

# **AVZ MINERALS LIMITED**

## **ACN 125 176 703**

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### **SHARE PURCHASE PLAN PROSPECTUS**

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For an offer of Shares to Eligible Shareholders to raise up to \$5,000,000 at an issue price of a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date (before costs) with the ability to accept oversubscriptions of an additional \$5,000,000 (**SPP Offer**).

For an offer of up to 15,000,000 Adviser Options (**Adviser Offer**).

Patersons Securities Limited (ACN 008 896 311) AFSL 239 052 will underwrite \$5,000,000 of the SPP Offer and act as lead manager of the Top-Up Placement. Refer to Section 8.4 for further details regarding the underwriting.

#### **SHARE PURCHASE PLAN INFORMATION**

The Share Purchase Plan is currently scheduled to close at 5:00pm WST on 18 February 2019. Valid applications must be received by that time. Details of how to apply for Shares are set out in the Application Form accompanying this Prospectus.

#### **IMPORTANT NOTICE**

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

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

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## 1. CORPORATE DIRECTORY

### **Directors**

Managing Director: Nigel Ferguson  
Technical Director: Graeme Johnston  
Non-Executive Director: Rhett Brans  
Non-Executive Director: Hongliang Chen  
Non-Executive Director: Guy Loando

### **Company Secretary**

Leonard Math

### **Share Registry\***

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

T: 1300 992 916

### **Auditor\***

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008

### **Registered Office**

Level 2, Suite 9  
389 Oxford Street  
Mt Hawthorn WA 6016  
Australia

T: +61 (8) 6117 9397

F: +61 (8) 6117 9330

### **ASX Code**

AVZ

### **Solicitors**

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### **Underwriter to the SPP Offer and Lead Manager of the Top-Up Placement**

Patersons Securities Limited  
Level 23, 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 and have not consented to being named in this Prospectus.

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**2. TIMETABLE**

<b>Event</b>	<b>Date</b>
Record Date	Wednesday, 23 January 2019
Announcement of SPP Offer	Thursday, 24 January 2019
Lodgement of Prospectus with ASIC	Thursday, 31 January 2019
Lodgement of Prospectus and Appendix 3B with ASX	Thursday, 31 January 2019
Opening Date of SPP Offer	Monday, 4 February 2019
Closing Date for SPP Offer**	5:00pm (AWST) Monday, 18 February 2019
Issue of Shares under SPP and Top-Up Placement	Monday, 25 February 2019
Trading commences for Shares issued pursuant to the SPP Offer and the Top-Up Placement	Wednesday, 27 February 2019
Closing date of Cleansing Offer***	Wednesday, 27 February 2019

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

\*\* Eligible Shareholders under the SPP Offer should ensure that they have lodged their Application Form by this date.

\*\*\* This Prospectus also includes a Cleansing Offer (refer to Section 4.3 for further information).

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### 3. IMPORTANT NOTES

This Prospectus is dated 31 January 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

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

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.

#### 3.1 ASIC Class Order on Share Purchase Plans

In certain circumstances a listed company may undertake a share purchase plan in accordance with ASIC Class Order CO 09/425 (**Class Order**). This Class Order allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12 month period.

The Class Order only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

- (a) the period during which the class was quoted; and
- (b) the period of 12 months before the day on which the offer is made.

As the Company's securities were suspended from quotation on for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the Class Order and, therefore, is undertaking the share purchase plan under this Prospectus.

#### 3.2 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should

be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

### **3.3 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Securities under this Prospectus.

### **3.4 Forward-looking statements**

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.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

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 our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

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## 4. DETAILS OF THE OFFERS

### 4.1 The SPP Offer

As announced on 24 January 2019, the Company is undertaking an offer of Shares to existing Shareholders pursuant to a share purchase plan (**SPP or Share Purchase Plan**).

By this Prospectus, the Company invites Eligible Shareholders to apply for Shares to raise up to \$5,000,000 at an issue price of a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date (before costs) with the ability for the Company to accept oversubscriptions of an additional \$5,000,000. Eligible Shareholders are entitled to apply for a maximum of \$15,000 worth of Shares.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the SPP Offer and the intended use of funds raised are set out in Section 5.1.

