



A1 Consolidated Gold

A1 Consolidated Gold Ltd
ABN 50 149 308 921

ASX:AYC

Investment Highlights:

Advanced project on granted mining lease – fully operational mine site including underground development & infrastructure

Mineral Resources in accordance with the JORC Code (2012)
Indicated – 250,000 t @ 5.1 g/t for 41,200 oz Au
Inferred – 1,170,000t @ 6.4 g/t for 240,000 oz Au

Board of Directors:

Chairman
Ashok Parekh

Managing Director
Dennis Clark

Non-Executive Director
Morrie Goodz

Company Secretary
Dennis Wilkins

Capital Structure:

176,683,522 ordinary shares
28,666,667 unlisted options

Contact:

Dennis Wilkins
Tel: +61 8 9389 2111
admin@a1consolidated.com

ASX Release – 2 October 2014

PROSPECTUS AND APPENDIX 3B ENTITLEMENTS OFFER TO RAISE UP TO \$4.63M

A1 Consolidated Gold Limited (ASX:AYC) (“the Company”) is pleased to attach the Prospectus and Appendix 3B for the renounceable Entitlements Offer announced on 23 September 2014.

For further information:

Mr Dennis Clark
Managing Director



For personal use only

A1 CONSOLIDATED GOLD LTD

ABN 50 149 308 921

PROSPECTUS

For a renounceable pro rata Entitlements Offer to Eligible Shareholders of up to 154,598,081 New Shares on the basis of 7 New Shares for every 8 Shares held at 5.00pm (WST) on the record date of 13 October 2014, at an issue price of \$0.03 per New Share to raise up to \$4,637,942 before issue costs

and an Underwriter Option Offer of 51,532,693 Underwriter Options (exercisable at \$0.03 each on or before 30 November 2019) to the Underwriter (or its nominees)

The Entitlements Offer is partially underwritten by Patersons Securities Limited. Refer to Section 5.8 for details regarding the terms and conditions of the Underwriting Agreement

Underwriter and Lead Manager

Patersons Securities Limited

ABN 69 008 896 311

ASFL 239 052

THIS OFFER CLOSSES AT 5.00PM WST ON 27 OCTOBER 2014

VALID ACCEPTANCES MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your entitlement.

IMPORTANT NOTICE

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY (INCLUDING THE RISK FACTORS IN SECTION 3 OF THE PROSPECTUS). THIS PROSPECTUS IS A TRANSACTION-SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH SECTION 713 OF THE *CORPORATIONS ACT 2001*. IF YOU HAVE ANY QUERIES ABOUT ANY PART OF THE PROSPECTUS, PLEASE CONTACT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

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CORPORATE DIRECTORY

| | |
|------------------------------|--|
| Directors | Ashok Parekh – Non-Executive Chairman Dennis Clark – Managing Director Morrie Goodz – Non-Executive Director |
| Company Secretary | Dennis Wilkins |
| Registered Office | C/- Herries Davidson & Co 32 Clifford Street GOULBURN NSW 2580 |
| Website | www.a1consolidated.com.au |
| Underwriter and Lead Manager | Patersons Securities Limited Level 23, Exchange Plaza 2 The Esplanade PERTH WA 6000 |
| *Share Registry | Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153 |
| Solicitors | Price Sierakowski Corporate Level 24, 44 St Georges Terrace Perth, WA 6000 |
| *Auditors | HLB Mann Judd Level 4, 130 Stirling Street PERTH WA 6000 |
| ASX Code | AYC |

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

IMPORTANT NOTICES

General

This Prospectus is dated 2 October 2014 and copy of this Prospectus was lodged with the ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

No New Shares will be allotted or issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus. The Company will apply to the ASX within 7 days of the date of this Prospect for quotation of the New Shares offered by this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005) during normal office hours and can be downloaded from the Company's website at www.a1consolidated.com.au or the ASX website and Eligible Shareholders will be mailed a hard copy of this Prospectus along with a personalised Entitlement and Acceptance Form. Applications for New Shares offered pursuant to this Prospectus may only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlements Offer. Eligible Shareholders who do not take up their Entitlement will have their existing interest in the Company diluted. Please refer to Section 2 for details of how to accept the Entitlements Offer.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance 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.

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

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all information that would be included in a prospectus for an initial public offering.

Speculative Investment

This Prospectus should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should consult your professional adviser. The New Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks. Investors should consult their stockbroker, lawyer, accountant or other professional advisers regarding an investment in the Company if necessary.

Some words and expressions used in this Prospectus have defined meanings which are explained in Section 7 of this Prospectus. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Perth, Western Australian time.

Forward Looking Statements

Some of the statements in this Prospectus may be in the nature of forward looking statements which incorporate an element of uncertainty or risk, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or

results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. The forward looking statements in this Prospectus reflect views held only as at the date of this Prospectus.

Overseas Shareholders

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

Neither this document nor the New Shares or Underwriter Options the subject of the Offer have been, nor will be, registered under the *US Securities Act 1933* and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by Security Transfer Registrars Pty Ltd). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, printed service providers, mail houses and Security Transfer Registrars Pty Ltd.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

You can access, correct and update the personal information that the Company holds about you, subject to certain exemptions at law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office. Please contact the Company or Security Transfer Registrars Pty Ltd 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 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

| Question | Response | Where to find more information |
|---|--|---------------------------------------|
| What are the Offers? | <p>Entitlement Offer: We are offering to issue New Shares to Eligible Shareholders by a pro-rata renounceable Rights Issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for seven New Shares for every eight Shares held on the Record Date.</p> <p>Underwriting Option Offer: We are also offering to issue up to 51,532,693 Underwriter Options to sub-underwriters of the Entitlement Offer. Application will be made for quotation of the Underwriter Options.</p> | <p>Section 1.1</p> <p>Section 1.2</p> |
| What is the Issue Price for the New Securities? | The Issue Price is \$0.03 per New Share and nil for the Underwriting Options. | Section 1.1 |
| What are the terms of the Underwriter Options? | The Underwriter Options have an exercise price of \$0.03 and an expiry date of 30 November 2019. | Section 5.2 |
| Who is an Eligible Shareholder? | The Entitlement Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand at the Record Date. | Section 1.1(b) |
| How many New Securities will be issued? | <p>The expected maximum number of New Securities that will be issued:</p> <ul style="list-style-type: none"> under the Entitlement Offer is approximately 154,598,081 New Shares; and under the Underwriting Offer is 51,532,693 Underwriter Options. <p>Where Option holders who reside in Australia or New Zealand exercise their Options before the Record Date, they will be entitled to participate in the Entitlement Offer. This will increase the maximum number of New Shares that may be issued under the Entitlement Offer.</p> | |
| What is the amount that will be raised under the Entitlement Offer? | <p>At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is \$4,637,942 and the minimum amount being the underwritten amount is \$2,200,000 before expenses. If the existing Option holders exercise their Options before the Record Date so as to participate in the Entitlement Offer, the amount raised under the Entitlement Offer may increase.</p> <p>Nil funds will be raised under the Underwriting Offer.</p> | Section 1.1 |

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| What are the arrangements with the Lead Manager and Underwriter? | <p>Patersons Securities Limited is the Lead Manager and is partially underwriting the Entitlement Offer to the extent of 73,333,334 New Shares (\$2,200,000.00).</p> <p>The fees of the Underwriter and Lead Manager are set out in section 5.8.</p> | Section 1.1 |
| What are the purposes of the Offer? | <p>The purpose of the Entitlement Offer is to raise funds for:</p> <ul style="list-style-type: none"> • Mine development at the A1 Gold Mine. • Loan Repayments; and • Payment of the costs of the Rights Issue process including the underwriting fee. • with any extra funds going to exploration at the A1 Gold Mine and Walhalla tenements. <p>A budget of how the Company intends to use the funds raised is set out in Section 1.4. As with any budget, new circumstances may change the way the funds are applied.</p> <p>The purpose of the Underwriting Offer is to partially remunerate the Underwriter (and/or its nominees) for underwriting the Entitlement Offer.</p> | Section 1.4 |
| What is the effect of the Offers? | <p>The effect of the Offers is to:</p> <ul style="list-style-type: none"> • Increase the number of Shares and Options on issue. • Raise a minimum of \$2,200,000 and up to approximately \$4,637,942 before the costs of the Offers. | Section 4.1 and 4.2 |
| What are the risks of a further investment in the Company? | <p>An Investment in the New Shares should be considered highly speculative. Before deciding to subscribe under the Entitlement Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Resource estimates risk – Mineral Resource estimates are expressions of judgement and actual quality and characteristics of ore deposits cannot be known until mining takes place. • Additional funding requirements – receipt of funds equal to the Underwritten Amount will not be sufficient to enable the Company to commence Stage 1 mining at the A1 Gold Mine. The Company's ability to raise further capital varies according to a number of factors and cannot be guaranteed. • Gold price and exchange rate risk – if the Company achieves success leading to gold production, the Company's potential | Section 3.1 |

