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**FEDERATION METALS NL**  
**(ACN 149 771 979)**

**SUPPLEMENTARY PROSPECTUS**

**IMPORTANT INFORMATION**

This is a supplementary prospectus (Supplementary Prospectus) intended to be read with the prospectus dated 20 October 2011 (Prospectus) issued by Federation Metals NL (ACN 149 771 979) ("Company").

This Supplementary Prospectus is dated 18 January 2012 was lodged with ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at [www.federationmetals.com](http://www.federationmetals.com) and the Company will send a copy of this Supplementary Prospectus to all Applicants who have subscribed for Shares in the Prospectus to the date of this Supplementary Prospectus.

This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

## 1. EXTENSION OF TIME TO OBTAIN QUOTATION AND RAISE MINIMUM SUBSCRIPTION

In accordance with the Corporations Act, if a person offers securities under a disclosure document (e.g. a prospectus) and the disclosure document states or implies that the securities are to be quoted on a financial market (eg, ASX) and the securities are not admitted to quotation within 3 months after the date of the disclosure document ("Quotation Condition") then an issue or transfer of securities in response to an application made under the disclosure document is void and the person offering the securities must return the money received by the person from the applicants as soon as practicable.

In addition, the Corporations Act provides that where a disclosure document states that the securities will not be issued or transferred unless a minimum amount is raised and that conditions is not satisfied within 4 months after the date of the disclosure document the person must repay the money received from the applicant or give the applicants a supplementary disclosure document and 1 month to withdraw their application and be repaid.

Accordingly, the Company has until 20 January 2012 to have the Shares offered pursuant to the Prospectus admitted to quotation on the ASX and until 20 February 2012 to raise the minimum subscription of \$2,200,000 ("Minimum Subscription").

As at the date of this Supplementary Prospectus the Company has not received any applications and has therefore not raised the Minimum Subscription and is not able to issue any Shares pursuant to the Prospectus and subsequently obtain quotation of those Shares on ASX by 20 January 2012. In addition, the Company may not be able to raise the Minimum Subscription by 20 February 2012.

On 18 January 2012 the Company was granted a modification of the Corporations Act by ASIC (ASIC Modification). The effect of the ASIC Modification is to give the Company:

- (a) a further 3 months after the date of this Supplementary Prospectus to obtain quotation of the Shares on ASX (ie, by 18 April 2012); and
- (b) a further 4 months after the date of this Supplementary Prospectus to raise the Minimum Subscription (ie, by 18 May 2012).

## 2. CLOSING DATE

Given the ASIC Modification, the Company has extended the Closing Date.

Accordingly, references to the Closing Date in the Prospectus are amended and the Indicative Timetable set out in the Investment Overview on page 8 of the Prospectus is deleted and replaced with the following table:

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**Indicative timetable \***

Lodgement of Prospectus with the ASIC	20 October 2011
Opening Date	27 October 2011
Closing Date	27 March 2012
Despatch of holding statements	30 March 2012
Expected date for quotation on ASX	6 April 2012

\* *The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice*

**3. RIGHT TO WITHDRAW APPLICATIONS**

In accordance with the Corporations Act, where the Quotation Condition is not satisfied, the Company must give applicants who have previously submitted an application form under the Prospectus a copy of this Supplementary Prospectus and 1 month to withdraw their application and be repaid.

Any repayments made by the Company pursuant to an applicant exercising their right to withdraw their application will be made in full without interest.

An applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company at either of the addresses set out below so that it is received within 1 month of the date of this Supplementary Prospectus (ie, **by close of business on 18 February 2012**).

<b>Mailed to:</b> Federation Metals NL c/- Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953	<b>Delivered to:</b> Federation Metals NL c/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6153
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The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the Application Form lodged by that applicant.

**4. APPLICATIONS**
**Investors who have NOT previously submitted an Application Form**

Applications for Shares under the Offer must be made using the application form attached to or accompanying this Supplementary Prospectus ("Supplementary Application Form"). Applications must NOT be made on the application form attached to or accompanying the Prospectus.