### 4.2 Adviser Offer

Pursuant to the Underwriting Agreement, the Company has agreed to issue Patersons Securities Limited (and/or its nominee(s)) 15,000,000 Adviser Options as consideration for corporate advisory services provided by Patersons Securities Limited.

Under this Prospectus, the Company invites entities identified by Patersons Securities Limited to apply for up to 15,000,000 Adviser Options.

The Adviser Offer will only be extended to specific parties. Application forms will only be provided by the Company to these parties.

The Adviser Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2. All Shares issued on conversion of the Adviser Options will rank equally with the Shares on issue at the date of this Prospectus.

### 4.3 Cleansing Offer

#### Background

As announced On 24 January 2019, in addition to and upon completion of the SPP, Patersons Securities Limited may facilitate a placement to raise up to an additional \$5,000,000 at the same issue price of Shares under the SPP Offer, subject to the Company's remaining available placement capacity pursuant to ASX Listing Rule 7.1 (**Top-Up Placement**).

This Prospectus also includes an offer of one Share, which shall remain open until the closing date of the Cleansing Offer set out in Section 2 (**Cleansing Offer**). The Company does not currently intend to issue Shares under the Cleansing Offer and will therefore not provide an application form for the Cleansing Offer.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company between the date of this Prospectus and the closing date of the Cleansing Offer set out in Section 2.

#### 4.4 Shareholders eligible to participate

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

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

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for one parcel of Shares with a value of up to \$15,000. The Company reserves the right to reject any application for Shares under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

#### 4.5 Minimum subscription

There is no minimum subscription for the SPP Offer.

There is no minimum subscription for the Adviser Offer.

#### 4.6 Applications

An application for the SPP Offer must be made on the Application Form accompanying this Prospectus. Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$15,000 worth of Shares. Eligible Shareholders may participate by selecting one of the options (**SPP Application Amount**) to purchase Shares under the SPP Offer set out in the table below.

As the price of Shares offered under the SPP will be calculated based on a 20% discount to the VWAP for Shares calculated over the last 5 days on which sales in Shares are recorded before the issue date, the table below shows the number of Shares that will be issued for each SPP Application Amount based on a VWAP of \$0.04, \$0.05 and \$0.06.

	<b>SPP Application Amount</b>	<b>Number of Shares which may be purchased based on a VWAP of \$0.04</b>	<b>Number of Shares which may be purchased based on a VWAP of \$0.05</b>	<b>Number of Shares which may be purchased based on a VWAP of \$0.06</b>
Offer A	\$15,000	375,000	300,000	250,000
Offer B	\$10,000	250,000	200,000	166,667
Offer C	\$7,500	187,500	150,000	125,000
Offer D	\$5,000	125,000	100,000	83,333
Offer E	\$2,500	62,500	50,000	41,667
Offer F	\$1,000	25,000	20,000	16,667

Fractional entitlements will be rounded up to the nearest whole number.



Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded.

Eligible Shareholders may apply for the SPP Offer by completing the Application Form accompanying this Prospectus in accordance with the instructions outlined on the Application Form. Applications pursuant to the SPP Offer must only be made by those Eligible Shareholders invited to make an application under the SPP Offer.

The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Shares offered under the SPP Offer.

The Company reserves the right to close the SPP Offer early.

If you require assistance in completing an Application Form, please contact the Company's share registry on 1300 992 916 or the Company on +61 (8) 6117 9397.

#### **4.7 Payment by cheque/bank draft**

All cheques must be drawn on an Australian bank in accordance with the instructions on the Application Form.

Your completed Application Form and cheque must reach the Company's share registry no later than 5:00pm WST on the Closing Date.

#### **4.8 Payment by BPAY®**

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

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

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.**

#### **4.9 Shortfall Offer**

Any Shares not taken up pursuant to the SPP Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be same price as the Shares offered under the SPP Offer.

The Underwriter has the right to nominate and determine who is to receive all of the Shortfall Shares. Accordingly, do not apply for Shortfall Shares unless instructed to do so by the Underwriter.

