



96 Babbage Road
Roseville Chase
NSW 2069

Tel: +61 (0)2 9417 6212
Fax: +61 (0)2 9417 3043
Email: admin@pepinini.com.au

28 June 2012

The Company Announcements Office
Level 10 Exchange Centre
20 Bond Street
SYDNEY NSW 2000

Attention - Company Announcements Officer

ENTITLEMENT ISSUE PROSPECTUS

The attached Prospectus was lodged with the Australian Securities & Investments Commission (ASIC) today, 28th June 2012.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Holland-Kennedy".

Rebecca Holland-Kennedy
Company Secretary/Director
PepinNini Minerals Ltd

PEPINNINI MINERALS LIMITED
ACN 101 714 989

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.032 per Share to raise up to approximately \$1,913,653 (**Offer**).

The Offer is partially underwritten by Patersons Securities Limited. Refer to section 9.3 for details of the terms of the Underwriting Agreement.

Lead Manager and Underwriter:



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 Shares offered by this Prospectus should be considered as speculative.

CONTENTS

1.	CORPORATE DIRECTORY	1
2.	TIMETABLE.....	2
3.	CHAIRMAN'S LETTER	3
4.	IMPORTANT NOTES	4
5.	DETAILS OF THE OFFER	7
6.	PURPOSE AND EFFECT OF THE OFFER.....	15
7.	RISK FACTORS	18
8.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	25
9.	ADDITIONAL INFORMATION.....	27
10.	DIRECTORS' AUTHORISATION.....	39
11.	GLOSSARY.....	40

1. CORPORATE DIRECTORY**Directors**

Norman Kennedy
Chairman and Managing Director

Rebecca Holland-Kennedy
Executive Director

Chris Lambert
Non-executive Director

Robert Wei Sun
Non-executive Director

Solicitors

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

Company Secretary

Rebecca Holland-Kennedy

Underwriter and Lead Manager

Patersons Securities Limited
Level 15, 333 Collins Street
MELBOURNE VIC 3000

Registered Office

96 Babbage Road
ROSEVILLE CHASE NSW 2069
Telephone: +61 2 9417 6212
Facsimile: +61 2 9417 3043

Share Registry

Computershare Investor Services Pty
Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

Telephone:
1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)

Principal Place of Business

Level 1, 76 Waymouth Street,
ADELAIDE SA 5000
Telephone: +61 8 8218 5000
Facsimile: +61 8 8212 5717
Email: admin@pnn-adelaide.com.au

Auditor*

Ernst & Young
Ernst & Young Building
121 King William Street
ADELAIDE SA 5000

Website:
<http://www.pepinnini.com.au>

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in the Prospectus.

2. TIMETABLE

Event	Date
Announcement of Offer	28 June 2012
Lodgement of Prospectus with the ASIC	28 June 2012
Lodgement of Prospectus & Appendix 3B with ASX	28 June 2012
Notice sent to Shareholders	2 July 2012
"Ex" date - the date on which Shares commence trading without the entitlement to participate in the Offer	3 July 2012
Record Date for determining Entitlements	9 July 2012
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders and Company announces the despatch has been completed Offer period opens	12 July 2012
Closing Date*	5.00pm (AEST) 26 July 2012
Shares quoted on a deferred settlement basis	27 July 2012
Notification of under subscriptions to ASX (if any)	31 July 2012
Allotment of new Shares issued under the Offer Deferred settlement trading ends	3 August 2012
Quotation of new Shares issued under the Offer*	7 August 2012

* This timetable is indicative only and subject to change. Subject to the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the closing date will have a consequential effect on the allotment date for the new Shares issued under the Offer.

3. CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the directors of PepinNini Minerals Limited (**Company**), I am pleased to invite you to participate in a pro rata non-renounceable rights issue on the basis of two (2) new Shares for every three (3) Shares held by Shareholders on the Record Date at an issue price of \$0.032 per Share to raise approximately \$1,913,653 (**Offer**).

The Company intends to apply the funds raised from the Offer as set out in Section 6 of this Prospectus.

The Offer provides Eligible Shareholders with the opportunity to increase their investment in the Company at an attractive price and demonstrate their commitment to the next phase of evaluation and development of the Company's projects. The issue price represents a 18% discount to the volume weighted average market price of the Company's Shares for the five (5) trading days to close of the trade on 25th June 2012 (being the last trading day prior to announcement of the rights issue) of \$0.039 per Share.

Eligible Shareholders may also apply for additional Shares in excess of their Entitlement at the same issue price of A\$0.032 per Share. This is an opportunity for Eligible Shareholders to apply for additional Shares in order to top up their holdings at the issue price.

You are encouraged to read this Prospectus and the accompanying Entitlement and Acceptance Form fully. If you have any queries in relation to the Offer, you should consult your stockbroker or other professional advisor.