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| | <p>income will be exposed to gold price and exchange rate risk.</p> <ul style="list-style-type: none"> • Exploration costs risk – The Company's estimated exploration costs are based on assumptions and subject to significant uncertainties. | |
| What are the alternatives for Eligible Shareholders? | <p>The Entitlement Offer is renounceable so that you are able to trade your Rights.</p> <p>As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> • take up all of your Rights; • take up all of your Rights and: <ul style="list-style-type: none"> ○ apply for Shortfall Shares; ○ take up part of your Rights and sell the balance on the ASX; ○ sell the balance other than on the ASX; ○ allow the balance to lapse; • sell all of your Rights on the ASX; • sell all of your Rights other than on the ASX; or • allow all of your Rights to lapse. | Section 2 |
| What happens if Eligible Shareholders don't accept their Entitlement? | <p>Any Entitlement not accepted will form part of the Shortfall.</p> <p>The Underwriter must apply for the Shortfall Shares up to the Underwritten Amount in accordance with the terms of the Underwriting Agreement. The Underwriter has appointed sub-underwriters to subscribe for the Shortfall up to the Underwritten Amount. Each sub-underwriter will not, by its sub-underwriting increase its relevant interest in Shares to 20% or more. Arrangements made by Mr Clark in respect of his sub-underwriting and loan set-off arrangements have the capacity to increase his relevant interest in the Company from 5.56% to 9.20%</p> <p>Eligible Shareholders are entitled to apply for Shortfall Shares. The Shortfall Shares will be placed at the discretion of the Directors, in consultation with the Underwriter. The Company and the Underwriter reserve the right to place the non-underwritten Shortfall within 3 months from the Closing Date.</p> | Section 1.3 and 1.51.12 |
| What will happen to Ineligible Shareholders' Rights? | <p>The Company has appointed the Underwriter as nominee to sell the Ineligible Shareholders' Rights. The Underwriter will sell the Ineligible Shareholders' Rights and distribute the proceeds of the sale net of expenses (in Australian dollars) to each of the Ineligible Shareholders in proportion to their shareholdings.</p> | Section 1.11 |

PROPOSED TIMETABLE

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| Prospectus lodged with the ASIC and the ASX and Appendix 3B | 2 October 2014 |
| Notice sent to Optionholders | 3 October 2014 |
| Notice sent to Shareholders containing Appendix 3B details and indicative timetable | 8 October 2014 |
| Last date to purchase Shares on market to participate in Entitlements Offer | 9 October 2014 |
| "Ex" Date ¹ and Rights trading commences | 9 October 2014 |
| Record Date (5:00pm WST) for determining Entitlements | 13 October 2014 |
| Prospectus and Entitlement and Acceptance Form dispatched to Eligible Shareholders | 16 October 2014 |
| Opening Date of Entitlements Offer and Underwriter Option Offer | 16 October 2014 |
| Rights trading ends | 20 October 2014 |
| New Shares quoted on a deferred basis | 21 October 2014 |
| Last day to extend the Closing Date | 22 October 2014 |
| Closing Date for acceptances and receipt of application under the Entitlements Offer at 5.00pm (WST) and the Underwriter Option Offer | 27 October 2014 |
| Notify the ASX of Shortfall | 30 October 2014 |
| Allotment and issue of New Shares and despatch of holding statements for New Shares | 3 November 2014 |
| Date of quotation of New Shares and trading of New Shares is expected to commence | 4 November 2014 |
| Issue of Shortfall Shares to Underwriter (on or around) | 4 November 2014 |
| Issue of Underwriter Options to Underwriter (or nominees) (on or around) | 4 November 2014 |

1. The date on which Shares commence trading with the Entitlement to participate in the Entitlements Offer

This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to vary the above dates without prior notice including extending the Closing Date, or to delay or withdraw the Offer at any time. If withdrawn, all Application Money for New Shares which have not been issued will be refunded (without interest) as soon as practicable. **Applicants are therefore urged to lodge their Entitlement and Acceptance Form as soon as possible.**

1. Details of the Offers

1.1. The Entitlements Offer

(a) Overview

The Company is making a renounceable pro rata offer of New Shares to Eligible Shareholders of up to 154,598,081 New Shares (assuming no existing Options are exercised between the lodgement date of this Prospectus and the Record Date) on the basis of 7 New Shares for every 8 Shares held at 5:00pm (WST) on the Record Date at an issue price of \$0.03 each to raise up to \$4,637,942 before issue costs (**Entitlements Offer**). The Entitlements being offered are renounceable which means that Eligible Shareholders can sell or transfer their Entitlement during the course of the Entitlements Offer. Rights trading commences on 9 October 2014 and ceases on 20 October 2014. For information on how to deal with your Entitlement, please refer to Section 2.

(b) Eligible Shareholders

Eligible Shareholders may participate in the Entitlements Offer. Eligible Shareholders are those persons who:

- (i) are registered as a holder of Shares as at 5:00pm (WST) on the Record Date; and
- (ii) have a registered address in Australia or New Zealand.

Please refer to Sections 1.9 to 1.11 regarding the treatment of overseas Shareholders.

(c) Minimum Subscription

There is no minimum subscription for the Entitlements Offer or the Underwriter Option Offer.

(d) Underwriting and sub-underwriting

The Entitlements Offer is partially underwritten to the value of \$2,200,000 (73,333,334 New Shares) (**Underwritten Amount**) by Patersons Securities Limited. Refer to Section 5.8 for a summary of the terms of the Underwriting Agreement including the commission payable to the Underwriter for underwriting the Entitlements Offer and the circumstances in which it may be terminated.

The Underwriter has entered into sub-underwriting agreements with several parties including Mr Dennis Clark, a Director & FSS Advisory Pty Ltd.

(e) Fractional Entitlements

Fractional Entitlements of the Entitlements Offer will be rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements.

(f) Your Entitlement and Acceptance

Eligible Shareholders who are on the Company's share register at 5:00pm (WST) on the Record Date, being 13 October 2014, are eligible to participate in the Entitlements Offer. The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

This Entitlements Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Entitlements Offer period or close the Entitlements Offer early. Instructions for accepting your Entitlement are set out in Section 2 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

The Underwriter Option Offer is only available to the Underwriter (and/or its nominees).

(g) Rights trading

The Entitlements, or Rights, to New Shares are renounceable, which enables Eligible Shareholders who do not want to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Eligible Shareholders are also entitled to purchase Additional New Shares if they wish to do so. Trading of Rights on the ASX is expected to commence on 9 October 2014 and end on 20 October 2014.

There is no rights trading in relation to the Underwriter Options.

(h) Opening and Closing Dates

The Offer will open for receipt of acceptances on 16 October 2014 and will close at 5.00pm (WST) (3.00pm (WST) for BPAY®) on the Closing Date, being 27 October 2014 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

(i) Applying for Additional New Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlement, apply for Additional New Shares in excess of their Entitlement.

Additional New Shares will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlements Offer. Additional New Shares will be issued at the same price (\$0.03 each) as the New Shares offered under this Prospectus. It is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlements Offer that, Applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for if so allocated. If a lesser number of Additional New Shares is allocated to them than applied for, excess Application Money will be refunded without interest. The Company reserves the right to scale back any Applicants for Additional New Shares as directed by the Underwriter in its absolute discretion.

If any Shortfall remains after the allocation of the Additional New Shares to Eligible Shareholders as described above, the Shortfall will be dealt with under the Shortfall Offer as set out in Section 1.3 of this Prospectus.

1.2. The Underwriter Option Offer

As required by the terms of the Underwriting Agreement, the Company also offers for subscription under this Prospectus 51,532,693 Underwriter Options to the Underwriter (and/or its nominees) (**Underwriter Option Offer**) as part consideration for underwriting the Entitlements Offer. No funds will be raised pursuant to the Underwriter Option Offer.

The Company will issue approximately 21,400,000 Underwriter Options upon completion of the Entitlements Offer pursuant to the Company's issue capacity under Listing Rule 7.1. The Company will seek Shareholder approval to issue the balance of the Underwriter Options at the Company's 2014 annual general meeting. If Shareholder approval is not received for the issue of the balance of the Underwriter Options the Company will pay 1.4 cents for each Underwriter Option that would have been issued.

1.3. Shortfall Offer

New Shares not taken up by Eligible Shareholders (including pursuant to applications for Additional New Shares) will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be not less than \$0.03 each, being the price of the New Shares offered to Eligible Shareholders pursuant to the Entitlements Offer. Accordingly, Shortfall Shares will only be issued if the Entitlements Offer is undersubscribed. In such circumstances, the Directors, in consultation with the Underwriter, reserve the right to place the Shortfall at their discretion within 3 months after the close of the Entitlements Offer, subject to the Listing Rules and any other applicable law.

1.4. Purpose of the Offer

The purpose of the Entitlements Offer is to raise a minimum of \$2.2m and up to \$4,637,942 before issue costs. The Directors intend to apply the proceeds from the Entitlements Offer as set out below:

A1 CONSOLIDATED GOLD LIMITED
DETAILS OF THE OFFER

| Proceeds of the Entitlements Offer | Entitlements Offer fully subscribed | Entitlements Offer subscribed to the value of (\$3,400,000) | Entitlements Offer subscribed to Underwritten Amount only (\$2,200,000) |
|------------------------------------|-------------------------------------|---|---|
| | \$ | \$ | \$ |
| Mine planning and development | 1,700,000 | 1,450,000 | 1,200,000 |
| Production mining | 100,000 | 100,000 | 0 |
| Transport and tenement costs | 200,000 | 200,000 | 0 |
| A1 Gold Mine exploration | 100,000 | 100,000 | 0 |
| Walhalla tenements exploration | 500,000 | 0 | 0 |
| Loan repayments | 540,000 | 540,000 | 540,000 |
| Working capital | 1,000,979 | 618,000 | 159,692 |
| Costs of the Offer | 486,963 | 392,000 | 300,308 |
| TOTAL | 4,627,942 | 3,400,000 | 2,200,000 |

Receipt of funds equal to the Underwritten Amount only will not provide sufficient funds to enable the Company to commence Stage 1 mining at the A1 Gold Mine and the Company will require additional funding. See Section 3.1 for further information.

The proposed use of funds outlined above is a statement of current intentions as at the date of this Prospectus. Intervening events and new circumstances have the potential to ultimately affect the way funds are expended. The Directors reserve the right to vary the proposed use of funds accordingly.

In the event that the Company only raises funds for the Underwritten Amount, the funds raised (after payment of the expenses of the Entitlements Offer) will be applied in the manner set out in the third column of the table above.

Funds received in excess of the Underwritten Amount will be applied pro rata towards the activities necessary to achieve Stage 1 mining at the A1 Gold Mine. If the Entitlement Offer is not fully subscribed it is uncertain whether the Company will have sufficient funds to commence production. In the event that anything less than Full Subscription is achieved the Company will work with the Underwriter to place the Shortfall in the three months following the Close of the Offer, and, failing successful placement of the Shortfall, may seek alternative sources funding.