#### **4.10 Underwriting**

The SPP Offer will be underwritten to \$5,000,000 by Patersons Securities Limited which is acting as Lead Manager and Underwriter to the SPP offer and the Top-Up Placement.

#### **4.11 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares or Adviser Options and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

#### **4.12 Issue**

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offers.

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

Holding statements for Securities issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

#### **4.13 Overseas shareholders**

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

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the

provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

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

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that applying for Shares under the Offers does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.14 Enquiries**

Any questions concerning the Offers should be directed to the Company's share registry on 1300 992 916 or the Company on +61 (8) 6117 9397.

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## 5. PURPOSE AND EFFECT OF THE OFFERS

### 5.1 Purpose of the Offers

The primary purpose of the SPP Offer is to raise up to \$5,000,000, with the ability to accept oversubscriptions of an additional \$5,000,000 (before costs).

The primary purpose of the Top-Up Placement is to raise up to a further \$5,000,000 (before costs).

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the closing date of the Cleansing Offer.

The funds raised from the SPP Offer and the Top-Up Placement (assuming full subscription under both) are planned to be used in accordance with the table set out below:

Proceeds of the SPP Offer and the Top-Up Placement	Full Subscription (\$)	%
Feasibility Study	3,100,000	20.66
Met Testwork	460,000	3.06
Environmental Study	180,000	1.20
Pit Dewatering	190,000	1.27
Resource Drilling	2,890,000	19.27
Community Development Program	175,000	1.17
Property, Plant and Equipment	100,000	0.67
Site costs	3,340,000	22.27
Corporate and working capital <sup>1</sup>	2,465,286	16.43
Joint Venture Agreement Payment <sup>2</sup>	1,071,430	7.14
Expenses of the SPP Offer <sup>3</sup>	728,284	4.86
Expenses of the Top-Up Placement	300,000	2.00
<b>Total</b>	<b>15,000,000</b>	<b>100%</b>

#### Notes:

1. Funds allocated to corporate and working capital will be used for administration expenses of the Company over the next 12 months, including administration fees, Director's remuneration and other administration and obligatory overheads.
2. US\$750,000 payment to Comineire in accordance with the Company's joint venture agreement.
3. Refer to Section 8.8 for further details relating to the estimated expenses of the SPP Offer.

In the event the Company raises less than the \$5,000,000 under the Top-Up Placement and less than \$10,000,000 under the SPP Offer (the SPP Offer is underwritten to \$5,000,000 by Patersons Securities Limited), the Company will scale back its proposed use of funds with resource drilling to be reduced significantly and all funds raised will be used towards completing the Company's feasibility

study. Other expenses will be scaled back on a pro-rata basis, with the exception of the expenses of the Offers which will remain unchanged.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the SPP Offer the Board believes the Company will have sufficient working capital to achieve the above objectives.

Subject to the results of the exploration work to be undertaken, additional funding may be required to advance the projects as deemed appropriate.

## **5.2 Effect of the Offers**

The principal effect of the Offers, assuming all SPP Entitlements are accepted (either through the SPP Offer or subsequently taken up under the Shortfall Offer) and the Top-Up Placement will be to:

- (a) increase the cash reserves by \$13,971,716 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 1,888,461,449 as at the date of this Prospectus to a number to be determined based on the issue price of the Shares.

## **5.3 Pro-forma balance sheet**

The unaudited balance sheet as at 31 December 2018 and the pro-forma balance sheet as at 31 December 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all SPP Entitlements are accepted (either through the SPP Offer or subsequently taken up under the Shortfall Offer) and the Top-Up Placement is completed.