The Prospectus contains important information about the Offer, including:

- (a) details of the Offer, including key dates;
- (b) actions required by Shareholders; and
- (c) risk factors associated with the Offer.

Should you elect to participate in the Offer, you must complete the personalised Entitlement and Acceptance Form in accordance with the instructions provided.

Shareholders who have any queries about the Offer can contact the Company at any time from 9.00am to 5:00pm (Adelaide time) during the Offer period.

The Offer is partially underwritten by Patersons Securities Limited who is also the Lead Manager to the issue.

The Directors consider that the Company has a positive future and recommend this Offer to you as an opportunity to participate in the future growth of the Company. As an endorsement of their commitment to the Company all Directors intend to take up their respective Entitlements in full.

Yours faithfully,



Norman Kennedy
Chairman and Managing Director

4. IMPORTANT NOTES

4.1 General

This Prospectus is dated 28 June 2012 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares 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 Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall 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.

4.2 Risk factors

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

A summary of some of the company specific risks include:

Risk	Description	Reference in Prospectus
Exploration costs	The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.	Section 7.1(a)

Exploration success	The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.	Section 7.1(b)
Agreements with third parties	The Company has signed various agreements with a number of third parties. There is a risk of financial failure or default by the third party to these arrangements. Any breach or failure may lead to penalties or termination of the relevant contract. In addition, our interest in the relevant subject matter (tenement, for example) may be jeopardised	Section 7.1(c)
Risks associated with operations in Argentina	The Company conducts exploration activities in Argentina. The Company's properties in Argentina may be subject to the effects of political changes, war and civil conflict, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.	Section 7.1(d)
Termination of Underwriting Agreement	The Underwriting Agreement includes various termination events upon the occurrence of which the Underwriters may elect, in its discretion, to terminate the underwriting arrangements. In the event that the Underwriting Agreement is terminated, the Company may not receive the minimum level of subscriptions, in which event the Offer will not proceed and the Company will need to consider other funding options whether it can continue operating as a going concern. For further details of the Underwriting Agreement, refer to Section 9.3 of this Prospectus.	Section 7.1(e)
Potential for significant dilution	Upon implementation of the Offer, the number of Shares in the Company will increase from approximately 89,702,499 to 149,504,165. This means that each Share will represent a significantly lower proportion of the ownership of the Company and Shareholders who do not	7.1(f)

	take up their full Entitlement will have a significantly reduced percentage shareholding in the Company.	
--	----------------------------------------------------------------------------------------------------------	--

5. DETAILS OF THE OFFER

5.1 Offer

The Offer is being made as a non-renounceable entitlement issue of two (2) new Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.032 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of approximately 59,801,666 new Shares will be issued pursuant to the Offer to raise up to approximately \$1,913,653 (before costs).

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 8 of the Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 6 of this Prospectus.

5.2 Minimum Subscription

The minimum subscription in respect of the Offer is \$750,000 (**Minimum Subscription**).

No Shares will be allotted or issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

5.3 Effect of Offer on the Company's existing securities

At the date of this Prospectus the Company has 89,702,499 Shares on issue. The Company has no other Securities on issue.

The principal effect of the Offer on the Company's existing Shares, assuming all Entitlements are accepted will be to increase the number of Shares on issue by approximately 59,801,666 to approximately 149,504,165 Shares.

5.4 Acceptance

Eligible Shareholders may do any of the following:

- (a) take up their full Entitlement under the Offer and apply for Shortfall Shares in excess of their Entitlement (please see below);
- (b) take up their full Entitlement under the Offer but not apply for Shortfall Shares in excess of their Entitlement (please also see below);
- (c) partially take up their Entitlement (please also see below); or
- (d) decline to take up their Entitlement by taking no action (please see below).

The Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who do not take up their Entitlements in full will not receive any amounts in respect of the

Entitlements that they do not take up, and will have a reduced (i.e. diluted) percentage shareholding in the Company after implementation of the Offer.

Entitlements cannot be traded on ASX or any other exchange, nor can they otherwise be transferred. If you do nothing, then a number of new Shares equal to the number of new Shares not taken up under your Entitlement will be made available to Eligible Shareholders who apply for Shortfall Shares in excess of their Entitlement. If there is not sufficient demand from Eligible Shareholders who applied for Shortfall Shares in excess of their Entitlement then the Underwriters will subscribe, or procure subscribers, for the new Shares which are the subject of your Entitlement.

If you are an Eligible Shareholder and wish to take up your Entitlement in full or in part, and how to apply for Shortfall Shares in excess of your Entitlement

What you need to do

If you are an Eligible Shareholder and you:

- (a) wish to take up all or part of your Entitlement; or
- (b) wish to take up all of your Entitlement and also apply for Shortfall Shares in excess of your Entitlement,

you have the following two options.

OPTION 1: Submit your completed personalised Entitlement and Acceptance Form together with a cheque, bank draft or money order.

