that the present</p>	Section 4

Key Information	Further Information
<p>opportunities identified will materialise. Further, depending on the structure of any final agreed transaction, ASX may require the Company obtain shareholder approval for the acquisition or re-comply with Chapters 1 and 2 of the Listing Rules.</p> <ul style="list-style-type: none"> <p>• Exploration stage and success</p> <p>Any mineral tenements acquired by the Company may be at the exploration stage only. There can be no assurance that any tenements that may be acquired in the future by the Company will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.</p> <p>Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.</p> <p>• Future capital requirements</p> <p>The Company's activities will require substantial expenditure. There can be no guarantees that the funds raised through the Entitlement Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund its strategy after the substantial exhaustion of the net proceeds of the Entitlement Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funding on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.</p> <p>The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.</p> <p>• Potential for dilution</p> <p>Upon completion of the Entitlement Offer, assuming all New Shares are subscribed for and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 117,133,284 to 234,266,568. This increase equates to approximately 50% of all the issued Shares in the Company following completion of the Entitlement Offer.</p> <p>This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer and the Directors do not make any representation to such matters.</p> <p>Shareholders should note that if they do not participate in the Entitlement Offer and assuming the Entitlement Offer is otherwise fully subscribed, their</p> 	

Key Information	Further Information
<p>holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p>	
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable entitlement issue of 1 New Share for every 1 existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.01 per New Share to raise up to approximately \$1.17 million (before costs).</p>	Section 1.1
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or, subject to the offer restrictions in Section 1.13, New Zealand. 	Section 1.1
<p>Use of funds</p> <p>Funds raised under the Entitlement Offer are intended to be used towards project identification, project due diligence and proof of concept, as well as for costs of the Entitlement Offer and general working capital.</p>	Section 1.3
<p>Underwriting</p> <p>The Entitlement Offer are fully underwritten to an amount of \$1.17 million (Underwritten Amount) by Grange Capital Partners.</p> <p>The Underwriter has entered into sub-underwriting agreements with three of the Company's Directors, being Phillip Jackson, Geoff Laing and Peter Cordin (together, Director Sub-Underwriters), as well as other non-related parties for the Underwritten Amount. In accordance with the Underwriting Agreement and relevant sub-underwriting agreements, the Underwriter will place any Shortfall Securities to Sub-Underwriters on a pro-rata basis, in proportion to the respective amount of the Underwritten Amount which has been sub-underwritten by each sub-underwriter.</p> <p>No Sub-Underwriter, individually or together with any of its associates, will hold more than 20% of the voting power of the Company on completion of the Entitlement Offer. The total commitment from Director Sub-Underwriters is \$500,000.</p>	Section 1.6
<p>Effect on control of the Company</p> <p>Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted.</p> <p>No investor or existing Shareholder, whether individually or together with their associates, will hold a voting power greater than 20% as a result of the Entitlement Offer.</p>	Sections 3.3, 5.2(d) and 5.8
<p>Indicative capital structure and pro-forma balance sheet</p> <p>Subject to rounding (down) and assuming:</p>	Section 3

Key Information**Further Information**

- the Entitlement Offer is fully subscribed;
- no further Securities are issued and no Options are converted into Shares, the indicative capital structure upon completion of the Entitlement Offer is set out below:

	Shares	Unquoted Options
Balance at the date of this Prospectus	117,133,284	16,200,000 ¹
To be issued under the Entitlement Offer ²	117,133,284	Nil
TOTAL³	234,266,568	16,200,000

Notes:

- 16,200,000 unquoted Options consist of:
 - 2,100,000 Options exercisable at \$0.1406 each on or before 29 November 2019;
 - 2,100,000 Options exercisable at \$0.2109 each on or before 29 November 2020;
 - 3,000,000 Options exercisable at \$0.0882 each on or before 29 November 2019;
 - 3,000,000 Options exercisable at \$0.0411 each on or before 10 December 2020;
 - 3,000,000 Options exercisable at \$0.0587 each on or before 10 December 2021; and
 - 3,000,000 Options exercisable at \$0.0881 each on or before 10 December 2022.
- Assumes that the Entitlement Offer is fully subscribed.
- Assumes no further Shares are issued by the Company and no existing Options are converted to Shares.

The indicative pro-forma balance sheet showing the effect of the Entitlement Offer is in Section 3.

Directors' interests in Securities and Entitlements

Section 5.8

The relevant interest of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Options are converted into Shares), is set out in the table below:

Name	Existing Securities		Entitlement ¹	
	Shares	Options	Shares	Options
Phillip Jackson	3,050,000 ³	3,600,000 ⁴	3,050,000	Nil

Key Information					Further Information
Geoff Laing	760,313	9,000,000 ⁵	760,313	Nil	
Peter Cordin	Nil	400,000 ⁶	Nil	Nil	
Tim Markwell	Nil	Nil	Nil	Nil	

Notes:

1. Assuming no Options are converted into Shares prior to the Record Date.
2. As at the date of the Prospectus, Phillip Jackson and Geoff Laing have indicated an intent to take up their Entitlement.
3. Phillip Jackson has an indirect interest in 3,050,000 Shares held by Holihox Pty Ltd as trustee for the PSR Superannuation Fund. Holihox Pty Ltd is an entity controlled by Mr Jackson, and Mr Jackson is a beneficiary of the PSR Superannuation Fund.
4. Mr Jackson's Options are on the following terms:
 - (a) 300,000 options exercisable at 14.06 cents with an expiry date of 29 November 2019;
 - (b) 3,000,000 options exercisable at 8.82 cents with an expiry date of 29 November 2019; and
 - (c) 300,000 options exercisable at 21.09 cents with an expiry date of 29 November 2020.
5. Mr Laing's Options are on the following terms:
 - (a) 3,000,000 options exercisable at 4.11 cents with an expiry date of 10 December 2020;
 - (b) 3,000,000 options exercisable at 5.87 cents with an expiry date of 10 December 2021; and
 - (c) 3,000,000 options exercisable at 8.81 cents with an expiry date of 10 December 2022.
6. Mr Cordin's Options are on the following terms:
 - (a) 200,000 options exercisable at 14.06 cents with an expiry date of 29 November 2019; and
 - (b) 200,000 options exercisable at 21.09 cents with an expiry date of 29 November 2020.