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

	(UNAUDITED) 31/12/2018	PROFORMA BALANCE SHEET (CONSOLIDATED) (UNAUDITED) 31/12/2018
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	909,523	14,881,239
Trade and other receivables	138,653	138,653
<b>TOTAL CURRENT ASSETS</b>	<b>1,048,176</b>	<b>15,019,893</b>
<b>NON-CURRENT ASSETS</b>		
Mineral Exploration and evaluation	63,430,276	63,430,276
Property, plant and equipment	1,229,688	1,229,688
<b>TOTAL NON-CURRENT ASSETS</b>	<b>64,659,964</b>	<b>64,659,964</b>
<b>TOTAL ASSETS</b>	<b>65,708,140</b>	<b>79,679,857</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	484,774	484,774
Financial liabilities	968,303	968,303
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,453,077</b>	<b>1,453,077</b>
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities	1,022,043	1,022,043
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,022,043</b>	<b>1,022,043</b>
<b>TOTAL LIABILITIES</b>	<b>2,475,120</b>	<b>2,475,120</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>63,233,020</b>	<b>77,204,737</b>
<b>EQUITY</b>		
Share capital	66,973,014	80,944,731
Reserves	6,598,652	6,598,652
Accumulated losses	(22,148,842)	(22,148,842)
<b>Capital and reserves attributable to owners of AVZ Minerals Ltd</b>	<b>51,422,824</b>	<b>65,394,540</b>
Non-controlling interests	11,810,196	11,810,196
<b>TOTAL EQUITY</b>	<b>63,233,020</b>	<b>77,204,736</b>

## 5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all SPP Entitlements are accepted (either through the SPP Offer or subsequently taken up under the Shortfall Offer) and the Top-Up Placement is completed is set out below.

### Shares

	Number
Shares currently on issue	1,888,461,449
Shares offered pursuant to the SPP Offer <sup>1</sup>	250,000,000
Maximum number of Shares to be issued under the Top-Up Placement <sup>1</sup>	125,000,000
<b>Total Shares on issue after completion of the SPP Offer and the Top-Up Placement<sup>1</sup></b>	<b>2,263,461,449</b>

#### Notes:

1. Assuming a five-day VWAP before the issue date (and therefore an issue price) of \$0.04.

### Options

	Number
Options currently on issue:	
Listed exercisable at \$0.03 on or before 24 May 2020	203,649,049
Unlisted exercisable at \$0.10 on or before 15 April 2019	207,428,573
Unlisted exercisable at \$0.305 on or before 28 February 2020	30,000,000
	<b>441,077,622</b>
Adviser Options offered pursuant to the Adviser Offer <sup>1</sup>	15,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>456,077,622</b>

#### Notes:

1. Unlisted, to be issued on the terms and conditions set out in Section 6.2.

### Performance Rights

	Number
Performance Rights currently on issue <sup>1</sup>	63,150,000
<b>Total Performance Rights on issue after completion of the Offer</b>	<b>63,150,000</b>

#### Notes:

1. Consisting of 27,350,000 Performance Rights with various vesting conditions with various expiry dates and 35,800,000 Performance Rights with various vesting conditions expiring on 3 December 2021.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 2,392,689,071 Shares and on completion of the Offers (assuming all SPP Entitlements are accepted either through the SPP Offer or subsequently taken up

under the Shortfall Offer, full subscription under the Top-Up Placement and an issue price of Shares of \$0.04) would be 2,782,689,071.

No Shares, Options or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

## 5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Dathomir Mining Resources Sarl	240,000,000	12.71
Huayou International Mining (Hong Kong) Ltd	186,000,000	9.85

In the event all SPP Entitlements are accepted (either through the SPP Offer or subsequently taken up under the Shortfall Offer) there will be no change to the substantial holders on completion of the Offers, however the participation in the Shortfall Offer by any of the substantial holders may result in a change to their shareholding interest.

The Company confirms that no existing Shareholder of the Company will increase its shareholding to above 19.99% as a result of the SPP Offer. The Underwriter may procure any person to sub-underwrite such portion of the Underwritten Shares as the Underwriter in its absolute discretion, thinks fit. Notwithstanding this right the Underwriter will use its best endeavours so that no person will acquire, through participation in sub-underwriting the SPP Offer, a holding of Shares of, or increase their holding, to an amount in excess of 19.9% of all the Shares on issue on completion of the SPP Offer.



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## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 6.1 Shares

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

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

#### (a) General Meetings

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

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

#### (b) Voting Rights

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

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

#### (c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividend the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the shareholders of such a dividend. The Directors may authorise the payment or crediting by the Company to the shareholders of such interim dividends as appear to the Directors to be justified by the profits of the Company. Subject to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may

not be paid by the Company in respect of any dividend, whether final or interim.