To follow this OPTION 1, you should:

- (a) complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of Shares you wish to subscribe for; and
- (b) return the Entitlement and Acceptance Form to the Share Registry (the address is below) together with a cheque, bank draft or money order which must be:
 - (i) in respect of the full Application Monies (being \$0.032 per Share multiplied by the number of Shares you wish to subscribe for – if you are not taking up all of your Entitlement or you are applying for Shortfall Shares you will need to calculate this amount yourself);
 - (ii) in Australian currency drawn on an Australian branch of a financial institution; and
 - (iii) made payable to 'PepinNini Minerals Limited' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole Shares as your cleared Application Monies will pay for (and to have

specified that number of Shares on your Entitlement and Acceptance Form). Alternatively, at the discretion of the Company, your Application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order is received at the Share Registry at the following address by no later than 5.00pm (AEST) on 26 July 2012 (subject to variation):

By post to: PepinNini Minerals Limited
C/- Computershare Investor Services Pty Limited
GPO BOX 2987
ADELAIDE SA 5001

For the convenience of Eligible Shareholders, a reply paid envelope addressed to the Share Registry has been enclosed with this Prospectus. If mailed in Australia, no postage stamp is required.

Entitlement and Acceptance Forms (and payments for Application Monies) may be accepted if received after the Closing Date at the absolute discretion of the Company.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted at the Company's registered or corporate offices.

Details of how to apply for Shortfall Shares under the Shortfall Offer are set out in section 5.12 of this Prospectus.

OPTION 2: Pay via BPAY® payment

To follow this OPTION 2, you should pay the full Application Monies via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form, which includes the biller code and your unique reference number. The Application Monies are \$0.032 per Share multiplied by the number of Shares you wish to subscribe for. If you have multiple holdings, you will also have multiple customer reference numbers. You must use the reference number shown on each Entitlement and Acceptance Form to pay for each holding separately. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

Please note that should you choose to pay by BPAY® payment:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form; and
- (b) you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies (the amount of your payment received will be divided by the Offer Price) which will be deemed to be the total number of Shares you are applying for).

You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEST) on 26 July 2012 (subject to variation).

Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by 5.00pm (AEST) on 26 July 2012 (subject to variation).

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of your actual Entitlement. Any Application Monies received for more than your total Entitlement will be deemed to be an application for Shortfall Shares.

In case of either OPTION 1 or OPTION 2, by taking up all or part of your Entitlement you will be deemed to have represented that you are in compliance with the relevant selling restrictions and otherwise agreed to all the terms and conditions of the Offer as set out in this Prospectus.

Details of how to apply for Shortfall Shares under the Shortfall Offer are set out in section 5.12 of this Prospectus.

If you are an Eligible Shareholder and do not wish to take up your Entitlement

If you are an Eligible Shareholder and you do not wish to take up your Entitlement, do nothing. If you do nothing, then new Shares representing your Entitlement will be made available to Eligible Shareholders who apply for Shortfall Shares in excess of their Entitlement, or will otherwise be subscribed for by, or by persons nominated by, the Underwriters and the Company.

You should also note that, if you do not take up your Entitlement, then – although you will continue to own the same number of Shares and may acquire Shares – your percentage shareholding in the Company will be reduced.

5.5 Foreign Shareholders

The offer of Shares under this Prospectus does not constitute a public offer in any jurisdiction outside Australia and New Zealand. This Prospectus does not, and is not intended to, constitute an offer or invitation to subscribe in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. The Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the US or to, or for the account or benefit of, US Persons except in accordance with the applicable exemption from the registration requirements of the US Securities Act pursuant to Regulation D and Rule 144, if applicable, and applicable US state securities laws.

It is the responsibility of Shareholders outside Australia and New Zealand to whom offers under the Offer are made to obtain all necessary approvals for the issue of Shares under this Offer. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that the taking up of the Offer does not breach regulations in the relevant overseas jurisdiction.

5.6 No trading in Entitlements

Entitlements cannot be traded on ASX or any other securities exchange or privately transferred.

5.7 Implications of an Acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

5.8 Underwriting and Directors' sub-underwriting

The Offer is partially underwritten by the Underwriter. Refer to section 9.3 of this Prospectus for details of the terms of the Underwriting Agreement.

The Offer is partially sub-underwritten by Directors Norman Kennedy and Rebecca Holland Kennedy (together, the **Sub-underwriters**) pursuant to sub-underwriting agreements. The Sub-underwriters will not receive any fee for partially sub-underwriting the Offer. The Underwriting Agreement is subject to and conditional upon the Sub-underwriters fulfilling their obligations under the respective sub-underwriting agreements.

The Underwriter has advised the Company that it has entered into general sub-underwriting agreements with clients (in addition to the agreements entered into with the Sub-underwriters)(**General Sub-underwriters**).