Key Information	Further Information
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>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 considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors 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.</p> <p>The Directors have 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.</p> <p>These 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 risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>

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1. Details of the Entitlement Offer

1.1 Entitlement Offer

The Company is making a non-renounceable pro rata offer to Eligible Shareholders of New Shares at an issue price of \$0.01 each, on the basis of 1 New Share for every 1 Share held at 5.00pm (WST) on the Record Date (Entitlement Offer).

As at the date of this Prospectus, the Company has on issue 117,133,284 Shares and 16,200,000 Options.

Assuming no Shares are issued on conversion of the existing Options, and subject to rounding, the Entitlement Offer is for a maximum of approximately 117,133,284 New Shares to raise up to approximately \$1.17 million (before costs).

Up to 16,200,000 New Shares could be issued under the Entitlement Offer if all the existing Options are converted into Shares between the date of the Prospectus and the Record Date, though the Company considers this is unlikely as all of the Options are presently out of the money.

New Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. Further details on the rights and liabilities attaching to the New Shares proposed to be issued under the Entitlement Offer are contained in Section 5.1.

1.2 Shortfall Securities

Any New Shares not taken up pursuant to the Entitlement Offer will become Shortfall Securities.

Shortfall Securities will be subscribed for pursuant to the terms of the Underwriting Agreement (see Section 5.2).

No New Shares will be issued if their issue would contravene the takeover prohibition in section 606 of the Corporations Act or any other law or Listing Rule.

1.3 Purpose of the Entitlement Offer and Use of Funds

Completion of the Entitlement Offer will result in an increase in cash at hand of up to approximately \$1.17 million before costs (assuming no existing Options are converted into Shares prior to the Record Date).

The Company intends to apply the funds raised from the Entitlement Offer in accordance with the table set out below:

Item of expenditure	Amount (\$'000)	%
Project identification	350	29.9%
Project due diligence and proof of concept	550	47.0%
Working capital requirements ¹	161	13.7%
Expenses of the Entitlement Offer ²	110	9.4%

TOTAL	1,171	100.0
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Notes:

1. Working capital incorporates administration and operating costs.
2. See Section 5.11 for further details relating to the estimated expenses of the Entitlement Offer.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied, including market conditions, the development of new opportunities and/or any number of other factors. The Board reserves the right to alter the way the funds are applied on this basis.

1.4 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements under the Entitlement Offer until 5.00pm WST on Wednesday, 3 July 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Entitlement Offer Closing Date**).

1.5 Minimum subscription

There is no minimum subscription for the Entitlement Offer.

1.6 Underwriting and sub-underwriting

The Entitlement Offer is fully underwritten by Grange Capital Partners for a total of \$1.17 million (**Underwritten Amount**). A summary of the material terms of the Underwriting Agreement is set out in Section 5.2.

Pursuant to and in accordance with the Underwriting Agreement, any Shortfall Securities shall be placed to the Underwriter in accordance with the Underwriting Agreement.

The Underwriter has entered into sub-underwriting agreements with three of the Company's Directors, being Phillip Jackson, Geoff Laing and Peter Cordin (together, **Director Sub-underwriters**), as well as other non-related parties for the Underwritten Amount. In accordance with the Underwriting Agreement and relevant sub-underwriting agreements, the Underwriter will place any Shortfall Securities to Sub-Underwriters on a pro-rata basis, in proportion to the respective amount of the Underwritten Amount which has been sub-underwritten by each sub-underwriter.

No Sub-Underwriter, individually or together with any of its associates, will hold more than 20% of the voting power of the Company on completion of the Entitlement Offer.

The Director Sub-underwriters have agreed to sub-underwrite the following amounts in relation to the Entitlement Offer (which includes Mr Jackson and Mr Laing each committing to take up their Entitlement under the Entitlement Offer):

- (a) Phillip Jackson - \$400,000;
- (b) Geoff Laing - \$70,000; and
- (c) Peter Cordin - \$30,000,

(each, a **Committed Amount**).

The maximum total shareholding of the Director Sub-underwriters following the Entitlement Offer has been calculated in the table below on the basis that:

- (a) all Director Sub-underwriters subscribe for their full Committed Amounts; and
- (b) no other Eligible Shareholder subscribes for their Entitlement.

None of the Directors are associates.

Director	Current shareholding (including direct and indirect)	Current interest in voting shares	New Shares to be issued ¹	Total Shares held post Entitlement Offer	Post Offer interest in voting shares ²
Phillip Jackson ³	3,050,000	2.60%	40,000,000	43,050,000	18.38%
Geoff Laing	760,313	0.65%	7,000,000	7,760,313	3.31%
Peter Cordin	0	0.00%	3,000,000	3,000,000	1.28%

Notes:

1. These figures assume that no Entitlements under the Entitlement Offer are taken up by Eligible Shareholders (other than the Director Sub-underwriters) and the Shortfall Securities will be allocated to each of the Director Sub-underwriters in accordance with the sub-underwriting arrangement with the Underwriter and each of the Directors will take up those allocated Shortfall Securities to the maximum of their respective Committed Amount (**Director Sub-underwritten Securities**).
2. These percentages assume that all the Shortfall Securities have been taken up by the Underwriter and sub-underwriters (including Director Sub-underwriters).
3. It is noted that Phillip Jackson holds 3,600,000 Options (on terms and conditions disclosed in Section 5.8). All Options held by Mr Jackson are presently out of the money. Notwithstanding this, and in the unlikely event that Mr Jackson's voting interest moved to 18.38% as illustrated above, Options held by Mr Jackson could only be exercised in accordance with the limitations set out in the Corporations Act in order for Mr Jackson to increase his voting power to above 20%.