(d) **Winding-Up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

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

(f) **Transfer of Shares**

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

(g) **Variation of Rights**

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

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

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of the votes cast by Shareholder entitled to vote 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.

## 6.2 Adviser Options

### (a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

### (b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be as follows:

- (i) 5,000,000 Options exercisable at a 25% premium to the issue price of the Shares offered under the SPP (**Tranche A Options**);
- (ii) 5,000,000 Options exercisable at a 50% premium to the issue price of the Shares offered under the SPP (**Tranche B Options**); and
- (iii) 5,000,000 Options exercisable at a 75% premium to the issue price of the Shares offered under the SPP (**Tranche C Options**),

(each, an **Exercise Price**).

### (c) Expiry Date

The Options will expire at 5:00 pm (WST) on the following dates:

- (i) Tranche A Options: 24 months from the date of issue of the Tranche A Options;
- (ii) Tranche B Options: 30 months from the date of issue of the Tranche B Options; and
- (iii) Tranche C Options: 36 months from the date of issue of the Tranche C Options,

(each, an **Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

### (d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

### (e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

### (f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## **7. RISK FACTORS**

### **7.1 Introduction**

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

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

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

### **7.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and the Top-Up Placement is completed in its entirety the number of Shares will increase from 1,888,461,449 currently on issue to 2,263,461,449 (assuming a VWAP of \$0.04). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict how many Options may be exercised and at that time what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX as at 30 January 2019 and prior to the prospectus being lodged of \$0.049 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

#### **(b) Exploration risks**

The mineral tenements of the Company are in the early stages of exploration. Because mineral exploration and development are high-risk undertakings, there can be no assurance that exploration of these other or any future tenements will result in the discovery of an economic deposit. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

Exploration and development costs are based on estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may differ materially from these estimates and assumptions. Such differences may materially and adversely affect the Company's viability.

(c) **New projects and acquisitions**

The Company has to date and will continue to actively pursue and assess other new business opportunities. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects or assets, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

Furthermore, if a new investment or acquisition by the Company is completed, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the ASX Listing Rules as if the Company were a new listing. There would be costs associated in re-complying with the admission requirements. The Company may be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.

If a new investment or acquisition is not completed, then the Company may not be in a position to comply with the ongoing ASX Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given the nature of resource exploration, this may also occur if the Company abandons and/or relinquishes a project which is no longer considered viable.

Any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes to 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.

(d) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including, without limitation, tenement and concession requirements and risks, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires environmental licences from DRC regulatory

authorities to authorise the Company's operations. These licences relate to development, production and rehabilitation activities (although no such activities are currently in progress).

Obtaining necessary licences can be a time-consuming process and there is a risk that the Company will not obtain these licences on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary licences and complying with these licences and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project. Any failure to comply with applicable laws and regulations or licences, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the projects in which the Company currently holds an interest.

(e) **Resource and Reserve estimates**

An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development.

(f) **Liquidity of Shares**

There may be relatively few potential buyers or sellers of the Shares on ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the exercise price that Shareholders paid to acquire their Shares.

(g) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(h) **Key personnel and employees risk**

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



(i) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in DRC may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

**7.3 Industry specific**

(a) **Operating risks**

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

- (i) adverse geological conditions;
- (ii) failure to achieve predicted grades in exploration and mining;
- (iii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (v) difficulties in commissioning and operating plant and equipment;
- (vi) mechanical failure of operating plant and equipment;
- (vii) unanticipated metallurgical problems which may affect extraction recoveries and costs;
- (viii) industrial and environmental accidents, industrial disputes and other force majeure events;
- (ix) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (x) inability to obtain or maintain any necessary consents or approvals.