Unallocated working capital may be utilised by the Company to pay for cost overruns in budgeted expenditures (if any), additional exploration and development expenditure, the acquisition of new resource opportunities and in the administration of the Company.

The purpose of the Underwriter Option Offer is to partially remunerate the Underwriter (and/or its nominees) for underwriting the Entitlements Offer in accordance with the terms of the Underwriting Agreement, as detailed in Section 5.8. No funds will be raised pursuant to the Underwriter Option Offer. In the event that all the Underwriter Options are exercised prior to the expiry date, the Company would receive \$1,545,980, which would be added to working capital.

The Company will issue approximately 21,400,000 Underwriter Options upon completion of the Entitlements

Offer pursuant to the Company's issue capacity under Listing Rule 7.1. The Company will seek Shareholder approval to issue the balance of the Underwriter Options at the Company's 2014 annual general meeting. If Shareholder approval is not received for the issue of the balance of the Underwriter Options the Company will pay 1.4 cents for each Underwriter Option that would have been issued.

1.5. Effect of the Entitlements Offer on the Control of the Company

Gaffney's Creek Gold Mine Pty Ltd and control of the Company

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if, because of the transaction in relation to securities, a person's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%). There are exceptions to that prohibition, including an acquisition pursuant to a rights issue (if the conditions of item 10 of section 611 of the Corporations Act are satisfied).

Gaffney's Creek Gold Mine Pty Ltd currently has a relevant interest below 20% with approximately 18.9% of the issued voting shares of the Company. The Company has received confirmation from Gaffney's Creek Gold Mine Pty Ltd that they will not take up their Entitlement.

Underwriter and control of the Company

As at the date of this Prospectus, the Underwriter does not beneficially hold any Shares in the Company. The Underwriter is not a related party as defined in section 228 of the Corporations Act. The Underwriter has entered into various sub-underwriting agreements with sub-underwriters and the Underwritten Amount is fully sub-underwritten.

In the event that Shareholders do not take up some or all of their Entitlements under the Entitlements Offer, then a Shortfall will result and Underwriter and/or the sub-underwriters will be obliged to subscribe for the Shortfall Shares making up the balance of the Underwritten Amount.

In the event that there is a 100% Shortfall (i.e. no Shareholder applies for their Entitlement) and Shares are issued to the value of the full Underwritten Amount, neither the Underwriter nor any sub-underwriter will acquire voting power in the Company of more than 20%.

1.6. Entitlement and Acceptance Form

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the accepted Entitlement. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of your Entitlement.

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

1.7. Allotment and Application Money

New Shares will be issued only after all Application Money has been received and the ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 3 November 2014 and trading of the New Shares on the ASX is expected to commence on 4 November 2014.

Shares issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Money will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the allotment and issue of the New Shares, all Application Money received will be held in a special purpose account for the purpose of depositing Application Money. After any Application Money is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

Holding statements for New Shares issued under the Entitlements Offer will be mailed in accordance with the Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

1.8. ASX quotation

The Company will apply to the ASX within 7 days after the date of this Prospectus for the New Shares and Underwriter Options to be granted Official Quotation. If permission is not granted by the ASX for the official quotation of the New Shares and Underwriter Options offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, any Application Money received pursuant to this Prospectus in full (without interest) or otherwise take such steps as required by section 724 of the Corporations Act.

The fact that the ASX may agree to grant Official Quotation of the New Shares and Underwriter Options is not to be taken in any way as an indication of the merits of the Company or the New Shares. The ASX takes no responsibility for the contents of this Prospectus.

1.9. Issue Outside Australia and New Zealand

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make such an offer. No action has been taken to register or qualify the New Shares or the Entitlements Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside of Australia and New Zealand.

Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Entitlements Offer contemplated by this Prospectus, then the Prospectus and accompanying Entitlement and Acceptance Form are provided for information purposes only.

The Entitlements Offer made to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Entitlement and Acceptance Form will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder.

1.10. Ineligible Shareholders

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has determined, in reliance of Listing Rule 7.7.1, that it would be unreasonable to extend the Entitlements Offer to Ineligible Shareholders, having regard to:

- the small number of Ineligible Shareholders;
- the small number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- the cost of complying with the legal and regulatory requirements in the respective overseas jurisdictions.

Accordingly, the Entitlements Offer is not being extended to any Shareholder outside Australia and New Zealand unless that Shareholder would be eligible under all applicable securities laws to receive an offer of, and be issued, New Shares under the Entitlement Offer.

1.11. Appointment of Foreign Holder Nominee

The Company has appointed Paterson Securities Limited as the Company's foreign holder nominee (**Nominee**) for the Shareholders who are ineligible to participate in the Entitlement Offer to arrange the sale of the Entitlements which would have been offered to such Shareholders. The Company will transfer these Entitlements to the Nominee who will account to the Company's share registry who will then dispatch the net proceeds (if any) (i.e. sale proceeds after deducting fees and GST) to each excluded Shareholder. The fee will be calculated as the higher of \$250.00 or 1% (plus GST) of the value of the Entitlements sold.

The Nominee has the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner of any such sale. Neither the Company nor the Nominee will be subject to any liability for failure to sell the Entitlement or to sell them at a particular price.

If, in the reasonable opinion of the Nominee, there is not a viable market for the Entitlements or a surplus over the expenses of sale cannot be obtained for the Entitlements that would have been offered to the excluded

Shareholders, then the Entitlements will be allowed to lapse and they will form part of the Shortfall Shares.

1.12. Notice to nominees and custodians

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

1.13. Market price of Shares

The highest and lowest market sale price of the Company's existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during three months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price on the date before the date of lodgement of this Prospectus, are set out below

| | 3 months high | 3 month low | Last market sale price |
|-----------------|---------------------------|-----------------------------|-----------------------------|
| Existing Shares | \$0.063 on 20 August 2014 | \$0.05 on 30 September 2014 | \$0.05 on 30 September 2014 |

1.14. CHESS

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

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement Pty Ltd will send you a CHESS statement. The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by 3 November 2014 and will contain the number of New Shares issued to you and your security holder reference number.

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

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

1.15. Rights and Liabilities attaching to the New Shares and Underwriter Options

The New Shares will rank equally in respect of dividends, voting and in all other respects as existing Shares. A summary of the rights and liabilities attaching to the New Shares is set out in Section 5.1.

The Underwriter Options will be exercisable at \$0.03 on or before 30 November 2019. A summary of the rights and liabilities attaching to the Underwriter Options is set out in Section 5.2.

1.16. Proposed Options

(a) Loyalty Options

It is proposed that Shareholders be offered a loyalty bonus issue of Options approximately six weeks after the commencement of trading of the New Shares on the ASX. The Options will have an exercise price of \$0.03 and an expiry date of 30 November 2019 and will be offered on the basis of one Option for every three Shares held at the relevant record date (**Loyalty Options**). The Company intends to seek quotation of the Loyalty Options on ASX. A separate Prospectus will be sent to eligible shareholders registered at the Loyalty Option record date which is anticipated to be on or about 1 December 2014.

(b) Executive Options

The Company intends to propose to Shareholders that the Directors be issued Options totalling 10% of the resulting Shares capital of the Company on completion of the Offer (which amount would equal 33,128,160 Options in total assuming full subscription and 25,001,685 Options in total assuming subscription to the Underwritten Amount) (**Executive Options**). It is proposed that the Executive Options will have an exercise price of \$0.05 will expire 5 years after the date of issue and will vest in three equal tranches on the delivery of three performance milestones, as follows:

- (i) completion of the decline to 1460 on time and to budget;
- (ii) commencement of production on a sustained basis for 6 months in line with the agreed development plan; and
- (iii) delivery of a maiden profit and dividend of \$0.0075 per Share or more.

1.17. Risk factors

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The New Shares should be regarded as speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares under this Prospectus. The risk factors affecting an investment in the Company are set out in Section 3.

1.18. Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares or Underwriter Options under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

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

1.19. Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2014 is in the Annual Financial Report which was lodged with the ASX on 30 September 2013.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 September 2013 are listed in Section 5.5.

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

1.20. Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting the Company's Share Registry, Security Transfer Registrars Pty Limited by telephone on +61 (0)8 9315 2333.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9389 2111.

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

2. Action required by Eligible Shareholders

2.1. What Eligible Shareholders may do:

The number of New Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form accompanying this Prospectus. If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Entitlement (refer to Section 2.2);
- take up all of your Entitlement and apply for Additional New Shares (refer to Sections 1.1(i) and 2.3); and
- sell all of your Entitlement on the ASX (refer Section 2.4);
- take up part of your Entitlement and sell the balance on the ASX (refer Section 2.5);
- deal with part or all of your Entitlement other than on the ASX (refer Section 2.6); or
- allow all or part of your Entitlement to lapse (refer to Section 2.7).

2.2. If you wish to take up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form to apply for the number of New Shares you wish to take up in accordance with the instructions set out in that form and arrange for payment of the Application Money in accordance with Section 2.8. If you elect to pay by BPay®, you do not need to return the Entitlement and Acceptance Form but you will be deemed to have accepted your Entitlements upon receipt of the BPay® payment.

2.3. Applications for Additional New Shares

Eligible Shareholders (other than Directors and related parties of the Company) may, in addition to taking up their Entitlements in full, apply for Additional New Shares in excess of their Entitlement as described in Section 1.1(i).

If you wish to subscribe for Additional New Shares in addition to your Entitlement, then you should nominate the maximum number of Additional New Shares you wish to subscribe for on the Entitlement and Acceptance Form and make payment of your full Entitlement and the Additional New Shares (at the issue price of \$0.03 for each Additional New Share) in accordance with Section 2.8.

Eligible Shareholders who apply for Additional New Shares may be allocated a lesser number of Additional New Shares than applied for, or may be allocated no Additional New Shares at all, in which cases excess Application Money will be refunded without interest.