Further details of the Underwriting and sub-underwriting arrangements are set out in Section 5.2 and details of the Directors' interests in the Company and their Entitlements are set out in Section 5.8.

1.7 Effect on control

See Section 3.3 for information on the effect of the Entitlement Offer on the control of the Company.

1.8 No rights trading

The rights under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares to any other party. If you do not take up your Entitlement to New Shares under the Entitlement Offer by the Entitlement Offer Closing Date, the Entitlement Offer to you will lapse.

1.9 Issue and dispatch

All New Shares under the Entitlement Offer are expected to be issued on or before the date set out in the proposed timetable in this Prospectus.

Security holder statements will be dispatched as soon as possible after the issue of the New Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.10 Application Monies held on trust

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.11 ASX Quotation

Application will be made for the Official Quotation of the New Shares offered by this Prospectus.

If permission is not granted by ASX for the Official Quotation of the New Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.12 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities pursuant to their acceptance of the Entitlement Offer.

Shareholders and investors who are broker sponsored will receive a CHESS statement from ASX Settlement Pty Limited.

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

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

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

1.13 Residents outside Australia

(a) General

This Prospectus, and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares under the Entitlement Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders (including Ineligible Foreign Shareholders) and potential investors with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement. The return of a completed Application Form from a Shareholder or potential investor with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the New Shares to that Shareholder or potential investor.

(b) New Zealand offer restrictions

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

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

(c) Ineligible Foreign Shareholders

The Company believes that it is unreasonable to extend the Entitlement Offer to Shareholders who on the Record Date have a registered address outside Australia or New Zealand (**Ineligible Foreign Shareholders**). The Company has formed this view having considered:

- (i) the number and value of the New Shares that would be offered to those Shareholders; and
- (ii) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Entitlement Offer. The Directors do however reserve their right to accept subscriptions from Eligible Shareholders from outside Australia and New Zealand.

(d) Notice to nominees and custodians

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

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial Shareholder to participate in the Entitlement Offer, in any country outside Australia except, with the consent of the Company, to beneficial Shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Entitlement Offer.

1.14 Risk factors

An investment in New Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific and general risks associated with an investment in the Company which are detailed in Section 4.

1.15 Taxation implications

The Directors do not consider it appropriate to give Shareholders or potential investors advice regarding the taxation consequences of subscribing for New Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Shareholders and potential investors should consult their professional tax adviser in connection with subscribing for New Shares under this Prospectus.

1.16 Major activities and financial information

A summary of the major activities and financial information relating to the Company is outlined in the Annual Report lodged with ASX on 3 October 2018.

The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report, as outlined in Section 5.4(b).

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

1.17 Privacy

If you complete an Application Form, you will be providing personal information to the Company (directly or by Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies,

including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.18 Enquiries concerning the Entitlement Offer or this Prospectus

Enquiries relating to the Entitlement Offer or this Prospectus should be directed to the Company Secretary by telephone on +61 8 6143 1840.

2. Action required by Eligible Shareholders

2.1 Action in relation to the Entitlement Offer

The Company will send this Prospectus, together with a personalised Entitlement and Acceptance Form, to all Eligible Shareholders.

Should you wish to acquire New Shares as part of the Entitlement Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3), as shown on the accompanying personalised Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement to New Shares, you may allow your Entitlement to lapse (refer to Section 2.4).

2.2 Acceptance of New Shares under the Entitlement Offer

Your Entitlement to participate in the Entitlement Offer will be determined on the Record Date.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

Should you wish to accept all of your Entitlement to New Shares under the Entitlement Offer and you are not paying by BPAY, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Entitlement and Acceptance Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Aurora Minerals Limited" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date with the Share Registry (by post) at:

By Post

Aurora Minerals Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne, Victoria, 3001, Australia

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. **If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.**

Applicants are encouraged to pay by BPAY.

2.3 If you wish to take up only part of your Entitlement under the Entitlement Offer

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for New Shares under the Entitlement Offer must be made on the personalised Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the amount payable (calculated at \$0.01 per New Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Aurora Minerals Limited" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the address indicated at Section 2.2 above.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Applicants are encouraged to pay by BPAY.

2.4 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.5 Application Forms

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning an Application Form with any requisite Application Monies, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting that the law in their place of residence and/or where they have been given the Prospectus, does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the Entitlement Offer;

- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) declare that they are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the restrictions in Section 1.13, or New Zealand;
- (e) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the New Shares to be issued to them, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the New Shares laws in any other jurisdictions outside Australia.

2.6 Enquiries concerning an Application Form or your Entitlement

For enquiries concerning an Application Form or your Entitlement, please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), or consult your professional adviser.

3. Effect of the Entitlement Offer

3.1 Capital structure on completion of the Entitlement Offer

	Shares	Unquoted Options
Balance at the date of this Prospectus	117,133,284	16,200,000 ¹
To be issued under the Entitlement Offer ²	117,133,284	Nil
TOTAL³	234,266,568	16,200,000

Notes:

- 16,200,000 unquoted Options consist of:
 - 2,100,000 Options exercisable at \$0.1406 each on or before 29 November 2019;
 - 2,100,000 Options exercisable at \$0.2109 each on or before 29 November 2020;
 - 3,000,000 Options exercisable at \$0.0882 each on or before 29 November 2019;
 - 3,000,000 Options exercisable at \$0.0411 each on or before 10 December 2020;
 - 3,000,000 Options exercisable at \$0.0587 each on or before 10 December 2021; and
 - 3,000,000 Options exercisable at \$0.0881 each on or before 10 December 2022.
- Assumes that the Entitlement Offer is fully subscribed.
- Assumes no further Shares are issued by the Company and no existing Options are converted to Shares.

3.2 Pro forma consolidated statement of financial position

Set out below is:

- the reviewed consolidated statement of financial position of the Company as at 31 December 2018 (**Balance Date**);
- the unaudited significant changes since the Balance Date to 31 March 2019;
- the unaudited effects of the Entitlement Offer; and
- the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs (b) and (c), assuming the Entitlement Offer is fully subscribed.