No assurances can be given that the Company will achieve commercial viability through successful exploration and/or mining. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(b) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, 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 (including for tin) 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 are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(c) **Mineral resources estimate risk**

Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(d) **Title risk**

Although the Company has investigated title to all of its tenements, the Company cannot give any assurance that title to such tenements will not be challenged or impugned. Accordingly, there is a residual risk that, despite the Company's investigations, the tenements may be subject to prior unregistered agreements or transfers or title may be affected by unregistered encumbrances, third party interests or defects. Tenements are also subject to minimum expenditure requirements. In the event that these minimum expenditure requirements are not met, those tenements may be subject to forfeiture proceedings.

(e) **Environmental risks**

The operations and proposed activities of the Company are subject to DRC laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the relevant regulatory authorities.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires, may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment,

environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay or modification to anticipated exploration programmes or mining activities. There is always a risk that detailed environmental investigations will identify endangered or other protected species that may affect the ability of the Company to obtain any necessary government approvals or carry out its operations as planned.

(f) **Legislative changes and government policy risk**

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

(g) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

## 7.4 **General risks**

The value of the Company's securities are affected by a number of general factors which are beyond the control of the Company and its Directors including those set out below.

(a) **Economic**

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

(b) **Market conditions**

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

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;

- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

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

(d) **Taxation**

The acquisition and disposal of Shares and Adviser Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

## **7.5 Speculative investment**

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

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

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

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **8.2 Continuous disclosure obligations**

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

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

<b>Date</b>	<b>Description of Announcement</b>
31/01/2019	Roche Dure Drilling Continues with Strong Results
30/01/2019	Quarterly Activities and Cashflow Report
30/01/2019	Trading Halt
30/01/2019	Pause in trading
24/01/2019	Investor Presentation January 2019
24/01/2019	AVZ Launches Fully Underwritten Share Purchase Plan
22/01/2019	Trading Halt
21/12/2018	Roche Dure Drilling Continues with High Grade Results
07/12/2018	Change of Director's Interest Notice x 3
07/12/2018	Congo Royalty Rates for Lithium Unchanged
03/12/2018	Appendix 3B
30/11/2018	Results of Annual General Meeting
30/11/2018	AGM - Managing Director's Address
30/11/2018	AGM Managing Director's Presentation
30/11/2018	Mineral Resource Update - Manono Lithium Project
27/11/2018	Further High Grade Intercepts at Roche Dure
19/11/2018	Scoping Study Update - Material Savings on Transport Costs
14/11/2018	China and London Investor Presentation
09/11/2018	Response to ASX Aware Query
07/11/2018	AVZ Transport Update - Material Cost Savings
06/11/2018	AVZ announces further High Grade Results from Roche Dure
05/11/2018	Change of Director's Interest Notice
31/10/2018	Quarterly Activities and Cashflow Report
31/10/2018	Notice of Annual General Meeting/Proxy Form

Date	Description of Announcement
19/10/2018	Reinstatement to Official Quotation
19/10/2018	AVZ Continues to Drill Record Lithium Intercept
17/10/2018	Suspension
17/10/2018	Response to ASX Query
17/10/2018	AVZ Continues to Drill Record Lithium Intercept
10/10/2018	Investor Presentation
09/10/2018	Suspension from Official Quotation
09/10/2018	Pause in Trading
09/10/2018	Reinstatement to Official Quotation
09/10/2018	Scoping Study Highlights Strong Economic Potential of Manono
09/10/2018	Request for an extension of suspension
04/10/2018	Suspension from Official Quotation
02/10/2018	Trading halt
02/10/2018	Pause in trading

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

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

### 8.3 Market price of shares

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

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding that date and the most recent dates of those sales were:

	(\$)	Date
Highest	0.087	6 November 2018
Lowest	0.049	30 January 2019
Last	0.049	30 January 2019

### 8.4 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the SPP Offer to \$5,000,000 worth of Shares (**Underwritten Shares**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter an underwriting / selling fee of 6% of the total gross amount raised in

the Share Purchase Plan and the Top-Up Placement (if any) as consideration for its obligations in accordance with the Underwriting Agreement. All sub-underwriting and selling fees to third parties will be met from this fee by the Underwriter.