Further details of the underwriting and sub-underwriting arrangements are set out in sections 5.11 and 9.3 of this Prospectus.

The Company is making the Shortfall Offer as a separate offer pursuant to this Prospectus. The Board believes that undertaking the Shortfall Offer is an appropriate dispersion strategy to deal with Shortfall which is intended to mitigate the potential control effects of the Offer. The Shortfall Offer gives Eligible Shareholders and other investors the opportunity to apply for any Shares not taken up under the Offer, before the Underwriter may subscribe for any Shortfall. Further details of the Shortfall Offer are set out in section 5.12 of this Prospectus.

5.9 Lead manager

Patersons has also been appointed as Lead Manager to the Offer.

5.10 Director interests

The relevant direct and indirect interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Pre Entitlement Issue		Maximum Sub-Underwriting	Maximum Post Entitlement Issue	
	Shares	Voting power	Shares	Shares	Voting power
Norman Kennedy	21,697,805 ¹	24.19%	17,082,436 ²	38,780,214	25.92%

Rebecca Holland-Kennedy	22,440,016 ¹	25.02%	17,082,436 ²	39,522,452	26.44%
Christopher Lambert	Nil	Nil	Nil	Nil	Nil
Robert WeiSun	67,614 ³	0.08%	45,076	112,690	0.08%

Notes:

1. Norman Kennedy and Rebecca Holland Kennedy are Associates and have a relevant interest in 21,697,805 Shares (being Shares held directly and indirectly by each of them). Rebecca Holland Kennedy has a separate and additional interest in 742,211 Shares.
2. Further to note 1, this figure incorporates the combined sub-underwriting commitments of both Norman Kennedy and Rebecca Holland Kennedy.
3. 30,000 Shares are held directly by Mr Robert Wei Sun. 37,614 Shares are held indirectly by Yaolin Yu, Mr Robert Wei Sun's spouse.

5.11 Effect on control of the Company

(a) Underwriter

The Underwriter has advised that it does not intend to acquire Shares prior to the Record Date. The Underwriter has further advised that it expects its relevant interest in the Company upon completion of the Offer will be less than 3%.

(b) Sub-underwriters

To comply with the requirement to disclose the Sub-underwriters' maximum potential voting power in the Company and the effect of the sub-underwriting by the Sub-underwriters, the following is disclosed.

The relevant interests of the Sub-underwriters pre-Entitlement issue are disclosed in section 5.10.

In the unlikely circumstances that:

- (i) all Shareholders decide not to take up their Entitlement;
- (ii) all General Sub-Underwriters default on their obligations to subscribe for Shortfall Shares as instructed by the Underwriter;
- (iii) the Underwriting Agreement has not been terminated; and
- (iv) only the Minimum Subscription is raised,

the Sub-underwriters could increase their voting power in the Company to 34.3% and 34.9% respectively. The maximum increase in voting power as a result of the sub-underwriting arrangement is therefore 34.9%.

Given the voting power of the Sub-underwriters in the Company as a result of the sub-underwriting, there is also a requirement to provide details of the Sub-underwriter's current intentions for the Company in the event that it gains effective control of the Company. The Sub-underwriters have informed the Company that if they were to gain

effective control of the Company by virtue of its underwriting of the Offer, the Sub-underwriters will procure that the Company will:

- (i) generally continue the business of the Company;
- (ii) not make any major changes to the business of the Company, its financial or dividend distribution policies, nor redeploy any of the fixed assets of the Company. The Sub-underwriters have no present intention to inject further capital into the Company; and
- (iii) continue the employment of the Company's present employees and assist with the ongoing efforts to secure suitable executive management.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligation of the Directors at the time, including any nominees of the Sub-underwriters, to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of Shareholders.

The Sub-underwriters would only make a decision on its courses of action in light of material facts and circumstances at the relevant time and after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirements for Shareholder approval.

The statements above are of current intention only which may change as new information becomes available or circumstances change. The statements should be read in this context.

5.12 Shortfall Offer

The offer of the Shortfall is a separate offer pursuant to this Prospectus. Shares not taken up by Eligible Shareholders will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be \$0.032 each, which is the issue price at which the Offer has been made to Eligible Shareholders.

(a) Eligible Shareholders

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding.

Eligible Shareholders who wish to apply for Shortfall Shares above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Shares (at \$0.032 per Shortfall Share) to the Share Registry.

(b) Other investors

Other investors identified by the Underwriter can apply for Shortfall Shares by completing the Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Shares (at \$0.032 per Shortfall Share) to the Share Registry.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The

Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

The Directors reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer subject to the Listing Rules and any restrictions under any applicable law. The Company reserves the right to allot to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application, or to not proceed with the Shortfall Offer or issue of any Shortfall Shares. .

5.13 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the 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 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 is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

5.14 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out in this Prospectus.