	Reviewed Balance Sheet as at 31/12/18 (\$'000)	Significant changes from 1/1/19 to 31/3/19 (\$'000)	Effect of Entitlement Offer (\$'000)	Unaudited Pro Forma Balance Sheet Post Entitlement Offer (\$'000)
Current Assets				
Cash & cash equivalents	1,130	(161)	1,061	2,030
Trade and other receivables	57	-	-	57
Non Current Assets				
Investments	1,976	(210)	-	1,766
Plant & equipment	15	-	-	15
TOTAL ASSETS	3,178	(371)	1,061	3,868
Current Liabilities				
Trade & other payables	66	-	-	66
TOTAL LIABILITIES	66	-	-	66
NET ASSETS	3,112	(371)	1,061	3,802
EQUITY				
Issued capital	37,325	-	1,061	38,386
Reserves	5,572	-	-	5,572
Accumulated Losses	(39,785)	(371)	-	(40,156)
TOTAL EQUITY	3,112	(371)	1,061	3,802

The statements of financial position have been prepared to provide Shareholders and potential investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted above. The historical and pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position assumes that the Entitlement Offer is fully subscribed (or that the Shortfall is placed in accordance with the Underwriting Agreement).

3.3 Effect of the Entitlement Offer on control of the Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue.

Notwithstanding this exception, the Company notes that no investor or existing Shareholder is anticipated to hold a voting power greater than 20% as a result of the Entitlement Offer.

The Underwriter presently has no Shares in the Company, and it has indicated that it has no intention of acquiring Shares in the Company prior to the Record Date. Grange Capital Partners have agreed to fully underwrite the Entitlement Offer for up to \$1.17 million (117,133,284 New Shares).

The Underwriter's maximum potential relevant interest in Shares and voting power in the Company under several scenarios are set out in the table below and are based on the assumptions that:

- (a) no further Shares are issued; and
- (b) the Underwriter subscribes for New Shares pursuant to the Underwriting Agreement (in the highly unlikely event that all binding sub-underwriting agreements which are in place between the Underwriter and sub-underwriters (including Director Sub-underwriters) are breached and the sub-underwriters (including Director Sub-underwriters) do not perform).

	Total Underwriter Shares	Total Shares	Underwriter voting power
Date of Prospectus	Nil	117,133,284	0%
<i>Entitlement Offer</i>			
• Fully subscribed	Nil	234,266,568	0%
• 75% subscribed by Shareholders	29,283,321	234,266,568	13%
• 50% subscribed by Shareholders	58,566,642	234,266,568	25%
• 25% subscribed by Shareholders	87,849,963	234,266,568	38%
• Underwritten Shares only (0% subscribed by Shareholders)	117,133,284	234,266,568	50%

Grange Capital Partners have confirmed with the Company that the Underwritten Amount is fully sub-underwritten and, in the event that no Eligible Shareholders take up their Entitlement under this Prospectus, then no sub-underwriter will hold voting power of more than 20%. For further information on the interests of sub-underwriters, see Section 5.2(c) and 5.2(d).

3.4 Potential dilution

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares

on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

	Shareholding as at Record Date	% at Record Date	Entitlements to New Shares under Entitlement Offer	Shareholding if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	10,000,000	8.54%	10,000,000	10,000,000	4.27%
Shareholder 2	5,000,000	4.27%	5,000,000	5,000,000	2.13%
Shareholder 3	1,000,000	0.85%	1,000,000	1,000,000	0.43%
Shareholder 4	100,000	0.09%	100,000	100,000	0.04%
Shareholder 5	50,000	0.04%	50,000	50,000	0.02%

Note: Assumes that no existing Options are converted into Shares. The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are taken up pursuant to the Underwriting Agreement.

3.5 Market price of Shares

The highest and lowest market closing prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.018 per Share on 14 March 2019

Lowest: \$0.01 per Share on 2 May 2019

The latest available market closing price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.011 per Share on 29 May 2019.

3.6 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Risk factors

The New Shares offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors recommend the Entitlement Offer, potential investors should consider whether the New Shares offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company (and its subsidiaries) involves a number of risks, which may be higher than the risks associated with an investment in other companies.

There are general risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks associated with the Company's business and its involvement in the exploration and mining industry. These risk factors are largely beyond the control of the Company and its directors because of the nature of the activities of the Company. The following summary, which is not exhaustive, lists some of the major risk factors, of which potential investors need to be aware.

Potential investors should read this Prospectus in its entirety and, if in any doubt, consult their professional adviser before deciding whether to participate in the Entitlement Offer.

4.1 Risks specific to the Entitlement Offer

(a) Potential for dilution

Upon completion of the Entitlement Offer, assuming all New Shares are subscribed for and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 117,133,284 to 234,266,568. This increase equates to 50% of all the issued Shares in the Company following completion of the Entitlement Offer.

This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer and the Directors do not make any representation to such matters.

Shareholders should note that if they do not participate in the Entitlement Offer and assuming the Entitlement Offer is otherwise fully subscribed, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Please refer to Section 3.4 of this Prospectus for examples of how the potential dilutionary effect of the Entitlement Offer may impact Shareholders.

4.2 Risks specific to the Company

(a) New projects and acquisitions

The Company has, to date, and will continue to actively pursue and assess (including preliminary due diligence and early stage negotiations), other new business opportunities and investments, particularly those in the resources sector, in accordance with its stated strategy. These new business

opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, or acquisition of tenements/permits.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to any then current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).

Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.

Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

As at the date of this Prospectus, the Company has identified a number of opportunities which it is pursuing. These opportunities have not yet progressed beyond preliminary due diligence and early stage negotiations with potential vendors and therefore there is no guarantee that the present opportunities identified will materialise. Further, depending on the structure of any final agreed transaction, ASX may require the Company obtain shareholder approval for the acquisition or re-comply with Chapters 1 and 2 of the Listing Rules.

(b) Exploration stage and success

Any mineral tenements acquired by the Company may be at the exploration stage only. There can be no assurance that any tenements that may be acquired in the future by the Company will result in the discovery of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.

Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as identifying a metallurgical process through testwork to produce a saleable product, developing an economic process route to produce a saleable product, and changes in mineralogy in the ore deposit can result in inconsistent ore grades and recovery rates affecting the economic viability of the project.

(d) Operating and project risks

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward.

Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, unusual or unexpected geological formation, pit failures, changes in the regulatory environment, land claims, legal challenges associated with Native Title claimants, and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

(e) Future capital requirements

Subject to the projects or interests acquired by the Company, the Company's activities will likely require substantial expenditure. There can be no guarantees that the funds raised through the Entitlement Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund its strategy after the substantial exhaustion of the net proceeds of the Entitlement Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional funding on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(f) Key personnel risks

The Company's success depends, to a significant extent, upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriate skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company and the ability of the Company to carry out its stated strategy. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

(g) Budget risk

Exploration costs and costs to undertake metallurgical test work and feasibility studies of any projects or interests acquired by the Company are based on certain assumptions. By their nature, these estimates and assumptions are subject to uncertainties and, accordingly, the actual costs may materially differ from estimates and assumptions.

(h) **Commodity price volatility and exchange rates risks**

The Company's interests (including any acquired projects or interests) extend to a variety of commodities. In the event that the Company, or an entity in which the Company holds a substantial interest, achieves exploration or development success in relation to any projects (or interests which may be acquired), the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for commodities, technological advancements, forward selling activities and other macro-economic factors. Furthermore, international prices of various commodities and some services are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. This exposes the Company to the fluctuations and volatility of the rates of exchange between the United States dollar and the Australian dollar, as determined by international markets.

(i) **Tenement title**

As at the date of this Prospectus the Company does not directly hold any tenements. The Company's title to any tenements which may be acquired will generally require the Company to continue to satisfy its expenditure or work commitments. This cannot be guaranteed.

Interests in tenements in Australia are governed by federal and state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance, such as satisfaction of statutory payments (including land taxes and statutory duties) and compliance with work programmes and public health and safety laws. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Further, mining and exploration tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Any tenements acquired by the Company may be relinquished either in total or in part and/or the Company may withdraw from a joint venture or not exercise its option to acquire equity, even though a viable mineral deposit may be present, in the event that

- (i) exploration or production programmes yield negative results;
- (ii) insufficient funding is available;

- (iii) such a tenement is considered by the Company to not meet the risk/reward or other criteria of the Company;
- (iv) its relative perceived prospectivity is less than that of other tenements in the Company's portfolio, which take a higher priority; or
- (v) a variety of other reasons.

(j) Native title and Aboriginal heritage

Tenements which may be acquired by the Company may be located within areas that are covered by potential Native Title claims. The Native Title Act 1993 (Cth) and related State native title legislation and aboriginal heritage legislation may affect the Company's ability to obtain access to certain of exploration areas or to obtain mining production titles. Settling any such claims may incur costs to the Company. The degree to which this may impact on the Company's activities will depend on a number of factors, including the status of tenements acquired and their locations.

At this stage, the Company is not able to quantify the potential impact, if any, of such matters on its operations. The Company may need to enter into compensation and access agreements before gaining access to land.

(k) Litigation and counterparty risks

The Company is not currently involved in any litigation, however like any corporation operating in a commercial setting, the Company may be exposed to potential legal and other claims or disputes in the course of its business, including litigation from employees, regulators or other third parties. As with all litigation, there are risks involved. An adverse outcome in litigation or the cost of responding to potential or actual litigation may have a material adverse impact on the financial performance of the Company.

In addition, there is a risk of financial failure or default by a participant in any joint venture to which the Company may become a party, or the insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or others suppliers. Any of the above outcomes, particularly in respect of drilling services contracts, could result in an adverse effect on the Company's ability to explore its projects, as well as its operations, financial position and performance.

(l) Liquidity and volatility

The Company is a small company in terms of market capitalisation. An investment in New Shares should be regarded as speculative. The Company also has a relatively small Shareholder base. As a consequence, there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell their Shares at such a time receiving a market price for their Shares that is considerably less than the price paid under the Entitlement Offer.

The past performance of the Company is not necessarily an indication as to future performance of the Company as the trading price of Shares can go up or down.

Further, like all ASX listed entities, the Company's quoted securities may be subject to potential suspension from trading due to any actual or perceived failure to comply with the ASX Listing Rules. Under the ASX Listing Rules, the ASX has a wide discretion to suspend quotation of securities.

(m) Value of shareholdings in other ASX listed entities

The Company holds interests in ASX listed entities Peninsula, Predictive and Nusantara. To the extent that there is any turbulence or negative investor sentiment in these companies, this may impact the value of the Company's Shares.

4.3 Risks associated with mining exploration and operations

As the Company's stated strategy is to acquire a resource or resources projects, in addition to the risks identified above, there are other factors beyond the control of the Company that could hamper future operations. Mining operations are speculative operations which by their nature are subject to a number of inherent risks, including those summarised in the section below.

(a) Resource and reserve estimates

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate.

Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(b) Regulatory risks

Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate authorisations or there is a material delay in obtaining or renewing them or they are granted

subject to onerous conditions, then the Company's ability to conduct its exploration or development operations may be adversely affected.

(c) **Environmental risks**

Any project or projects acquired by the Company will be subject to the environmental laws and regulations of Australia and any other places the Company may conduct business. As with most mining and exploration projects, the Company's future operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences may lead to penalties and/or revocation of the licence, and significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.

Further, the Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's operations, financial position and performance.

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

(d) **Insurance risks**

The Company will endeavour to maintain insurance within ranges of coverage in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate cover. The occurrence of an event that is not covered or fully covered by insurance could have an adverse effect on the Company's operations and financial position and performance.

Insurance of risks associated with minerals exploration is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage that is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

4.4 General Risks

(a) Discretion in use of capital

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) Investment in capital markets

As with all stock market investments, there are risks associated with an investment in the Company.