As a corporate advisory fee, the Company must also issue to the Underwriter (and/or its nominee(s)), the Adviser Options on Completion. In the event that Completion occurs, and the Adviser Options are not issued to the Underwriter (and/or its nominee(s)) within 3 months from Completion the Company agrees to pay the Underwriter an additional cash fee of \$50,000 plus GST.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: any of the All Ordinaries Index or the Standard and Poors/ASX Small Resources Index as published by ASX is at any time after the date of the Underwriting Agreement 7.5% or more below its respective level as at the close of business on the Business Day (as that term is defined in the Underwriting Agreement) prior to the date of the Underwriting Agreement; or
- (b) **(No Official Quotation)**: ASX has indicated before the Shortfall Notice Deadline Date (as that term is defined in the Underwriting Agreement) that Official Quotation will not be granted in accordance with the timetable in the Underwriting Agreement or will be granted with such conditions attached so as to represent a Material Adverse Effect (as that term is defined in the Underwriting Agreement), having been granted, is subsequently withdrawn, withheld or qualified; or
- (c) **(Restriction on allotment)**: the Company is prevented from allotting the Shares the subject of the SPP Offer 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 by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (d) **(Supplementary prospectus)**: the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter; or
- (e) **(Misleading Share Purchase Plan)**: it transpires that there is a statement made by the Company including without limitation a statement or omission in connection with, or the Company's documents comprising, the Share Purchase Plan, an ASX announcement relating to the Offer, and that is, or becomes, misleading or deceptive or likely to mislead or deceive; or
- (f) **(ASIC or other prosecution)**: ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the SPP Offer, the Share Purchase Plan or the Company; or
- (g) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel and the Takeovers Panel elects to hear the application; or



- (h) **(Authorisation)**: any authorisation which is material to anything referred to in the SPP Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (i) **(Indictable offence)**: a director or a senior manager of a Relevant Company is charged with an indictable offence; or
- (j) **(Termination Events)**: subject to the carve-out below, any of the following events occurs:
  - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **(Hostilities)** 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, Japan, China, South Korea, the Democratic Republic of Congo, Zambia, Tanzania, the United Kingdom, the United States of America, any member of the European Union or the People's Republic of China;
  - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iv) **(Contravention of constitution or Act)**: a contravention by a Relevant Company (as that term is defined in the Underwriting Agreement) 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;
  - (v) **(Adverse change)**: 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 any Relevant Company including, without limitation, if any forecast disclosed to ASX prior to the date of the Underwriting Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (vi) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the SPP Offer;
  - (vii) **(Misleading information)**: 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 SPP Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - (viii) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";

- (ix) **(Change in Act or policy)**: 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;
- (x) **(Prescribed Occurrence)**: a Prescribed Occurrence (as that term is defined in the Underwriting Agreement) occurs;
- (xi) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xii) **(Event of Insolvency)**: an Event of Insolvency (as that term is defined in the Underwriting Agreement) occurs in respect of a Relevant Company;
- (xiii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims disclosed to the ASX prior to the date of the Underwriting Agreement;
- (xv) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
- (xvi) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 business days;
- (xviii) **(Force Majeure)**: a Force Majeure (as that term is defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xix) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xx) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer;

- (xxi) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- (xxii) **(Market Conditions)**: 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;
- (xxiii) **(Shares are not fully paid ordinary)**: all Shares issued pursuant to the Offer and in accordance with the terms of this Agreement must, from the date of allotment, rank equally in all respects with other fully paid ordinary shares in the Company and will be free of all encumbrances; or
- (xxiv) **(Suspension)**: the Company is removed from the Official List or, after the date of this Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 3 trading days following such suspension.

The Underwriter may not exercise its rights under paragraph (j) unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to:

- (a) have a Material Adverse Effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

## 8.5 Interests of Directors

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

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

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

- (d) as an inducement to become, or to qualify as, a Director; or

- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
  - (ii) the Offers.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below.