Pending the allotment and issue of the Shares 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 Shares issued under the Offer and Shortfall Shares issued under the Shortfall Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

5.15 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Rebecca Holland-Kennedy, on +61 08 8218 5000. Any queries in regard to your entitlement should be directed to Computershare on 1300 556 161(within Australia) or +61 3 9415 4000 (outside Australia).

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer

The purpose of the Offer is to raise up to approximately \$1,913,653 (before costs).

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription of \$750,000 (\$)	Maximum Subscription of \$1,913,653 (\$)
1	Drill testing of priority nickel copper sulphide targets identified from the recently completed SkyTEM survey at the Musgrave Province Project, South Australia	300,000	520,000
2	Ground geophysical surveys and drill testing of copper/gold targets at the Santa Ines and Chivinar Projects, Salta Province Argentina	250,000	400,000
3	Reconnaissance mapping, surface sampling and drilling of the Old tenements.	Nil	200,000
4	General working capital	63,717	583,366
5	Expenses of the Offer ¹	136,283	210,287
	Total	750,000	1,913,653

Notes:

1. Further details regarding the expenses of the Offer are set out in section 9.8 of this Prospectus.

In the event the Company raises more than the Minimum Subscription of and after accounting for increased Offer costs, the additional funds raised will be first applied towards items 1, 2, 3 and 4 of the above table (and in that order of priority). On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

The above table is a statement of current intentions as of the date of this Prospectus, which includes an estimate of the proposed application of funds for the amount raised. 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.

6.2 Effect of the Offer

The principal effect of the Offer, assuming the Maximum Subscription is raised, will be to:

- (a) increase the cash reserves by \$1,703,366 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 89,702,499 Shares as at the date of this Prospectus to 149,504,165 Shares.

The principal effect of the Offer, in the event only the Minimum Subscription is raised, will be to:

- (c) increase the cash reserves by \$613,717 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (d) increase the number of Shares on issue from 89,702,499 Shares as at the date of this Prospectus to 113,139,999 Shares.

6.3 Pro-forma balance sheet

The auditor reviewed balance sheet as at 31 December 2011 and the unaudited pro-forma balance sheet as at 31 December 2011 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 Consolidated Statement of Financial Position illustrates the effect of the Entitlements Issue as if the Entitlements Issue had occurred on 31 December 2011, fully subscribed. The Company has decided to utilise the 31 December 2011 accounts on the proforma balance sheet.

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.

	31 December 2011	Changes	Pro Forma 31 December 2011
	\$	\$	\$
Current assets			
Cash and cash equivalents	3,163,747	1,913,653	5,077,400
Trade and other receivables	93,505	-	93,505
Total current assets	3,257,253	1,913,653	5,170,906
Non-current assets			
Exploration expenditure	20,522,379	-	20,522,379
Exploration bonds	30,750	-	30,750
Property, plant and equipment	436,126	-	436,126
Total non-current assets	20,989,255	-	20,989,255
Total assets	24,246,508	1,913,653	26,160,161
Current liabilities			

Trade and other payables	235,873	-	235,873
Provisions	313,312	-	313,312
Total current liabilities	549,185	-	549,185
Non-current liabilities			
Provisions	13,701	-	13,701
Total non-current liabilities	13,701	-	13,701
Total liabilities	562,886	-	562,886
Net assets	23,683,622	1,913,653	25,597,275
Equity			
Issued capital	19,214,080	1,913,653	21,127,733
Reserves	362,035	-	362,035
Retained earnings	4,107,507	-	4,107,507
Total equity attributable to equity holders	23,683,622	1,913,653	25,597,275

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted is set out below.

Shares	
Currently on issue	89,702,499
Shares to be issued under Offer	59,801,666
TOTAL SHARES	149,504,165

The Company has no other Securities currently on issue.

7. RISK FACTORS

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

7.1 Company specific risks

(a) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Exploration success

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(c) Agreements with third parties

The Company has signed various agreements with a number of third parties. There is a risk of financial failure or default by the third party to these arrangements. Any breach or failure may lead to penalties or termination of the relevant contract. In addition, our interest in the relevant subject matter (tenement, for example) may be jeopardised.

(d) Risks associated with operating in Argentina

The Company conducts exploration activities in Argentina. The Company's properties in Argentina may be subject to the effects of political changes, war and civil conflict, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection,

mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

These changes may impact the profitability and viability of the Company's tenements. The effect of unrest and instability on political, social or economic conditions in Argentina could result in the impairment of exploration, development and mining operations and the Company's legal title to its mineral tenements. Any such changes are beyond the control of the Company and may adversely affect its business.

Some of the Company's key assets are its contractual interests in tenements in Argentina. Changes in Argentina's laws and regulations may have a significant effect on the Company's exploration operations, especially changes to environmental, mining, grant or renewal of concessions, royalties and taxation.