2.4. If you wish to sell all of your Entitlement

Complete the section marked “**Instructions to Stockbroker**” on the back of the Entitlement and Acceptance Form in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on the ASX on 9 October 2014. Sale of your Rights must be completed by 20 October 2014 when Rights trading is expected to cease.

2.5. If you wish to take up part of your Entitlement and sell the balance

Complete the accompanying Entitlement and Acceptance Form by inserting the number of New Shares for which you wish to accept (being less than as specified on the Entitlement and Acceptance Form) and complete the section marked “**Instructions to Stockbroker**” on the back of the form in respect of that part of your Entitlement you wish to sell.

Forward the completed Entitlement and Acceptance Form to your stockbroker and arrange for payment of the Application Money for the New Shares accepted in accordance with Section 2.8. Your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Company's share registry by 5.00pm

(WST) on 27 October 2014 (3.00pm (WST) for BPAY®).

Rights trading will commence on the ASX on 9 October 2014. Sale of your Rights must be completed by 20 October 2014 when Rights trading is expected to cease.

2.6. If you wish to transfer your Entitlement other than on the ASX

If you are a Shareholder and hold Shares on the issuer sponsored sub-register, forward a completed standard renunciation and transfer form (obtainable through your stockbroker or the Company's share registry) together with your Entitlement and Acceptance Form completed by the transferee and the transferee's cheque for the appropriate Application Money for the New Shares they wish to subscribe for to the Company's share registry (by post at any time after the issue of this Prospectus and before the Closing Date).

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

2.7. Allow all or part of your Entitlement to lapse

If you wish to allow all or part of your Entitlement to lapse, you are not obliged to do anything. The number of Shares you hold as at the Record Date and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

You will receive no benefit or New Shares and your Entitlement will become available as Additional New Shares or form part of the Shortfall Offer. It is therefore important that, if you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

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

The Company and the Underwriter, at their discretion, will deal with any New Shares not accepted.

2.8. Payment

The issue price for New Shares is payable in full on application by a payment of \$0.03 per New Share. You may pay the Application Money by BPay® or cheque.

Completed Entitlement and Acceptance Forms must be accompanied by a bank draft or cheque in Australian dollars, crossed "**Not Negotiable**" and made payable to "**A1 Consolidated Gold Limited**" and lodged and received at the Company's share registry (by delivery or by post) no later than **5.00pm (WST) on the Closing Date**:

By delivery: Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153

By post: Security Transfer Registrars Pty Limited
PO Box 535
APPLECROSS WA 6953

The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

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

Alternatively, if you elect to pay via BPAY®, then you must follow the instructions for BPAY® on the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

It is your responsibility to ensure that funds submitted through BPAY® are received by 3.00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

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

Any Application Money received for more than your Entitlement will be applied toward an application for Additional New Shares and where such Additional New Shares are not allotted, shall be refunded. No interest will be paid on any Application Money received or refunded.

2.9. Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Money, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself, or each person on whose account you are acting, that the law in your place of residence and/or where you have been given the Prospectus does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Entitlements Offer;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the *US Securities Act 1933*; and
- agree that the Company makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Entitlements Offer save as expressly provided in this Prospectus or as required by law.

2.10. Privacy

If you complete an application for New Shares, you will be providing personal information to the Company. The Company will collect, hold and use the information provided by Applicants to process applications and to administer investments in the Company.

If the information requested in the Entitlement and Acceptance Form is not provided, the Company and the Company's share registry may not be able to process the relevant application.

The Company may disclose personal information for purposes related to Shareholders' investments to the Company's agents and service providers. The types of agents and service providers that may be provided with personal information and the circumstances in which personal information may be shared are:

- the Company's share registry for ongoing administration of the shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and for associated actions.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1998* (Cth), the Corporations Act and the ASX Settlement Operating Rules.

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.

For personal use only

3. Risk Factors

Activities in the Company, as in any business, are subject to risks, which may impact on the Company's future performance. The Company has 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:

3.1 Specific Risks associated with the Company

(a) Resource Estimates

Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, values of ore deposits are based on future costs and future prices and consequently, the actual Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

(b) Additional Requirements for Funding

As disclosed in Section 1.4, receipt of funds equal to the Underwritten Amount only will not provide sufficient funds to enable the Company to commence Stage 1 mining at the A1 Gold Mine and the Company will require additional funding. The Directors, in consultation with the Underwriter, reserve the right to place the Shortfall at their discretion within 3 months after the close of the Entitlements Offer, subject to the Listing Rules and any other applicable law. However, there is no guarantee that investors will be able to be identified.

In general, the Company's funding requirements depend on numerous factors including the Company's ability to generate income from its mine development project, future exploration and work programs, meeting its future obligations and the acquisition of new projects. It may require further funding in addition to current cash reserves to fund exploration and mine development activities.

The Company's ability to raise further capital, either equity or debt, within an acceptable time, of sufficient quantum and on terms acceptable to the Company will vary according to a number of factors, including:

- prospectivity of projects (existing and/or future);
- the results of exploration, development and mining;
- stock market and industry conditions; and
- the price of relevant commodities and exchange rates.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(c) Ore Tolling Treating

The Company has executed an Ore Tolling Treating Agreement with Balmaine Gold Pty Ltd, a wholly owned subsidiary of Castlemaine Goldfields Limited.

Castlemaine Goldfields Limited is a gold explorer and producer located in Australia's historic central Victoria gold belt. Castlemaine Goldfields Limited was acquired by LionGold Corp Ltd in August 2012 following a successful takeover offer.

In September 2013, LionGold Australia Pty Ltd agreed to subscribe to new Shares at A\$0.116 in two tranches.

In October 2013 the Company completed the placement of a total of 24,137,931 Shares to LionGold Australia Pty Ltd, a wholly owned subsidiary of LionGold Corp Ltd from Tranche 1, raising \$2.8M. The Company issued 20,731,338 Shares. The completion of Tranche 2 shares was unsuccessful with only \$200,000 being received from a total \$1.2M. LionGold is currently in default of the placement agreement. The Company believes there may be a potential contracting risk from Balmaine Gold Pty Ltd providing essential services as a result of the failed capital raising with the Company. However, the Company believes that this risk has been mitigated by the Company having varied the Toll Treatment Agreement to allow for it to be terminated on 2 months' notice and also to offset an amount of \$1,000,000 in ancillary service fees payable to Balmaine Gold Pty Ltd.

(d) Geotechnical Risks

Geotechnical risks arise from the movement of the ground during and following mining activity. Risks may relate to slope failures and slippages, to changes to flows in water courses and surface water bodies or they may relate to movements of structures and infrastructure adjacent to or within the mine.

This may result in temporary or permanent access to ore being cut off. The loss of access to ore may have a significant impact on the economics of the ore body. Additionally, significant additional costs may result from designing and constructing alternative access drives which will also impact the economics of the mining operation, potentially making the mine uneconomic.

Prior assessment of the extent and magnitude of ground movements that could take place and to examine the potential impact of any ground movements within the mine and surrounding area should be evaluated within the mine and surrounding area. If risks are identified appropriate action must be taken and adequate controls implemented to ensure risk levels are maintained at a level which is reasonably practical.

(e) Title and Tenure

Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The relevant legislation governing the title and tenure of the Company's tenements is the Mining Act. A number of changes to the Mining Act became effective in February 2012 one of which specifies that an exploration licence may not be renewed more than once unless exceptional circumstances apply.

The initial grant of exploration licence EL 5109 was granted less than 5 years ago and as such will be subject to the amended renewal and relinquishment provisions. The amendments to the Mining Act introduced a limit on the number of renewals available for an exploration licence. Subsequent to the initial 5 year grant of an exploration licence, one renewal of up to a further 5 years is permitted. If there are exceptional circumstances a second renewal may be permitted, following which no further renewals will be permitted. Further relinquishment requirements apply, being a 20% reduction at the end of the seventh year of grant, and 10% at the end of the tenth year of grant.

The Company has an interest in one mining licence which has been granted under the Mining Act. The amendments to the Mining Act will require that the grant of a new mining licence is subject to the identification of a Mineral Resource. Pursuant to the Mining Act, existing mining licences will continue without the requirement to identify a JORC Code indicated resource or provide a mineralisation report during the current term of the mining licence. Upon renewal of the mining licence, MIN 5294 will be subject to the amended renewal and relinquishment provisions including the requirement that a mineral resource be identified on the tenements.

(f) Reliance on Key Personnel

Several of the Directors have intimate knowledge of the A1 Gold Project site, including managing director Mr Dennis Clark. Under the terms of Mr Clark's employment agreement, he may provide 3 months' notice in writing to terminate the employment agreement without cause. The responsibility of overseeing the Company's day to day operations and setting the Company's strategic direction and policy is substantially the responsibility of managing director, Mr Clark. If Mr Clark was to terminate his employment agreement by providing 3 months' written notice to the Company, there is a risk that this would have a materially adverse effect on the Company and its operations.

(g) Exploration risk

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.

(h) Gold Price Volatility and Exchange Rate Risks

If the Company achieves success leading to gold 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 for commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(i) Operating Risks

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, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, 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, and plant and equipment and contracting risk from third parties providing essential services.

In the event that the Company commences production:

- its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents;
- assumptions in the mining models may prove to be wrong including because of changes in economic circumstances or fluctuations in the unitary parameters referred to above,

accordingly, for these and other reasons, no assurances can be given that the Company will achieve commercial viability through the development and/or mining of its projects. Until the Company is able to realise value from its projects, it is likely to incur on-going operating losses.

(j) Failure to Satisfy Expenditure Commitments

Each licence or lease carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in its

tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Currently, the minimum annual expenditure commitments for each of the Company's granted tenements have been met.

(k) Environmental Risks

The Company's exploration programs and any mining operations will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project meeting environmental guidelines and, where required, being approved by governmental authorities. As with most mineral exploration and development projects, the Company's activities are expected to have an impact on the surrounding environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligations required, including compliance with the relevant environmental laws.