The Supplementary Application Form contains detailed instructions on how it is to be completed.

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Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Completed Supplementary Application Forms and accompanying cheques, made payable to **Federation Metals NL – Subscription Account**" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Supplementary Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

**Applicants who HAVE previously submitted an Application Form  
AND DO NOT want to withdraw their application**

Applicants in this category DO NOT need to complete a further Supplementary Application Form in order to receive their Shares. However, such applicants may lodge a Supplementary Application Form if they wish to apply for additional Shares in accordance with the instructions set out above for investors who have NOT previously submitted an Application Form.

**Applicants who HAVE previously submitted an Application Form  
AND DO want to withdraw their application**

Applicants in this category may withdraw their applications and be repaid any application monies upon written request to the Company in the manner set out in Section 3.

**5. ASX LISTING**

Section 3.5 of the Prospectus is replaced by the following paragraph.

Application for Official Quotation by ASX of the Shares offered pursuant to the Prospectus was made within 7 days after the date of the Prospectus.

Following the ASIC Modification, If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Supplementary Prospectus (ie, 18 April 2012), or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

**6. MINIMUM SUBSCRIPTION**

Section 3.7 of the Prospectus is replaced by the following paragraph:

Following the ASIC Modification, if the Minimum Subscription has not been raised within 4 months after the date of this Supplementary Prospectus (ie,

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18 May 2012), or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

#### **7. COMPANY SECRETARY**

Mr Gino D'Anna has resigned as company secretary and has been replaced by Mr Kent Hunter. Accordingly the reference to Mr Gino D'Anna on page 1 is deleted and replaced by "Kent Hunter".

The Company has terminated the Services Agreement with Mr Gino D'Anna outlined in section 2.7 (page 16) of the Prospectus. The Company has entered into a Services Agreement with Mr Kent Hunter. Mr Hunter will provide secretarial services to the Company on the following terms:

- (a) the services will be provided through Mr Hunter's company, Mining Corporate Pty Ltd;
- (b) the Company will pay \$3000.00 plus GST per calendar month for the provision of secretarial services;
- (c) the agreement may be terminated by either party giving to the other party 1 month's notice.

#### **8. CONSULTING AGREEMENT**

The Company has entered into an agreement with Stellar Securities Pty Ltd ("Stellar Securities"), the holder of Australian Financial Services Licence 410570, whereby Stellar Securities has agreed to act as Lead Manager to the Company in raising the capital the subject of the Prospectus.

The Company has agreed to issue to Stellar Securities or their nominees up to 3,500,000 fully paid ordinary shares in the Company depending upon the funds raised by Stellar Securities. The Company has agreed to pay to Stellar Securities commission of up to 5 % on funds raised by Stellar Securities. In addition, the Company has agreed to pay a consulting fee in the sum of up to \$90,000 per annum payable by monthly instalments of \$7,500 each commencing on the listing of the Company on ASX.

In the circumstances, the capital structure of the Company will not be as set out on page 10, section 1.6 of the Prospectus but rather as follows:

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	<b>Minimum Subscription \$2,200,000</b>	<b>Full Subscription \$3,500,000</b>
<b>FULLY PAID ORDINARY SHARES</b>		
Pre IPO Shares on issue – Promoter	9,000,001	9,000,001
Shares on issue pursuant to Clunes Gold Project acquisition	1,500,000	1,500,000
Shares on issue pursuant to Lake Mackay Project acquisition	1,000,000	1,000,000
Shares on issue pursuant to Davie Well Project acquisition	1,000,000	1,000,000
Shares on issue pursuant to Meentheena Project acquisition	1,500,000	1,500,000
Seed shares on issue	3,000,000	3,000,000
Shares to be allotted to Stellar Securities	2,200,000	3,500,000
Shares now offered	11,000,000	17,500,000
<b>Total fully paid ordinary shares</b>	<b>30,200,001</b>	<b>38,000,001</b>
<b>PARTLY PAID SHARES</b>		
Shares on issue at Prospectus Date	5,000,000	5,000,000
<b>Total partly paid shares</b>	<b>5,000,000</b>	<b>5,000,000</b>

**Notes:**

1. Assumes the Offer is fully subscribed. Refer to the Investigating Accountant's report at section 7 for further information.
2. Rights attaching to the Shares are summarised in section 11.1 of this Prospectus.
3. Rights attaching to the partly paid shares are summarised in section 11.2 of this Prospectus.