(e) **Termination of Underwriting Agreement**

The Underwriting Agreement includes various termination events upon the occurrence of which the Underwriters may elect, in its discretion, to terminate the underwriting arrangements. In the event that the Underwriting Agreement is terminated, the Company may not receive the minimum level of subscriptions, in which event the Offer will not proceed and the Company will need to consider other funding options and whether it can continue operating as a going concern. For further details of the Underwriting Agreement, refer to Section 9.3 of this Prospectus.

(f) **Potential for significant dilution**

Upon implementation of the Offer, the number of Shares in the Company will increase from approximately 89,702,499 to 149,504,165. This means that each Share will represent a significantly lower proportion of the ownership of the Company and Shareholders who do not take up their full Entitlement will have a significantly reduced percentage shareholding in the Company.

7.2 Industry specific risks

(a) **Exploration**

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements.

(b) **Native title and Aboriginal Heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Further to this, it is possible that an Indigenous Land Use Agreement (ILUA) may be registered against one or more of the tenements in which the Company has an interest. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(c) **Operations**

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

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

(d) **Resource estimates**

The Company has JORC Code compliant resources on tenements in which it has an interest. An estimate is an expression 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.

7.3 **General risks**

(a) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the exploration and evaluation objectives of the Company. Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and

operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(b) **Commodity price and exchange rate fluctuations**

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 fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, 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 Australian dollar as determined in international markets.

(c) **Competition risk**

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

(d) **General equity market risk**

The value of the Company's Shares, including new Shares to be issued under the Offer may fluctuate. In recent times, the extent of the volatility in the price of the Company's Shares and the wider market has been significant.

Investments in equity markets are generally speculative in nature and potential investors should carefully consider this risk before making any investment in Shares.

There is no guarantee that the Shares will trade at or above the price pursuant to the Offer. Potential investors should also note that past performance of the Shares on ASX provides no guidance as to the future performance of these Shares on ASX.

Many factors will affect the price of Securities including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of Securities.

(e) **Economic factors**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(f) **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.

(g) **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 Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(h) **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:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- 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.

(i) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, 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 permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, 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 Tenements.

(j) **Reliance on key personnel**

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 given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(k) **Risk of international operations generally**

International sales and operations are subject to a number of risks, including:

- (i) potential difficulties in enforcing agreements (including joint venture agreements) and collecting receivables through foreign local systems;
- (ii) potential difficulties in protecting intellectual property;
- (iii) increases in costs for transportation and shipping; and
- (iv) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

Any of these factors could materially and adversely affect the Combined Entity's business, results of operations and financial condition.

7.4 Investment speculative

The above list of risk factors including those in relation to investments in equity markets generally ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may, in the future materially affect the financial performance of the Company and the value of the Shares offered under this

Prospectus. Therefore, the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

8. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The rights attaching to Shares are set out in the Constitution and in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law. The Constitution may be inspected free of charge during normal business hours at the principal place of business of the Company.

The following is a summary of the principal rights of the holders of Shares. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

(a) Meetings and notices

Each Shareholder is entitled to receive notices of meetings. The failure of a Shareholder to receive a notice of meeting does not invalidate the proceedings, or any resolution passed at, any such meeting. No business may be transacted at any meeting of Shareholders unless a quorum of Shareholders is present. Shareholders may attend a general meeting at which the Shareholder is entitled to be present in person, by proxy, by attorney or, in the case of a Shareholder which is a body corporate, by a corporate representative.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every Shareholder present in person or by a representative or attorney has one vote on a show of hands and every such Shareholder present in person or by a representative, proxy or attorney has one vote per fully paid Share on a poll.

Where there are two or more joint holders of the Shares and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of Shareholders.

(c) Dividend rights

Subject to any rights or restrictions attaching to a class of shares, the Company may pay dividends as the Directors resolve. The Directors may fix the time for payment and the method of distribution.

(d) Transfer of Shares

Generally, Shares 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.

The Company may decline to register a transfer of Shares were permitted to do so under the provisions of the Constitution, the Corporations Act and the Listing Rules.

(e) Future issues

Subject to the Constitution, the applicable law and the Listing Rules, the Directors may allot, issue or grant Options over, or otherwise deal with the unissued shares in the Company at the times and on the terms and conditions that the Directors think proper and a share may be issued with preferential, deferred, qualified or special rights, privileges or conditions or restrictions.

(f) **Alteration of constitution**

The Constitution can only be amended by a special resolution (that is, a resolution that has been passed by at least three-quarters of the votes cast by shareholders entitled to vote on the resolution). While the Company is listed, at least 28 days written notice of the special resolution must be given.

(g) **Variation of rights**

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution passed at a separate meeting of the holders of shares of that class or with the written consent of the holders of at least three-quarters of the issued Shares of the affected class.