(l) Aboriginal Sites and Native Title Claims

The Company's tenements are subject to the provisions of the Commonwealth Heritage Act. The Commonwealth Heritage Act contains provisions designed to preserve and protect from injury or desecration areas and objects which are of particular significance to Aboriginal people in accordance with Aboriginal tradition. An area or object is found to be desecrated if it is used or treated in a manner inconsistent with aboriginal tradition.

The Company's tenements are also subject to the Victorian Heritage Act which makes it an offence to commit an act which harms Aboriginal culture or heritage. There is a requirement for an Aboriginal site to be registered under the Victorian Heritage Act, by following which consent from the DPCD is required where any use of the land is likely to result in harm to Aboriginal culture or heritage.

The Company must ensure that any interference with such sites is in strict conformity with the provisions of the Commonwealth Heritage Act and the Victorian Heritage Act. Additionally, the Mining Act provides that the holder of a tenement must not conduct work within any land that is located 100 metres laterally of any land protected by the Victorian Heritage Act.

The Company's tenements do not overlap any registered Aboriginal Heritage Sites, however, search results from the DPCD indicate that the tenements are overlapped by an area of cultural sensitivity. There remains a risk that the Company's tenements may contain areas or objects which are of significance to Aboriginal people and the discovery of such an area or object may disrupt the Company's plans for mining its tenements.

(m) Regulatory Risk

The Company's potential mining operations and 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 the 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 further 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.

3.4 General Risks

(a) Economic Risks

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

Further, 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;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

(b) Taxation Risk

Any change in the Company's tax status or the tax applicable to holding Shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

(c) Changes in Government Policy

Adverse changes in Federal or Victorian 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 Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(d) Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive.

(e) Competition Risk

The industry in which the Company will be 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.

(f) Trading Risks

The price at which the Company's Shares trade on the ASX may be higher or lower than the issue price of the New Shares pursuant to the Entitlements Offer and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in commodity prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase.

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

(g) Force Majeure

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

(h) Litigation Risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

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4. Effect of the Offer

4.1 Principal effect of the Offer

The principal effects of the Entitlements Offer will be to:

- (a) increase the Company's cash reserves by a minimum of \$2,200,000 and up to \$4,637,942 (before taking into account the costs of the Entitlements Offer);
- (b) increase the number of Shares on issue from 176,683,522 to up to 331,281,604 (assuming no Options are exercised prior to the Record Date and Entitlements are taken up in full);
- (c) increase the number of Options on issue by 51,532,693; and
- (d) provide the Company with additional capital for the purposes referred to in Section 1.4.

The pro-forma Statement of Financial Position summarising the effects of the Entitlements Offer is set out in Section 4.3.

4.2 Effect of the Offer on the Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below (assuming no Options are exercised by the Record Date):

| | Number of Shares | |
|---|--------------------|-----------------------------------|
| | Fully subscribed | Subscribed to Underwritten Amount |
| Shares quoted on ASX as at date of Prospectus | 176,683,522 | 176,683,522 |
| New Shares issued pursuant to this Prospectus | 154,598,081 | 73,333,334 |
| Total issued Shares | 331,281,604 | 250,016,856 |

| | Unlisted Options (\$0.40, 31/12/2014) | Unlisted Options (\$0.42, 31/12/2014) | Underwriter Options (Listed Options, \$0.03, 30/11/2019) |
|--|--|--|--|
| Options as at date of Prospectus | 26,666,667 | 2,000,000 | Nil |
| Underwriter Options issued pursuant to this Prospectus | Nil | Nil | 51,532,693 |
| Total issued Options | 26,666,667 | 2,000,000 | 51,532,693 |

The Company has 28,666,667 Options on issue at the date of this Prospectus. These Options have an exercise price of \$0.40 and \$0.42. The holders of these Options are not entitled to participate in the Entitlements Offer unless the Options are exercised into Shares prior to the Record Date. If all of the Options currently on issue are exercised prior to the Record Date and Shareholders take up their full Entitlement under the Entitlements Offer an additional 28,666,667 Shares will be issued pursuant to the exercise of Options and up to an additional 25,083,333 New Shares may be issued pursuant to the Entitlements Offer. However, given that the exercise prices of the Options are higher than the current market price of the existing Shares the Directors are of the opinion that the probability of Option holders exercising their Options prior to the Record Date is low.

Refer to Section 1.24 for details of Options proposed to be issued after completion of the Offer.

4.3 Statement of Financial Position

Set out below is the Consolidated Statement of Financial Position of the Company as at 30 June 2014 unaudited and the Consolidated Pro-Forma Statement of Financial Position as at 30 June 2014 unaudited assuming full subscription. The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based on are contained in the audited financial report for the 12 months ended 30 June 2013.

Unaudited Statement of Financial Position as at 30 June 2014

The Pro-Forma Statement of Financial Position assumes the following:

- (a) for full subscription, the issue of 154,598,081 New Shares offered pursuant to this Prospectus at \$0.03 each on the basis of 7 New Shares for every 8 Shares held to raise approximately \$4,637,942 has been completed (net cash of \$4,122,736 received – see (d), (e) & (f) below);
- (b) for subscriptions to the mid point between full subscription and the Underwritten Amount, the issue of 113,333,334 New Shares offered pursuant to this Prospectus at \$0.03 each to raise approximately \$3,400,000 has been completed (net cash of \$ 2,897,294 received – see (d), (e) & (f) below);
- (c) for subscription to the value of the Underwritten Amount, the issue of 73,333,334 New Shares offered pursuant to this Prospectus at \$0.03 each to raise approximately \$2,200,000 has been completed (net cash of \$1,684,794 received – see (d), (e) & (f) below);
- (d) payment of amount due to a Director (included in June payables at 30 June 2014) in the amount of \$265,206 by the issue of 8,840,194 Shares (offset against Director Entitlements – see Section 5.9 for more details);
- (e) receipt of short term loan funds from Directors of \$200,000 (used to cover administration and corporate expenses), which amount is being repaid by the issue of 6,666,666 Shares (offset against Director Entitlements – see Section 5.9 for more details);
- (f) receipt of short term loan funds from an unrelated party of \$75,000 (used to cover administration and corporate expenses), which amount is to be repaid by \$37,500 cash and the issue of 1,250,000 Shares (offset against that party's Entitlement);
- (g) the Company issues 51,532,693 Underwriter Options as part consideration for underwriting services, which have been valued using an option valuation method at \$721,458, which amount is shown as a deduction against issued capital; and
- (h) the estimated costs of the Offer are approximately \$486,963 for full subscription, \$392,000 midpoint subscription and \$300,308 for subscription up to the Underwritten Amount, which amounts are shown as a deduction against issued capital.

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A1 Consolidated Gold Limited
Statement of Financial Position

| | AUDITED | UNAUDITED PROFORMA – SUBSCRIPTION TO UNDERWRITTEN AMOUNT | UNAUDITED PROFORMA – SUBSCRIPTION TO MID POINT AMOUNT | UNAUDITED PROFORMA – FULL SUBSCRIPTION |
|--|-------------------|---|---|---|
| | 30 June 2014 | 30 June 2014 | 30 June 2014 | 30 June 2014 |
| | \$ | \$ | \$ | \$ |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 232,027 | 1,591,513 | 2,699,821 | 3,842,800 |
| Trade and other receivables | 40,765 | 40,765 | 40,765 | 40,765 |
| Other | 54,899 | 54,899 | 54,899 | 54,899 |
| TOTAL CURRENT ASSETS | 327,691 | 1,687,177 | 2,795,485 | 3,938,464 |
| NON-CURRENT ASSETS | | | | |
| Plant and equipment | 2,013,897 | 2,013,897 | 2,013,897 | 2,013,897 |
| Exploration, evaluation and development assets | 31,485,893 | 31,485,893 | 31,485,893 | 31,485,893 |
| Other | 123,000 | 123,000 | 123,000 | 123,000 |
| TOTAL NON-CURRENT ASSETS | 33,622,790 | 33,622,790 | 33,622,790 | 33,622,790 |
| TOTAL ASSETS | 33,950,481 | 35,309,967 | 36,418,275 | 37,561,254 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 526,718 | 261,512 | 261,512 | 261,512 |
| Borrowings | 41,155 | 41,155 | 41,155 | 41,155 |
| Employee entitlements | 73,903 | 73,903 | 73,903 | 73,903 |
| Other | 40,071 | 40,071 | 40,071 | 40,071 |
| TOTAL CURRENT LIABILITIES | 681,847 | 416,641 | 416,641 | 416,641 |
| TOTAL LIABILITIES | 681,847 | 416,641 | 416,641 | 416,641 |
| NET ASSETS | 33,268,634 | 34,893,326 | 36,001,634 | 37,144,613 |
| EQUITY | | | | |
| Issued capital | 35,279,194 | 36,457,428 | 37,565,736 | 38,708,715 |
| Reserves | 2,213,682 | 2,935,140 | 2,935,140 | 2,935,140 |
| Accumulated losses | (4,224,242) | (4,499,242) | (4,499,242) | (4,499,242) |
| TOTAL EQUITY | 33,268,634 | 34,893,326 | 36,001,634 | 37,144,613 |

4.4 Dividend policy

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

5. Additional information

5.1 Rights attaching to Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on the ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including the New Shares) are:

- (a) described in the Company's Constitution; and
- (b) regulated by the Corporations Act, Listing Rules and the general law (applicable law).

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of rights and liabilities of Shareholders. All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally in all respects with the Company's existing Shares.

(a) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of Shareholders of the Company:

- i each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii on a poll, every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every fully paid Share held by him or her, and a proportionate vote for every partly paid Share, registered in such Shareholder's name on the Company's share register.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors. Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), dividends declared will be paid according to the amounts paid as paid on the shares for which the dividends are paid.

(c) Winding Up

Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them, irrespective of the amount paid-up or credited as paid up on the Shares.