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>Performance Rights</b>
Nigel Ferguson	37,083,333	-	12,000,000
Graeme Johnston	1,455,000	-	12,100,000
Rhett Brans	200,000	-	6,000,000
Guy Loando	40,000,000	-	-
Hongliang Chen	-	-	-

Messrs Ferguson, Johnston, Brans and Loando or their related entities, being Eligible Shareholders, intend to take up their SPP Entitlements.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$650,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2019 Proposed salary/ Director fees (AUD) <sup>1</sup>	2018 Salary/Director fees (AUD) <sup>1</sup>	2017 Salary/Director fees (AUD) <sup>1</sup>
Nigel Ferguson	\$300,000	\$257,000	\$100,761
Graeme Johnston <sup>2</sup>	\$213,000	-	-
Rhett Brans <sup>3</sup>	\$60,000	-	-
Guy Loando <sup>4</sup>	\$60,000	\$55,000	-
Hongliang Chen <sup>4</sup>	-	-	-

#### Notes

1. Annual based salary only.
2. Appointed as Technical Director on 30 July 2018.
3. Appointed as Non-Executive Director on 5 February 2018.
4. Appointed as Non-Executive Director on 21 August 2017.

#### 8.6 Interests of experts and advisers

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

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

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

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

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

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Patersons Securities Limited will be paid an underwriting fee / selling fee of 6.0% of the total gross amount raised by the Share Purchase Plan and any Top-Up Placement. Patersons Securities Limited will not receive any monthly fees for corporate advisory services provided to the Company. As a corporate advisory fee, the Company must also issue to Patersons Securities Limited (and/or its nominee(s)), the 15,000,000 Adviser Options on Completion. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company has not paid Patersons Securities Limited any fees.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$85,369 (excluding GST and disbursements) for legal services provided to the Company.

## 8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, 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:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take no 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; and
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

## 8.8 Expenses of the Offers

In the event that all SPP Entitlements are accepted and the Top-Up Placement is fully subscribed, the total expenses of the Offers are estimated to be approximately \$1,028,284 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	45,000
Legal fees	15,000
Printing and distribution	16,600
Postage	33,478
Patersons Securities Limited fees	900,000
Share Registry fees	10,000

Miscellaneous

5,000

**Total**

**1,028,284**

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## **8.9 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9481 0389 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.avzminerals.com.au](http://www.avzminerals.com.au).

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

## **8.10 Financial forecasts**

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

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

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

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

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

## **8.12 Privacy Act**

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

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

regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

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

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



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**9. DIRECTORS' AUTHORISATION**

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

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

A handwritten signature in black ink, consisting of a large, stylized 'N' followed by a horizontal line extending to the right.

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**Nigel Ferguson**  
**Managing Director**  
**For and on behalf of**  
**AVZ MINERALS LIMITED**

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## 10. GLOSSARY

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

**Adviser Offer** means the offer of the Adviser Options as referred to in Section 4.3.

**Applicant** means a person who applies for Shares pursuant to the Offers.

**Application Form** means the SPP Entitlement and Acceptance Form either attached to or accompanying this Prospectus.

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

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

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

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

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

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

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

**Cleansing Offer** has the meaning given to that term in Section 4.3.

**Company** means AVZ Minerals Limited ACN 125 176 703.

**Completion** means the date on which allotment of the last of the Shortfall Shares occurs.

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

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

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

**DRC** means Democratic Republic of Congo.

**Eligible Shareholders means** Shareholders:

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

**Offers** means the SPP Offer, the Shortfall Offer and the Adviser Offer.

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

**Option** means an option to acquire a Share.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Section** means a section of this Prospectus.

**Securities** means Shares offered pursuant to the SPP Offer and the Shortfall Offer and the Adviser Options offered pursuant to the Adviser Offer.

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

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

**Shortfall** means the Shares not applied for under the SPP Offer (if any).

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in Section 4.9.

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

**SPP Entitlement** means the entitlement of an Eligible Shareholder to participate in the SPP Offer.

**SPP Offer** means the offer of Shares to Eligible Shareholders as set out in Section 4.1.

**Top-Up Placement** has the meaning given to that term in Section 4.3.

**Underwriter** means Patersons Securities Limited (ACN 008 896 311) AFSL 239 052.

**Underwriting Agreement** has the meaning given to that term in Section 8.4.

**Underwritten Shares** has the meaning given to that term in Section 8.4.

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

**WST** means Western Standard Time.