(h) **Directors**

The minimum number of Directors is three and the maximum is ten. Currently there are four Directors. Directors must retire on rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(i) **Officers' indemnity**

To the extent permitted by the law, the Company must indemnify each officer (including a Director, Auditor and agent of the Company) against any liability which that officer may incur by reason of being an officer or in carrying out the business or exercising the powers of the Company, other than:

- (i) a liability owed to the Company or a related body corporate of the Company;
- (ii) a liability for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act;
- (iii) a liability owed to a person other than the Company that did not arise out of conduct in good faith.

9. ADDITIONAL INFORMATION

9.1 Litigation

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

9.2 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.

Date	Description of Announcement
25/06/2012	Trading halt
15/06/2012	High Grade Copper and Gold surface samples Santa Ines Argentina
12/06/2012	New Priority Drill Targets Musgrave Tenements SA
06/06/2012	Mineral Resource Estimate Update WA Iron Ore Joint Venture
01/06/2012	Details of Share Registry Address
14/05/2012	Robinson Range WA Iron Ore Project Drilling Program Update
30/04/2012	March 12 Quarter Cash Flow and Activities Report
02/04/2012	Exploration Update
14/03/2012	SkyTEM Survey commences over Musgrave Tenements, SA
09/03/2012	Financial Report for the half year ended 31 December 2011
29/02/2012	Drilling Recommences on Three Projects
31/01/2012	December 2011 Cash Flow and Activities Report
28/12/2011	Iron Ore Resource Estimate Robinson Range Joint Venture WA
05/12/2011	Drilling Commences Braemar Iron Project Curnamona SA
01/12/2011	Initial Directors Interest Notice
30/11/2011	Appointment of an Independent Non Executive Director
22/11/2011	Robinson Range Iron Ore Project Drilling Program Update
15/11/2011	WA Plaints Settlement PepinNini Robinson Range
10/11/2011	Shareholder Voting Results Annual General Meeting PepinNini

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.

9.3 Underwriting and Lead Manager Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter has agreed to:

- (a) conditionally underwrite the Offer for 23,437,500 Shares (**Underwritten Shares**); and
- (b) act as lead manager to the Offer.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter:

- (a) an underwriting fee of 6% of the value of the Underwritten Shares (**Underwriting Fee**). This fee will be reduced to 1.5% on the amounts sub-underwritten by the Sub-underwriters;
- (b) a selling fee of 6% of the gross dollar amount raised under the Offer in excess of the underwritten Shares including from the placement of any non-underwritten Shortfall; and
- (c) a \$60,000 management fee.

The Underwriting Agreement is conditional upon:

- (a) the Underwriter completing a review of the Company to its satisfaction; and
- (b) the Underwriter entering into sub-underwriting on terms and conditions satisfactory to the Underwriter, agreements with sub-underwriters for all of the Underwritten shares.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate the Underwriting Agreement in the event any of the termination events set out below:

- (a) **Indices fall**): the All Ordinaries Index (IRESS XAO.ASX) or the S&P/ASX 200 (IRESS:XJO.ASX) or the S&P/ASX Small Resources (IRESS:XSR.ASX) 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 prior to the date of the Underwriting Agreement; or
- (b) **(Share Price)**: the ordinary fully paid shares of the Company finish trading on the ASX under the ASX code of "PNN" on any trading days with a closing price that is less than 3.2 cents.
- (c) **(Prospectus)**: the Offer is withdrawn by the Company; or
- (d) **(Copies of Prospectus)**: the Company does not provide copies of the Prospectus to the Underwriter and such failure is not remedied within 2 days; or
- (e) **(No Official Quotation)**: Official Quotation has not been granted for all the new Shares by the shortfall notice deadline date or, having been granted, is subsequently withdrawn, withheld or qualified; or

- (f) **(Supplementary prospectus):**
- (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (g) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or
- (h) **(Misleading Prospectus):** 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 (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (i) **(Restriction on allotment):** the Company is prevented from allotting the new Shares within the time required by the Underwriting Agreement, the Corporations Act, the ASX 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;
- (j) **(Withdrawal of consent to Prospectus):** 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;
- (k) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (l) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act;
- (m) **(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;
- (n) **(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, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;

- (o) **(Authorisation)** 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;
- (p) **(Indictable offence):** a director or senior manager of a Relevant Company is charged with an indictable offence;
- (q) **(Sub-underwriters):** any of the sub-Underwriters that are introduced by the Company do not comply with its respective obligation under the sub-underwriting agreement with the Underwriter or threaten to not comply with all of its respective obligations under the sub-underwriting agreements with the Underwriter;
- (r) **(Termination Events):** 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) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the ASX Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(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 in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) **(Error in Due Diligence Results):** it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
 - (vi) **(Significant change):** 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;
 - (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus;

- (viii) **(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 Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (x) **(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;
- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(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 foreshadowed in the Prospectus;
- (xvi) **(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 of the offer without the prior written consent of the Underwriter;
- (xvii) **(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;
- (xviii) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 3 Business Days;
- (xix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(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;

- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (xxiii) **(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.
- (xxiv) **(Material Breach)**: if the Underwriter fails to rectify any material breach of the Mandate having been given 10 business days notice in writing by the Company of such breach having occurred.