The expenses of the offer set out at section 2.9 do not include the shares which may be issued to Stellar Securities or their nominees.

**9. MEENTHEENA PROJECT**

Section 10.3 of the Prospectus sets out details of an agreement entered into between Federation Metals and State Resources Pty Ltd ("State Resources") relating to the Meentheena Project.

The parties have agreed to vary the terms of the agreement by deleting a condition of the agreement that the agreement be subject to and conditional upon each of the tenements being granted.

By letter dated 18 January 2012 that condition was waived by Federation Metals.

**10. CONSENTS TO BE NAMED**

Stellar Securities Pty Ltd has given and has not, before lodgement of this Supplementary Prospectus with the ASIC, withdrawn its consent to being named in this Supplementary Prospectus as Lead Manager.

**11. DIRECTORS' AUTHORISATION**

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

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



RITA BROOKS  
Executive Director  
for and on behalf of  
Federation Metals NL

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#### APPLICATION FORMS

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

Insert the number of Shares you wish to apply for. The application must be for a minimum of 10,000 Shares and thereafter in multiples of 1,000 Shares. The applicant(s) agree(s) upon and subject to the terms of the Supplementary Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Supplementary Prospectus and declare(s) that all details of statements made are complete and accurate.

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

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

#### PAYMENT

Monies should be deposited to the following bank account using the **applicants surname and first initial as the reference**. Payment by electronic transfer to: ACCOUNT NAME: Federation Metals NL- Subscription Account BSB: 016 002 ACCOUNT: 261597589. Please post, fax or scan and email a copy of your bank receipt together with this application form to Security Transfer Registrars.

If payment can not be made electronically then a cheque(s) or bank draft(s) payable to Federation Metals NL - Subscription Account must be forwarded together with your completed Application form. Your cheque(s) or bank draft(s) must be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cash should not be forwarded.

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

#### LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

**Posted to:**

Federation Metals NL  
C/- Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953

**OR**

**Delivered to:**

Federation Metals NL  
C/- Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153

If payment has been made by electronic transfer you can fax or scan and email a copy of your bank receipt together with this application form to Security Transfer Registrars:

**FAX: +61 8 9315 2233**

**OR**

**EMAIL: registrar@securitytransfer.com.au**

**Applications must be received by no later than 5.00pm WST on the Closing Date 17 March 2012 which may be changed immediately after the Opening Date at any time and at the discretion of the Company.**

#### CHES HIN/BROKER SPONSORED APPLICANTS

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

#### TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

#### CORRECT FORM OF REGISTRABLE TITLE

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

#### TYPE OF INVESTOR

##### Individual

Use given names in full, not initials.

##### Company

Use the company's full title, not abbreviations.

##### Joint Holdings

Use full and complete names.

##### Trusts

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

##### Deceased Estates

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

##### Minor (a person under the age of 18)

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

##### Partnerships

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

##### Superannuation Funds

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

#### CORRECT

Mr John Alfred Smith

ABC Pty Ltd

Mr Peter Robert Williams &  
Ms Louise Susan Williams

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

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

Mr John Alfred Smith  
<Peter Smith A/C>

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

Jane Smith Pty Ltd  
<JSuper Fund A/C>

#### INCORRECT

J A Smith

ABC P/L or ABC Co

Peter Robert &  
Louise S Williams

Sue Smith Family Trust

Estate of Late John Smith  
or  
John Smith Deceased  
Master Peter Smith

John Smith and Son

Jane Smith Pty Ltd Superannuation Fund