(d) Transfer of Shares

Subject to the Constitution, the Corporations Act, the ASX Settlement Operating Rules and Listing Rules, Shares are freely transferable.

(e) Issue of further Shares

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares to Directors or their associates, the Listing Rules, the Constitution and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) General Meetings

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act.

(g) **Variation of Rights**

Subject to the terms of issue of shares in a particular class, the Company, with the sanction of a special resolution passed at a meeting of Shareholders or with the consent in writing of members who are entitled to at least three quarters of the votes that may be cast in respect of Shares in that class, may vary or cancel the rights attached to shares in that class or convert shares from one class to another class.

(h) **Shareholder Liability**

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

(i) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given

(j) **Listing Rules**

As long as the Company is admitted to the Official List, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. If as a result of an amendment to the Listing Rules, there is an inconsistency between the Constitution and the Listing Rules, the Company shall, subject to the Corporations Act, do all things necessary to change the Constitution to remove the inconsistency as soon as possible and in any event, at the first general meeting of the Company held after the date on which the relevant amendment the Listing Rules comes into operation.

5.2 **Rights attaching the Underwriter Options**

The Underwriter Options issued pursuant to this Prospectus will be issued on the following terms and conditions.

(a) **Entitlement**

Subject to Option terms (f), (g) and (h), each Option entitles the registered Option holder to subscribe for and be allotted one Share in the capital of the Company, credited as fully paid, at an exercise price of \$0.03 per Share.

The Company must, as soon as it is reasonably practicable to do so, allot Shares on exercise of the Option in accordance with the Listing Rules (if the Company is listed at the time of exercise of the Option) and register the Option holder or its nominee as a Shareholder in the register of members in respect of the Shares so allotted. No Option may be exercised if to do so would contravene the Corporations Act or the Listing Rules.

Shares issued on the exercise of Options will rank *pari passu* with all existing ordinary Shares in the capital of the Company from the date of issue.

(b) **Exercise of Options**

An Option is exercisable by the registered Option holder lodging notice of exercise of option together with the exercise price for each Share to be issued on exercise and the relevant option holding statement, at any office of the Company's share registrar. The Options may be exercised in whole or in part and, if exercised in part, multiples of 1,000 must be exercised on each occasion. Subject to the expiry date, the exercise of some Options only does not affect the registered Option holder's right to exercise other Options at a later time.

Remittances must be made payable to the Company and cheques should be crossed "not negotiable".

Options may be exercised at any time on or before 5.00pm WST on 30 November 2019.

An Option not exercised by 5.00pm WST on 30 November 2019 lapses.

(c) **Transfer**

Subject to any restrictions imposed by ASX, Options may be transferred at any time before lapsing.

(d) **Quotation**

The Company will apply to the ASX for Official Quotation of the Options within 7 days.

The Company will apply to the ASX for Official Quotation of the Shares issued on any exercise of an option within 10 business days after the allotment of those Shares.

(e) **Dividends**

Shares issued on any exercise of an Option will rank pari passu with all existing ordinary Shares in the capital of the Company from the date of issue and will be entitled to each dividend for which the books closing date for determining entitlements falls after the date of issue.

(f) **Bonus issue**

If the Company makes a bonus issue of Shares or other securities pro rata to holders of ordinary Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) at a time when:

- an Option has not been exercised in full; or
- an Option has been exercised, but Shares the subject of the exercise have not been issued in fulfilment of the Company's obligation in that regard, before the record date for determining entitlements to the bonus issue,

then the number of Shares over which the Option is exercisable or has been exercised (as the case may be) will be increased by the number of securities which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(g) **Rights issue**

If the Company makes an offer of ordinary Shares pro rata to all or substantially all holders of ordinary Shares (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

(h) **Reconstruction**

The rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(i) **Advice**

The Company must give notice to the Option holder of any adjustment to the number of Shares which the Option holder is entitled to subscribe for or be issued on exercise of the Option or the exercise price per Share in accordance with the Listing Rules.

(j) **Right to participate in future issues**

The Option holder may only participate in new issues of securities to holders of Shares to the extent the Option has been exercised, if that is permitted by its terms, and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice to the option holder of any new issue before the books closing date for determining entitlements to the issue in accordance with the Listing Rules.

5.3 Nature of this Prospectus

This Prospectus is a "transaction specific prospectus" issued under the special content rules for continuously quoted securities set out in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities and options to acquire continuously quoted securities with modified disclosure requirements if they satisfy certain requirements. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and

- (b) the rights and liabilities attaching to the New Shares and Underwriter Options offered pursuant to this Prospectus.

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

5.4 Company is a disclosing entity

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 is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. The Company is required to continuously disclose to the market 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.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the 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.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005) during normal office hours (see Section 5.5 below).

5.5 Copies of documents

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

- (a) the financial statements of the Company for the financial year ended 30 June 2014, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in paragraph (a) above until the issue of this Prospectus are as follows:

| Date | Description of the Announcement |
|------------|--------------------------------------|
| 1 Oct 2014 | Updated Entitlements Issue Timetable |

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the office of the company secretary (Ground Floor, 20 Kings Park Road, West Perth WA 6005):

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

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

5.7 Determination by the ASIC

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

5.8 Underwriting Agreement

The Company entered into an underwriting agreement with the Underwriter ("**Underwriting Agreement**") dated 2 October 2014 pursuant to which the Company has engaged the Underwriter to underwrite the Underwritten Shares to the amount of \$2,200,000 ("**Underwritten Amount**").

The Company must pay to the Underwriter in consideration of its underwriting obligations under the Underwriting Agreement, 7.5% of the Underwritten Amount. The Underwriter will receive the amount of \$80,000 and 51,532,693 Underwriter Options. If any required Shareholder approval is not received for the issue of the Underwriter Options the Company will pay 1.4 cents for each Underwriter Option that would have been issued.

The Company has also agreed to reimburse the Underwriter for all reasonable costs and expenses incurred in connection with the underwriting.

The obligation of the Underwriter to underwrite the Underwritten Shares and Underwriter Options is subject to certain standard events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **Indices fall:** any of the All Ordinaries Index or the Standard and Poors / ASX 200 Index as published by ASX is at any time after the date of this Agreement 10.0% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement;
- (b) **Share Price:** the Shares of the Company finish trading on the ASX under the ASX code of "AYC", on any Business Day with a closing price that is less than the Price;
- (c) **Prospectus:** the Offer is withdrawn by the Company;
- (d) **Breach of Material Contracts:** any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in this Prospectus or by the Company on ASX;
- (e) **New circumstances:** there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement and is in the reasonable opinion of the Underwriter that it is materially adverse from the point of view of an investor;
- (f) **Copies of Prospectus:** the Company fails to provide a copy of the Prospectus to the Underwriter within 1 day of the date of lodgement and fails to provide additional copies of the Prospectus at the request of the Underwriter;
- (g) **No Official Quotation:** Official Quotation has not been granted by the shortfall notice deadline date or, having been granted, is subsequently withdrawn, withheld or qualified;
- (h) **Supplementary prospectus:**
 - (i) **the Underwriter** having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence of a Termination Event 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
- (i) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information required by the Corporations Act; or
- (j) **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;

- (k) **Restriction on allotment:** the Company is prevented from allotting the shares and options of the Offer within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (l) **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;
- (m) **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 this Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- (n) **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;
- (o) **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;
- (p) **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, the United Kingdom, the United States of America, or the Peoples Republic of China or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (q) **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;
- (r) **Indictable offence:** a director or senior manager of the Company is charged with an indictable offence;
- (s) **Acts by Directors:** any commitment or agreement entered into by a Director or designated person as disclosed in the Prospectus is not carried out or adhered to in accordance with its terms or the agreement is breached, revoked, rescinded or avoided;
- (t) **Termination Events:** subject to other provisions of the Underwriting Agreement, upon the occurrence of any of the following events:
- (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 the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **Failure to Disclose:** it transpires that the Company has in the past failed to disclose to the ASX Material Information;
 - (v) **Adverse change:** 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 (including expected time until production), losses, prospects, business or operations of the 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;
- (vi) **Error in Due Diligence Results:** it transpires that the due diligence or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
 - (vii) **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;
 - (viii) **Public statements:** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer or the Prospectus;
 - (ix) **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 affairs of the Company at any time prior to Completion is or becomes misleading or deceptive or likely to mislead or deceive;
 - (x) **Official Quotation qualified:** the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" in the Underwriting Agreement;
 - (xi) **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;
 - (xii) **Prescribed Occurrence:** a matter prescribed in the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
 - (xiii) **Suspension of debt payments:** the Company suspends payment of its debts generally;
 - (xiv) **Event of Insolvency:** an event of insolvency occurs in respect of the Company;
 - (xv) **Judgment against the Company:** a judgment in an amount exceeding \$25,000 is obtained against the Company and is not set aside or satisfied within 7 days;
 - (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus;
 - (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
 - (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the 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 the Company;
 - (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 7 Business Days;
 - (xx) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
 - (xxi) **Certain resolutions passed:** the 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;
 - (xxii) **Capital Structure:** the Company alters its capital structure in any manner not contemplated by the Prospectus;
 - (xxiii) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company; or
 - (xxiv) **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.

The Company will indemnify and keep indemnified the Underwriter and its directors, officers, employees, agents and advisors ("**Related Parties**") and hold them harmless from and against all prosecutions, losses (including losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) ("**Liability**") arising out of or in respect of:

- (a) the Offer;
- (b) non-compliance by the Company with or breach of any legal requirement or the Listing Rules in relation to the Prospectus or any documents in respect of the Offer which accompany the Prospectus;
- (c) any advertising, publicity, announcements, statements and reports in relation to the Offer made with the agreement of the Company;
- (d) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus, any advertising of the Offer or any documents in respect of the Offer which accompany the Prospectus; or
- (e) any breach or failure by the Company to observe any of the terms of the Underwriting Agreement.