Securities listed on the stock market, and in particular securities of mining and exploration companies, have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of Shares regardless of the Company's performance. The price of Shares might trade below or above the issue price for the New Shares.

(c) General economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position.

The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

(d) Changes in government policies and legislation

Any material adverse changes in government policies or legislation of Australia or any other country that the Company may acquire economic interests in may affect the viability and profitability of the Company.

(e) 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 such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

4.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares. Shareholders should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Securities in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

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

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

(c) Dividend rights

Subject to the terms of issue of the Securities and the rights of persons (if any) entitled to Securities with special rights as to dividends, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Securities according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Securities.

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

Subject to the Listing Rules and the Corporations Act, the Directors may from time to time grant to Shareholders the right, upon such terms as the Directors may determine, to elect to reinvest all or part of the dividends paid by the Company in subscribing for Securities and for any such purpose the Directors may implement and maintain any scheme or plan for such reinvestment, less any amount which the Company shall either pursuant to the Constitution or law be entitled or obliged to retain.

(d) Issues of further shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(e) Winding up

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

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the Shareholders 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.

(f) Shareholder liability

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

(g) Transfer of shares

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

(h) Future increase in capital

The issue of any new Securities is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Securities as they shall, in their absolute discretion, determine.

(i) Variation of rights

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

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

(j) Alteration of constitution

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

5.2 Underwriting Agreement

(a) The Underwriter

Grange Capital Partners have been appointed as Underwriter to the Entitlement Offer in accordance with the Underwriting Agreement. The Entitlement Offer are fully underwritten to \$1.17 million (117,133,284 New Shares), based on the number of Shares on issue on the date of lodgement of this Prospectus. The underwriting does not extend to any additional Shares issued prior to the Record Date. The Underwriter is not a related party or a Shareholder of the Company.

In the event of a shortfall, the Directors are not aware of any reason why the Underwriter would not be in a position to meet its financial obligations to subscribe for the shortfall in accordance with the Underwriting Agreement.

(b) Terms of the Underwriting Agreement

Grange Capital Partners will be paid a fee for underwriting the Entitlement Offer of 6% of the Underwritten Amount and the Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Entitlement Offer.

The Underwriting Agreement contains a number of provisions ordinarily found in agreements for underwriting arrangements of this type, including that:

- (i) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Entitlement Offer;
- (ii) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Entitlement Offer;
- (iii) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) certain events have a material adverse effect or could give rise to a

liability of the Underwriter under the Corporations Act or otherwise, including:

- (A) the S&P ASX 200 falls 5% or more below the closing level on the Business Day prior to the date of the Underwriting Agreement;
- (B) the Company does not lodge the Prospectus on the Lodgement date set out in the Timetable or the Entitlement Offer is withdrawn by the Company;
- (C) the Company fails to lodge an Appendix 3B in relation to the Entitlement Offer by the time required in accordance with the Listing Rules, the Corporations Act or any other regulations;
- (D) the issue price of the Entitlement Offer price is greater than the volume weighted average market price for Shares as quoted by the ASX calculated over three successive trading days prior to allotment of New Shares;
- (E) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (F) any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
- (G) any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (H) the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction or any government or semi-governmental agency or authority;
- (I) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel, or a

terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (J) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably;
- (K) an event of insolvency occurs in respect of the Company or any of its subsidiaries;
- (L) a Director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence;
- (M) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets;
- (N) default or breach by the Company under the Underwriting Agreement;
- (O) any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (P) a contravention by the Company or a subsidiary of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (Q) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time
- (R) it transpires that any of the due diligence results or any part of the verification material in relation to the Prospectus was false, misleading, or deceptive or that there was an omission from them;
- (S) a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (T) without the prior approval of the Underwriter, a public statement is made by the Company in relation to the Entitlement Offer or the Prospectus other than a statement that the Company is required to make in order to comply

with the disclosure obligations under the Listing Rules and/or the Corporations Act;

- (U) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Entitlement Offer or the affairs of the Company or its subsidiaries is or becomes misleading or deceptive or likely to mislead or deceive;
- (V) a judgement in an amount exceeding \$100,000 is obtained against the Company or a subsidiary and is not set aside or satisfied within 7 days;
- (W) litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company or a subsidiary, other than any claims foreshadowed in this Prospectus;
- (X) there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriter, such consent not to be unreasonably withheld;
- (Y) a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (Z) subject to the issue of any securities which may occur in relation to the Company's acquisition strategy disclosed in this Prospectus, the Company or a subsidiary alters its capital structure in any manner not contemplated by the Prospectus, excluding the issue of any Shares upon the exercise of Options, such Options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (AA) on the occurrence of various regulatory related matters, such as:
 - (1) the Underwriter, having elected not to exercise its right to terminate its obligations under this Underwriting Agreement, forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require;
 - (2) the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;
 - (3) it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus which investors and their professional advisors would reasonably require to

make an informed assessment of the Company and rights and liabilities attaching to Underwritten Securities;

- (4) ASIC makes an interim or final stop order in relation to the Prospectus;
- (5) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances, or an application for such a declaration is made to the Takeovers Panel;
- (6) any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a subsidiary; and
- (7) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement.

(c) **Sub-underwriting**

As a condition precedent to the Underwriting Agreement, the Underwriter appointed sub-underwriters, including the Director Sub-underwriters, to subscribe for the Shortfall Securities up to the Underwritten Amount. The Underwriter has confirmed that each sub-underwriter will not, by its sub-underwriting, increase its relevant interest in the Shares to 20% or more.

The Underwriter is responsible for fees payable to sub-underwriters. All sub-underwriters will receive a fee of 2% of the amount each has committed to sub-underwrite.