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.

9.4 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 the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.076	5 April 2012
Lowest	\$0.032	12 June 2012
Last	\$0.036	25 June 2012

9.5 Interests of Directors

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

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

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

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

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

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 \$125,000 per annum.

A Director may be paid fees or other amounts (i.e. 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 remuneration paid per financial year to Directors (inclusive of superannuation).

Directors	2010	2011	2012 (to date)
Norman Kennedy	\$200,000	\$200,000	\$200,000
Rebecca Holland-Kennedy	\$180,000	\$180,000	\$180,000
Chris Lambert	\$40,000	\$40,000	\$40,000
Robert Wei Sun ¹	-	Nil	\$23,333

Notes:

1. Robert Wei Sun was not appointed director until 1 December 2011.

9.6 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:

- (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 Offer; or
- (c) the Offer,

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

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Patersons has agreed to underwrite the Offer and will be paid for these services on the terms and conditions in Section 9.3. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriters have been paid \$10,000 by the Company for the provision of corporate advisory services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of acceptances received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

9.7 Consents

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; and
- (b) to the maximum extent permitted by law, expressly disclaims and take no responsibility for any part of this Prospectus.

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager and Underwriter to the Offer, in the form and context in which it is named.

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to the Company, this Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no

responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Steinepreis Paganin has given and has not withdrawn its consent to be named as the solicitors to the Company in this Prospectus.

Computershare Investor Services Pty Limited has given and has not withdrawn its written consent to be named as the Company's share registry in this Prospectus, in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as share registry. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

9.8 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$210,287 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Minimum Subscription (\$750,000) (\$)	Maximum Subscription (\$1,913,653) (\$)
ASIC fees	2,137	2,137
ASX fees	3,745	7,930
Legal fees	15,000	15,000
Lead Manager Fees	60,000	60,000
Underwriting fees and associated commissions ¹	20,401	90,220
Printing and distribution	25,000	25,000
Miscellaneous	10,000	10,000
TOTAL	136,283	210,287

Notes:

- Further details of the fees payable to the Underwriter are set out in section 9.3 of this Prospectus.

9.9 Electronic Prospectus

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic

prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 8218 5000 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <http://www.pepinnini.com.au>.

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

9.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share 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 allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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

9.11 Taxation implications of Offer

The taxation implications of the Offer and Shortfall Offer will vary depending upon the particular circumstances of each Shareholder. Accordingly, all investors should obtain their own professional advice before concluding on the particular taxation treatment that will apply to them, whether or not those investors participate in the Offer or Shortfall Offer and apply for Shares.

9.12 Privacy Act

If you complete an application for Shares, 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 Shares, the Company may not be able to accept or process your application.

10. 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.



Norman Kennedy
Chairman and Managing Director
For and on behalf of
PEPINNINI MINERALS LIMITED

11. GLOSSARY

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

AEST means Australian Eastern Standard Time as observed in Sydney, Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 9 of the Corporations Act.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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).

Company means PepinNini Minerals Limited (ACN 101 714 989).

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

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

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

Eligible Shareholder means a Shareholder of the Company as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Event of Insolvency means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

Material Adverse Effect means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Rights Shares (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the Shares the subject of the Offer); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
 - (i) the Company and its Subsidiaries either individually or taken as a whole; or

- (ii) an Australian resident shareholder in the Company.

Maximum Subscription means \$1,913,653.

Minimum Subscription means \$750,000.

Offer or Rights Issue means the non-renounceable entitlement issue of two (2) Shares for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.032 per Share to raise up to approximately \$1,913,653 (before costs).

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prescribed Occurrence means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act.
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of the Underwriting Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

Prospectus means this prospectus.

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

Relevant Company means the Company and each Subsidiary.

Securities means the Shares and Options the Company currently has on issue.

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

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

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

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.9 of this Prospectus.

Shortfall Shares means those Shares issued pursuant to the Shortfall.

Sub-underwriters means Norman Kennedy and Rebecca Holland Kennedy together.

Subsidiary means:

- (a) each company which at the date of execution of the Underwriting Agreement or at the time of Completion is a subsidiary of the Company within the meaning of the Corporations Act; and
- (b) each company stated in the Prospectus whose issued capital is to be acquired by the Company, and any subsidiary of such company within the meaning of the Corporations Act.

Underwriter means Patersons Securities Limited (ACN 008 896 311)

Underwriting Agreement means the underwriting agreement dated 27 June 2012 between the Company and the Underwriter, details of which are set out in Section 9.3 of this Prospectus.