The Company has provided warranties, representations and undertakings in favour of the Underwriter that are normal for an agreement of this nature.

The Underwriter may procure any person to sub-underwrite such portion of the Offer as the Underwriter, in its absolute discretion, thinks fit. The Underwriter is responsible for all sub-underwriting fees in relation to the Offer.

The Underwriting Agreement has the potential to affect the control of the Company as the Underwriter will subscribe for any New Shares that are not taken up by Eligible Shareholders pursuant to their entitlement. The actual effect on control will depend on the level of subscription by Eligible Shareholders pursuant to the Offer, as well as the extent to which the Underwriter allocates the remaining New Shares to nominees not associated with the Underwriter.

The Underwriter does not hold any shares at the date of this Prospectus

The Underwriter's potential interest in the Company following the Offer (and assuming only the Underwritten Amount is raised) is as follows:

| | Number of Shares | % Potential Interest |
|-----------------|------------------|----------------------|
| 0% Subscribed | 73,333,333 | 29.33% |
| 25% Subscribed | 55,000,000 | 22.00% |
| 50% Subscribed | 36,666,667 | 14.67% |
| 75% Subscribed | 18,333,333 | 7.33% |
| 100% Subscribed | 0 | 0.00% |

The Underwriter has entered into various Sub-Underwriting agreements with various parties including Mr Dennis Clark. Under Mr Clark's sub-underwriting agreement, Mr Clark has agreed to subscribe for the first \$175,000 of Shortfall where a portion of the application funds will be set off against loans to the Company by Mr Clark. See Section 5.9 for further details. Under Mr Clark's priority sub-underwriting agreement Mr Clark will receive a fee of 1.5% and be entitled to 1,944,444 Underwriter Options. As a result of the priority sub-underwriting and debt extinguishment arrangement with the Company Mr Clark's relevant interest has the potential to go from 5.6% to as high as 9.2%.

In 2013, the Company entered into an agreement with FSS Advisory Pty Ltd in relation to the underwriting of an entitlements issue to Shareholders. The underwriting agreement obliged FSS Advisory Pty Ltd as underwriter to subscribe for any shortfall that resulted from Shareholders not taking up their entitlement under the issue. The shortfall amount of \$927,053 is still outstanding and the Company has made a formal demand. In consideration of FSS Advisory Pty Ltd agreeing with Patersons Securities Limited to sub-underwrite an amount of \$500,000 and discharging its obligations under that agreement, the Company has agreed to release FSS Advisory Pty Ltd of its obligation in relation to the failed underwriting of the 2013 entitlements issue.

5.9 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director has or had within two years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
 - (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the issue of New Shares pursuant to this Prospectus; or
 - (c) the issue of New Shares or Underwriter Options pursuant to this Prospectus,
- and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

- (a) to induce him or her to become, or to qualify him, as a Director; or
- (b) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Shares or Underwriter Options pursuant to this Prospectus.

Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company as at the date of this Prospectus.

| Director | No of Shares Held ⁽¹⁾ | Entitlement to Subscribe for Shares ⁽²⁾ | No. of Options Held |
|--------------|----------------------------------|--|---|
| Ashok Parekh | 12,726,784 ⁽³⁾ | 11,135,936 | 3,333,333 Options exercisable at \$0.40 before 31 Dec 2014 ⁽⁴⁾ |
| Dennis Clark | 9,545,062 ⁽⁵⁾ | 8,351,929 | 3,333,334 Options exercisable at \$0.40 before 31 Dec 2014 ⁽⁶⁾ |
| Morrie Goodz | 2,422,805 ⁽⁷⁾ | 2,137,454 | 2,000,000 Options exercisable at \$0.40 before 31 Dec 2014 ⁽⁷⁾ |

- (1). Held directly or indirectly by the Director or a related party of the Director.
- (2). Entitlement to subscribe for Shares that will be held directly or indirectly assuming no existing Options held are exercised before the Record Date.
- (3). 2,600,000 held directly by Mr Parekh, 3,636,361 Shares held indirectly through Mr Ashok Aaron Parekh and Mrs Marie Parekh <Parekh Super Fund A/C>, 550,000 Shares held indirectly through Goldfields Hotels Pty Ltd <Palace Investment A/C>, 935,877 Shares held indirectly through Ashok Parekh & Co Pty Limited and 54,546 Shares held indirectly through Timidon Pty Ltd <Ashok Parekh Family A/C>.
- (4). Held indirectly through Mr Ashok Aaron Parekh and Mrs Marie Parekh <Parekh Super Fund A/C>
- (5). 3,578,668 Shares held directly by Mr Clark, 110,000 Shares held indirectly through Grenfeeld Pty Ltd and 5,856,394 held indirectly through A1 Consolidated Mining Pty Ltd.
- (6). Held directly by Mr Clark.
- (7). Held indirectly through Goodz & Associates GMC Pty Ltd

At the date of this Prospectus, Directors have lent a total of \$465,206 to the Company, as detailed in the table below:

| Director | Loan account balance ⁽¹⁾ | Value of Entitlement ⁽²⁾ |
|--------------|-------------------------------------|-------------------------------------|
| Ashok Parekh | \$100,000 ⁽³⁾ | \$334,078 |
| Dennis Clark | \$365,206 ⁽⁴⁾ | \$250,557 |
| Morrie Goodz | Nil | \$64,123 |

- (1). Owed directly or indirectly to the Director or a related party of the Director.
- (2). Value of Entitlement to subscribe for Shares that will be held directly or indirectly assuming no existing Options held are exercised before the Record Date.
- (3). Owed indirectly through Ashok Parekh & Co Pty Limited.
- (4). \$100,000 owed indirectly through Grenfeild Pty Ltd and \$265,206 owed indirectly through A1 Consolidated Mining Pty Ltd.

Mr Parekh has agreed to subscribe for his entitlement up to the loan amount of \$100,000 which will be set-off against application moneys due on his subscription amount.

Mr Clark has agreed to subscribe for his entitlement and has entered into a priority Sub-Underwriting agreement with the Underwriter where Mr Clark will be obliged to subscribe for the first \$175,000 of the Shortfall. Application moneys for Mr Clark's entitlement and shortfall obligation will be set-off against the amount lent by Mr Clark to the Company. Mr Clark also has an indirect interest in the 33,333,333 Shares held by Gaffney's Creek Gold Mine Pty Ltd. This interest arises by virtue of the fact that Mr Clark is a director of Gaffney's Creek Gold Mine Pty Ltd, which holds its Shares in the Company on trust for the A1 Unit Trust of which Mr Clark is one of 10 unit holders.

See Section 1.16(b) for details of Executive Options proposed to be issued to Directors, subject to receipt of Shareholder approval.

Remuneration of Directors

No person has paid or agreed to pay any amount or has given any benefit to any Director to induce them to become, or qualify as a Director or for services provided by the Director, in connection with:

- (a) the formation or promotion of the Company; or
- (b) the offer of New Shares or Underwriter Options under this Prospectus, except as set out below or elsewhere in this Prospectus.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at a general meeting. Total directors' fees paid to all non-executive Directors is not to exceed \$300,000 per annum.

Remuneration (plus superannuation where applicable) for the Chairman, Mr Parekh, is currently \$75,000 per annum and remuneration for Mr Goodz is currently \$40,000 per annum.

Mr Clark has entered into an employment agreement with the Company with respect to his engagement as managing director. Pursuant to that services agreement, Mr Clark is paid a salary of \$270,000, exclusive of superannuation.

As announced on 7 August 2014, in order to conserve the limited cash resources of the Company, the Directors agreed to waive a portion of fees and salary owing to them in the 2014 financial year totalling approximately \$490,000.

Information regarding the remuneration received by Directors for the preceding two financial years can be found in the 2014 Annual Report.

Other interests

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of its current Directors. Those deeds indemnify these Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks they are exposed to as Directors. The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a

Director.

5.10 Interests of Named Parties

Other than as set out below or elsewhere in this Prospectus, all persons 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, do not have, and have not had in the two years before the date of this Prospectus any interests in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the offer of New Shares or Underwriter Options under this Prospectus; or
- (c) the offer of New Shares or Underwriter Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons in connection with the formation or promotion of the Company or the offer of New Shares or Underwriter Options under this Prospectus.

Patersons Securities Limited has agreed to act as Underwriter to the Entitlements Offer and will receive the fees outlined in Section 5.8.

DWCorporate Pty Ltd is entitled to be paid approximately \$40,000 (plus GST) for advice and assistance in relation to the due diligence and other compliance services related to the Prospectus. In the two years prior to the date of this Prospectus, DWCorporate Pty Ltd has provided company secretarial and compliance services to the Company to a total value of approximately \$185,424.

Price Sierakowski Corporate will be paid fees of \$20,000 (plus GST) in relation to the review of this Prospectus. In the past two years Price Sierakowski has provided legal advice to the Company to a total value of approximately \$13,070.

Security Transfer Registrars Pty Ltd conducts the Company's share registry functions and also provides administrative services in respect to the processing of applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.11 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and content in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Patersons Securities Limited has consented to being named as the Underwriter to the Entitlements Offer and the inclusion in the Prospectus of all statements referring to it.

DWCorporate Pty Ltd has consented to being named as a provider of company secretarial services to the Company and the inclusion in the Prospectus of all statements referring to it.

Price Sierakowski Corporate has consented to being named as solicitor to the Company and the inclusion in the prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offer;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

References to HLB Mann Judd appear for information purposes only. HLB Mann Judd has not been involved in, authorised or caused the issue of this Prospectus.

References to Security Transfer Registrars Pty Limited appear for information purposes only. Security Transfer Registrars Pty Limited has not been involved in, authorised or caused the issue of this Prospectus.