It is noted that Jetosea Pty Ltd (**Jetosea**), which currently holds a relevant interest of 1.94% in the Shares, has agreed to sub-underwrite the Entitlement Offer to an amount of \$250,000 (which includes a commitment to subscribe for Jetosea's Entitlement under the Entitlement Offer). In this regard, the maximum total shareholding of Jetosea, in the event that all sub-underwriters subscribe for their full sub-underwriting commitment and no other Eligible Shareholders (except for the Director Sub-underwriters) subscribe for their Entitlement is set out below:

Party	Current shareholding	Current interest in voting shares	New Shares to be issued	Total Shares held post Entitlement Offer	Post Offer interest in voting shares ²
Jetosea Pty Ltd	2,277,558	1.94%	25,000,000	27,277,558	11.64%

(d) **Director sub-underwriting**

Three of the Company's Directors, Phillip Jackson, Geoff Laing and Peter Cordin (together, the **Director Sub-underwriters**) have entered into sub-underwriting arrangements with the Underwriter.

Pursuant to the sub-underwriting arrangements, in the event of a shortfall and subject to the availability of Shortfall Securities, the Director Sub-underwriters have agreed to sub-underwrite the following amounts in relation to the Entitlement Offer (which includes Mr Jackson and Mr Laing each committing to take up their Entitlement under the Entitlement Offer):

- (i) Phillip Jackson - \$400,000;
- (ii) Geoff Laing - \$70,000; and
- (iii) Peter Cordin - \$30,000,

(each, a **Committed Amount**).

The maximum total shareholding of the Director Sub-underwriters following the Entitlement Offer has been calculated in the table below on the basis that:

- (iv) all Director Sub-underwriters subscribe for their full Committed Amounts; and
- (v) no other Eligible Shareholder subscribes for their Entitlement.

None of the Directors are associates.

Director	Current shareholding (including direct and indirect)	Current interest in voting shares	New Shares to be issued ¹	Total Shares held post Entitlement Offer	Post Offer interest in voting shares ²
Phillip Jackson ³	3,050,000	2.60%	40,000,000	43,050,000	18.38%
Geoff Laing	760,313	0.65%	7,000,000	7,760,313	3.31%
Peter Cordin	0	0.00%	3,000,000	3,000,000	1.28%

Notes:

1. These figures assume that no Entitlements under the Entitlement Offer are taken up by Eligible Shareholders (other than the Director Sub-underwriters) and the Shortfall Securities will be allocated to each of the Director Sub-underwriters in accordance with the sub-underwriting arrangement with the Underwriter and each of the Directors

will take up those allocated Shortfall Securities to the maximum of their respective Committed Amount (**Director Sub-underwritten Securities**).

2. These percentages assume that all the Shortfall Securities have been taken up by the Underwriter and sub-underwriters (including Director Sub-underwriters).
3. It is noted that Phillip Jackson holds 3,600,000 Options (on terms and conditions disclosed in Section 5.8). All Options held by Mr Jackson are presently out of the money. Notwithstanding this, and in the unlikely event that Mr Jackson's voting interest moved to 18.38% as illustrated above, Options held by Mr Jackson could only be exercised in accordance with the limitations set out in the Corporations Act in order for Mr Jackson to increase his voting power to above 20%.

In the event that the all Eligible Shareholders take up their Entitlements under the Entitlement Offer and there are no Shortfall Securities, Mr Laing and Mr Jackson shall take up their Entitlements under the Entitlement Offer. In these circumstances, the total votes controlled by each Director Sub-underwriter would be as follows:

Director	Current shareholding (including direct and indirect)	Current interest in voting shares	New Shares to be issued ¹	Total Shares held post Entitlement Offer	Post Offer interest in voting shares ²
Phillip Jackson	3,050,000	2.60%	3,050,000	6,100,000	2.60%
Geoff Laing	760,313	0.65%	760,313	1,520,626	0.65%
Peter Cordin	Nil	0.00%	Nil	Nil	0.00%

Notes:

1. Based on each Director Sub-underwriter's Entitlement under the Entitlement Offer.

It is noted that each of the Director Sub-underwriters are related parties of the Company for the purposes of the Corporations Act and the issue of Director Sub-underwritten Securities may constitute giving a financial benefit to a related party. However, the terms of the sub-underwriting arrangements between the Underwriter and the Director Sub-underwriters are on commercial, arm's length terms, on the basis that each of the Director Sub-underwriters will receive the same sub-underwriting fee as other non-related sub-underwriters and the terms of the agreements with the Director Sub-underwriters are otherwise on the same terms as non-related subunderwriters. Accordingly, it is the Board's view that Chapter 2E of the Corporations Act does not apply.

5.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit

review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.4 below). Copies of all documents announced to the ASX can be found at www.auroraminerals.com.

5.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Entitlement Offer a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2018 and the half-year ended 31 December 2018, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 5.4(a) above until the date of this Prospectus:

Date lodged	Subject of announcement
3 June 2019	Underwritten Entitlement Offer to raise \$1.17m
26 April 2019	Change in substantial holding for PDI
26 April 2019	Quarterly Activities and Cashflow Report
20 March 2019	Change of Director's Interest Notice
14 March 2019	Half Yearly Report and Accounts
12 March 2019	Change of Director's Interest Notice
29 January 2019	Quarterly Activities and Cashflow Report
25 January 2019	Change of Director's Interest Notice
12 December 2018	Appendix 3B
4 December 2018	Change of Director's Interest Notices (x2)
30 November 2018	Expiry of Unlisted Options
26 November 2018	Results of Meeting
12 November 2018	Change of Director's Interest Notice
26 October 2018	Notice of AGM/Proxy Form
26 October 2018	Cleansing Notice
26 October 2018	Appendix 3B
23 October 2018	Quarterly Activities and Cashflow Report

Date lodged	Subject of announcement
16 October 2018	Change of Director's Interest Notice
3 October 2018	Reinstatement to Official Quotation
3 October 2018	Appendix 4G and Corporate Governance Statement

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

5.5 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

5.7 Substantial Shareholders

As at the date of the Prospectus, the Company is aware of the following Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue:

Substantial Shareholder	Shares	Voting power (%)
African Lion 3 Limited	14,975,036	12.78%

5.8 Directors' interests

(a) Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their Entitlement under the Entitlement Offer are set out below:

Name	Existing Securities		Entitlement ^{1,2}	
	Shares	Options	Shares	Options
Phillip Jackson	3,050,000 ³	3,600,000 ⁴	3,050,000	Nil
Geoff Laing	760,313	9,000,000 ⁵	760,313	Nil

Peter Cordin	Nil	400,000 ⁶	Nil	Nil
Tim Markwell	Nil	Nil	Nil	Nil

Notes:

1. Assuming no Options are converted into Shares prior to the Record Date.
2. As at the date of the Prospectus, Phillip Jackson and Geoff Laing have, subject to the qualification regarding their commitment to sub-underwrite the Entitlement Offer (outlined in Section 5.2), indicated an intent to take up their Entitlement.
3. Phillip Jackson has an indirect interest in 3,050,000 Shares held by Holihox Pty Ltd as trustee for the PSR Superannuation Fund. Holihox Pty Ltd is an entity controlled by Mr Jackson, and Mr Jackson is a beneficiary of the PSR Superannuation Fund.
4. Mr Jackson's Options are on the following terms:
 - (i) 300,000 options exercisable at 14.06 cents with an expiry date of 29 November 2019;
 - (ii) 3,000,000 options exercisable at 8.82 cents with an expiry date of 29 November 2019; and
 - (iii) 300,000 options exercisable at 21.09 cents with an expiry date of 29 November 2020.
5. Mr Laing's Options are on the following terms:
 - (i) 3,000,000 options exercisable at 4.11 cents with an expiry date of 10 December 2020;
 - (ii) 3,000,000 options exercisable at 5.87 cents with an expiry date of 10 December 2021; and
 - (iii) 3,000,000 options exercisable at 8.81 cents with an expiry date of 10 December 2022.
6. Mr Cordin's Options are on the following terms:
 - (i) 200,000 options exercisable at 14.06 cents with an expiry date of 29 November 2019; and
 - (ii) 200,000 options exercisable at 21.09 cents with an expiry date of 29 November 2020.

(b) Remuneration of Directors

The Constitution provides that the Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum as may from time to time be determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or, in default of agreement, equally. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors received the following remuneration for the 30 June 2018 financial year and half year ended 31 December 2018:

Director	Remuneration provided	
	Period to 30 June 2018 ^{1,2}	Six months to 31 Dec 2018 ³
Phillip Jackson	\$109,661	\$39,442
Geoff Laing	\$59,130	\$118,260
Peter Cordin	\$50,000	\$25,000
Tim Markwell	\$50,000	\$24,167
Martin Pyle ³	\$147,147	N/A
Paul Roberts ⁴	\$90,000	N/A
David Kelly ⁴	\$17,500	N/A

Notes

1. Fees are inclusive of superannuation.
2. Fees include fees and salaries paid by the Company's former subsidiary, Predictive Discovery Limited (**Predictive**) to 31 December 2017, the date at which Predictive ceased to be a subsidiary of the Company.
3. Resigned as a director on 31 March 2018.
4. Current director of Predictive. No fees or remuneration were paid by Aurora.

(c) Other Director interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

5.9 Related party transactions

Other than as set out in this Prospectus, there are no related party transactions involved in the Entitlement Offer.

5.10 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Entitlement Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Entitlement Offer.

As noted at section 5.2, Grange Capital Partners will receive an underwriting fee of 6% of the Underwritten Amount.

Bellanhouse Lawyers will be paid approximately \$15,000 (plus GST) in fees for legal services in connection with the Entitlement Offer.

5.11 Expenses of the Entitlement Offer

Estimated expenses of the Entitlement Offer	\$
ASIC lodgement fee	3,206
ASX quotation fee	6,114
Underwriting fee	70,280
Legal expenses	15,000
Printing, mailing and other expenses	15,400
TOTAL	110,000

5.12 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 5.12:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

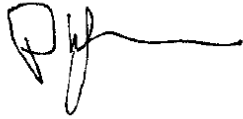
Grange Capital Partners have been appointed as Underwriter by the Company in relation to the Entitlement Offer and has given its written consent to being named in this Prospectus.

Bellanhouse Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Bellanhouse Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

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

Phillip Jackson
Non-Executive Chairman
Aurora Minerals Limited

Dated: 3 June 2019

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities made on an Application Form.

Application Form means the relevant application form for an Offer provided by the Company with a copy of this Prospectus, including an Entitlement and Acceptance Form.

Application Monies means the amount of money in dollars and cents payable for New Shares at \$0.01 per New Share pursuant to the Entitlement Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Aurora or Company means Aurora Minerals Limited ACN 106 304 787.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

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

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

Directors mean the directors of the Company as at the date of this Prospectus.

Director Sub-Underwriters has the meaning given in Section 1.6.

Director Sub-underwritten Securities has the meaning given in Section 5.2.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the number of Securities for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 1 existing Share held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form sent with this Prospectus that sets out the Entitlement of Shareholders to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement Offer means the offer under this Prospectus of New Shares to Eligible Shareholders in accordance with their Entitlements.

Entitlement Offer Closing Date has the meaning given in Section 1.4.

Grange Capital Partners means Grange Capital Partners Pty Ltd (ACN 106 553 244) AFSL 264 772.

Ineligible Foreign Shareholder means a person registered as the holder of Shares as at 5:00pm (WST) on the Record Date who is not an Eligible Shareholder.

Issuer Sponsored means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

New Share means a Share issued pursuant to the Entitlement Offer.

Nusantara means Nusantara Resources Limited.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option to acquire a Share.

Peninsula means Peninsula Mines Limited.

Predictive means Predictive Discovery Limited.

Prospectus means this prospectus dated 3 June 2019.

Record Date means 5:00pm (WST) on the date identified in the proposed indicative timetable.

Section means a section of this Prospectus.

Securities means any securities, including Shares, Options, or performance rights issued or granted by the Company.

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

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of Shares.

Shortfall Securities means New Shares not subscribed for under the Entitlement Offer.

Underwriter means Grange Capital Partners.

Underwriting Agreement means the agreement dated 31 May 2019 between the Company and Grange Capital Partners.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.