5.12 Expenses of issue

The estimated expenses of the Offer (exclusive of GST) are estimated as follows:

| | Fully subscribed \$ | Subscribed to \$3,400,000 | Subscribed to Underwritten Amount \$ |
|--------------------------------------|---------------------------|---------------------------------|---|
| ASIC lodgement fee | 2,290 | 2,290 | 2,290 |
| ASX quotation fee | 11,827 | 9,710 | 8,018 |
| Underwriter fee | 427,846 | 335,000 | 245,000 |
| Compliance documentation | 15,000 | 15,000 | 15,000 |
| Legal expenses | 20,000 | 20,000 | 20,000 |
| Printing, mailing and other expenses | 10,000 | 10,000 | 10,000 |
| \$ Total | 486,963 | 392,000 | 300,308 |

For personal use only

6. Authorisation

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act. This Prospectus is signed for and on behalf of Company by:

Mr Dennis Wilkins
Company Secretary
Date: 2 October 2014

For personal use only

7. Glossary of Terms

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

Acceptance means a valid application for New Shares made pursuant to this Prospectus on an Entitlement and Acceptance Form.

Additional New Shares means New Shares which Eligible Shareholders may apply for in addition to their Entitlement as described in Sections 1.1(i) and 2.3 of this Prospectus which will be allocated at the sole discretion of the Underwriter.

Annual Financial Report means the financial report lodged by the Company with the ASIC in respect to the year ended 30 June 2013 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2013, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2013.

Applicant means a Shareholder who applies for New Shares pursuant to the Entitlements Offer.

Application Money means application money for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or Australian Securities Exchange (as the context requires).

Board means the Directors meeting as a board.

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

CHESS means ASX Clearing House Electronic Subregister System.

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

Commonwealth Heritage Act means the *Aboriginal and Torres Strait Islander Heritage Act 1984* (Cth).

Company means A1 Consolidated Gold Limited ACN 149 308 921.

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

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

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

DPCD means the Victorian Department of Planning and Communities Development.

Eligible Shareholder means a Shareholder as at the Record Date that have a registered address in Australia or New Zealand.

Entitlement or Right means an Eligible Shareholder's entitlement to New Shares under the Entitlements Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus that sets out the Entitlement of Shareholders.

Entitlements Offer has the meaning set out in Section 1.1.

Executive Options has the meaning given to that term in Section 1.16(b).

Ineligible Shareholders has the meaning given to that term in Section 1.10.

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

JORC Code means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' which comprises Appendix 5A of the Listing Rules.

Listing Rules means the Listing Rules of the ASX.

Loyalty Options has the meaning given to that term in Section 1.16(a).

Mineral Resource has the meaning given to that term in the JORC Code.

Mining Act means the *Mineral Resources (Sustainable Development) Act 1990* (Vic).

New Share means a new Share proposed to be issued pursuant to the Entitlements Offer.

Nominee has the meaning given to that term in Section 1.11.

Offer means the Entitlements Offer and the Underwriter Option Offer.

Official List means the official list of the ASX.

Official Quotation means quotation of securities on the Official List.

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

Option means the right to acquire one Share in the capital of the Company.

Ore Reserve has the meaning given to that term in the JORC Code.

Prospectus means this prospectus dated 2 October 2014.

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

Section means a section of this Prospectus.

Shareholder means the holder of Shares.

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

Shortfall will occur if the Company does not hold valid applications for all the New Shares offered under this Prospectus by the Closing Date, including applications for Additional New Shares.

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in Section 1.3 of this Prospectus.

Shortfall Shares means that number of New Shares for which a valid Entitlement and Acceptance Form has not been received by 5.00pm (WST) on the Closing Date.

\$ means Australian dollars.

Termination Event means an event as described in Section 5.8 of this Prospectus.

Underwriter means Patersons Securities Limited.

Underwriter Option means an Option exercisable at \$0.03 on or before 30 November 2019 to be issued pursuant to the Underwriter Option Offer under this Prospectus, on the terms set out in Section 5.2.

Underwriter Option Offer means the offer of 51,532,693 Underwriter Options to the Underwriter or its nominees, in accordance with the terms of the Underwriting Agreement.

Underwriting Agreement means the underwriting agreement dated 2 October 2014 between the Company and the Underwriter and summarized in Section 5.8 of this Prospectus.

Underwritten Amount means \$2,200,000 (73,333,334 New Shares) being the value to which the Entitlements Offer is underwritten.

Victorian Heritage Act means the *Aboriginal Heritage Act 2006* (Vic).

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

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

A1 Consolidated Gold Limited

ABN

50 149 308 921

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (i) Ordinary fully paid shares (Shares) (ii) Listed Options (Options) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) Up to 154,598,081 (ii) Up to 51,532,693 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares and Options will be issued on the terms set out in the Prospectus dated 2 October 2014 and lodged with ASIC and ASX on the same date (Prospectus) (i) Ordinary fully paid shares (ii) Listed options exercisable at \$0.03 expiring 30 November 2019 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

| | |
|---|--|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>(i) Yes</p> <p>(ii) No</p> |
| <p>5 Issue price or consideration</p> | <p>(i) \$0.03 per share.</p> <p>(ii) Nil</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Renounceable pro rata offer (Offer) to raise up to approximately \$4,63,924 *before costs) to be used to progress the development at the A1 Gold Mine as well as ongoing working capital requirements.</p> <p>51,532,693 Options are being issued to the Underwriter of the Offer (or its nominee) in partial consideration for providing underwriting services in relation to the Offer.</p> <p>Refer to section 1.2 of the Prospectus.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>19 November 2014</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>21,400,000 Options</p> |
| <p>6d Number of +securities issued with security holder approval under rule 7.1A</p> | <p>Nil</p> |

+ See chapter 19 for defined terms.

| | | | | |
|----|---|---------------------------------------|----------------------------|---|
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil | | |
| 6f | Number of +securities issued under an exception in rule 7.2 | Up to 154,598,081 Shares, exception 1 | | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | N/A | | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | 7.1: 84,177 7.1A: 17,231,973 | | |
| 7 | +Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 3 November 2014 | | |
| 8 | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable) | Number | +Class | |
| | | 331,281,603 | Ordinary fully paid shares | |
| | | 21,400,000 | Listed price | Options exercise price \$0.03 expiry 30/11/2019 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

| | | | |
|----|---|------------|--|
| 9 | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | Number | +Class |
| | | 26,666,667 | Unlisted options exercise price \$0.40 expiry 31/12/2014 |
| | | 2,000,000 | Unlisted options exercise price \$0.42 expiry 31/12/2014 |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | |

Part 2 - Pro rata issue

| | | |
|----|--|--|
| 11 | Is security holder approval required? | No |
| 12 | Is the issue renounceable or non-renounceable? | Renounceable |
| 13 | Ratio in which the +securities will be offered | 7 new shares for every 8 existing shares held on the record date |
| 14 | +Class of +securities to which the offer relates | Ordinary fully paid shares |
| 15 | +Record date to determine entitlements | 5:00pm (WST) 13 October 2014 |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A |
| 17 | Policy for deciding entitlements in relation to fractions | Fractional entitlements will be rounded up to the nearest whole number |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | All countries except Australia and New Zealand |
| 19 | Closing date for receipt of acceptances or renunciations | 5:00pm (WST) 27 October 2014 |

+ See chapter 19 for defined terms.

| | | |
|----|---|--|
| 20 | Names of any underwriters | Patersons Securities Limited |
| 21 | Amount of any underwriting fee or commission | 7.5% of the underwritten amount and a corporate advisory fee of \$80,000. The Underwriter (or its nominees) will also receive 51,532,693 Underwriter Options as part consideration for providing underwriting services in relation to the Offer. Refer to section 1.2 of the Prospectus |
| 22 | Names of any brokers to the issue | Patersons Securities Limited |
| 23 | Fee or commission payable to the broker to the issue | As noted in 21 above. |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | N/A |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | 16 October 2014 |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 3 October 2014 |
| 28 | Date rights trading will begin (if applicable) | 9 October 2014 |
| 29 | Date rights trading will end (if applicable) | 20 October 2014 |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | By completing the section marked "Instructions to Stockbroker" on the back of the Entitlement and Acceptance Form which accompanies the Prospectus and providing it to their stockbroker. |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | By completing the section marked "Instructions to Stockbroker" on the back of the Entitlement and Acceptance Form which accompanies the Prospectus in respect of the part of the entitlement they wish to sell, and providing it to their stockbroker. |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- By completing a "Renunciation Form" (obtainable through their stockbroker or the Company's Share Register) together with the Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate application monies and providing it to the Company's Share registry.
- 33 +Issue date
- 3 November 2014

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents


- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


(Company secretary)

Date: 2 October 2014

Print name: Dennis Wilkins

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|--|--|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 162,346,852 |
| Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items | <ul style="list-style-type: none"> 3,781,881 fully paid ordinary shares issued on 17/12/2013 6,191,006 fully paid ordinary shares issued 13/12/2013 Nil |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | Nil |
| “A” | 172,319,739 |

+ See chapter 19 for defined terms.

| | |
|---|---|
| Step 2: Calculate 15% of "A" | |
| "B" | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply "A" by 0.15 | 25,847,960 |
| Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <p>1,724,138 fully paid ordinary shares issued on 19/2/2014</p> <p>2,146,549 fully paid ordinary shares issued on 21/02/2014</p> <p>200,000 fully paid ordinary shares issued on 25/02/2014</p> <p>206,896 fully paid ordinary shares issued on 24/03/2014</p> <p>86,200 fully paid ordinary shares issued on 07/05/2014</p> <p>21,400,000 Listed Options</p> |
| "C" | 25,763,783 |
| Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1 | |
| <p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p> | 25,847,960 |
| <p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p> | 25,763,783 |
| Total ["A" x 0.15] – "C" | <p>84,177</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 172,319,739 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 17,231,973 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of *equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | Nil |
| “E” | Nil |

+ See chapter 19 for defined terms.

| Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A | |
|--|---|
| “A” x 0.10 <i>Note: number must be same as shown in Step 2</i> | 17,231,973 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | Nil |
| Total [“A” x 0.10] – “E” | 17,231,973 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.