



**AURIS MINERALS LIMITED**  
**ACN 085 806 284**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a non-renounceable entitlement issue of one (1) New Option for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.01 per New Option to raise up to \$1,021,703 (**Entitlement Offer**).

The Offer is fully underwritten by Pinnacle Corporate Finance Pty Ltd (**Underwriter**). Refer to section 8.5 for details regarding the terms of the Underwriting Agreement.

The Company intends to apply for Official Quotation of the New Options offered pursuant to this Prospectus.

### **IMPORTANT NOTICE**

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

The New Options offered by this Prospectus should be considered as speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Neville Bassett (Non-Executive Chair)  
Brian Thomas (Non-Executive Director)  
Craig Hall (Non-Executive Director)  
Robert Martin (Non-Executive Director)

### Company Secretary

Mark Clements

### Share Registry\*

Security Transfer Australia Pty Ltd  
Alexandrea House  
770 Canning Highway  
Applecross WA 6153

Telephone: + 61 8 9315 2333  
Facsimile: +61 8 9315 2233  
Email: registrar@securitytransfer.com.au  
Website: www.securitytransfer.com.au

### Auditor

Greenwich & Co Audit Pty Ltd  
Level 2  
35 Outram Street  
West Perth WA 6005

### Registered Office

Level 3  
18 Richardson Street  
West Perth WA 6005

Telephone: + 61 8 6109 4333

Email: general@aurisminerals.com.au  
Website: www.aurisminerals.com.au

### Solicitors

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

### Underwriter and Lead Manager

Pinnacle Corporate Finance Pty Ltd  
AFSL: 403 684  
Level 9  
190 St Georges Terrace  
Perth WA 6000

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

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	17 October 2018
Lodgement of Prospectus & Appendix 3B with ASX	17 October 2018
Notice sent to Optionholders	17 October 2018
Notice sent to Shareholders	19 October 2018
Ex date	22 October 2018
Record Date for determining Entitlements	23 October 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	26 October 2018
Closing Date*	16 November 2018
Securities quoted on a deferred settlement basis	19 November 2018
ASX notified of under subscriptions	21 November 2018
Despatch of holding statements	23 November 2018
Quotation of New Options issued under the Offer*	23 November 2018

\* The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the New Options are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES**

This Prospectus is dated 17 October 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Risk factors**

Potential investors should be aware that subscribing for New Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Options pursuant to this Prospectus.

#### **3.2 Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

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

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

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

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

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

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## 4. DETAILS OF THE OFFER

### 4.1 The Entitlement Offer

The purpose of the Entitlement Offer is to provide additional capital for project evaluation and exploration and funding flexibility to the Company. The Entitlement Offer is an opportunity for Shareholders to participate in the development of the Company.

The Entitlement Offer is being made as a non-renounceable entitlement issue of one (1) New Option for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.01 per New Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (assuming no existing Options are exercised prior to the Record Date) approximately 102,170,335 New Options will be issued pursuant to this Entitlement Offer to raise up to \$1,021,703.

As at the date of this Prospectus the Company has 2,500,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Entitlement Offer. Please refer to section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

All of the Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 6.3 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in section 5.1 of this Prospectus.

### 4.2 Underwriter Offer

This Prospectus also includes an offer of 5,000,000 New Options (**Underwriter Options**) pursuant to the Underwriting Agreement in part payment of fees to the Underwriter. The Underwriter Options will be offered on the same terms as the New Options offered under the Entitlement Offer. The material terms of the Underwriting Agreement are summarised in Section 8.5.

The purpose of the Underwriter Offer is to remove the need for an additional disclosure document to be issued upon the sale of the Underwriter Options (or any Shares issued on conversion of the Underwriter Options).

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.1 of this Prospectus.

### 4.3 Director and KMP Offer

By this Prospectus, the Company offers up to 16,000,000 Options to Directors (**Director Options**) and 4,000,000 Options to Key Management Personnel (**KMP Options**).

The purpose of the Director and KMP Offer is to remove the need for an additional disclosure document to be issued upon the sale of the Director and KMP Options (or any Shares issued on conversion of the Director and KMP Options) that are issued under the Director and KMP Offer.

The issue of the Director Options is subject to Shareholder approval at the Company's upcoming Annual General Meeting.

The terms and conditions of the Director and KMP Options offered under this Prospectus are set out in section 6.2 of this Prospectus.

#### 4.4 Minimum subscription

The minimum subscription in respect of the Entitlement Offer is the full subscription under the Entitlement Offer, being \$1,021,703 as the Entitlement Offer is fully underwritten by the Underwriter.

#### 4.5 Acceptance

Your acceptance of the Entitlement Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
  - (i) complete the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form;

In addition to the above, Eligible Shareholders who have subscribed for their Entitlement in full may apply for Options in addition to their Entitlement (**Additional Options**) by:

- (iii) completing the relevant section of their Entitlement and Acceptance Form and returning it together with a single cheque for the appropriate Application Monies for both their Entitlement and the Additional Options applied for; or
- (iv) paying the appropriate Application Monies for both their Entitlement and the Additional Options applied for via BPAY® using the BPAY® code and personalised reference number indicated on the Entitlement and Acceptance Form.

It is possible that there will be few or no Additional Options available depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event there is an insufficient Shortfall to satisfy applications for Additional Options, the Directors reserve the right to allocate any Additional Options at their absolute discretion (in consultation with the Underwriter). The Company may issue to an Applicant under the Offer a

lesser number of Additional Options than the number applied for, reject an application for Additional Options or not proceed with the issuing of all or part of the Additional Options. If the number of Additional Options is less than the number applied for, surplus application monies will be refunded without interest; or

- (b) if you only wish to accept **part** of your Entitlement:
  - (i) fill in the number of New Options you wish to accept in the space provided on the Entitlement and Acceptance Form; and
  - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.01 per New Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

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

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Auris Minerals Limited" and crossed "Not Negotiable".

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

#### **4.7 Payment by BPAY®**

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

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

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

#### **4.8 Underwriting and sub-underwriting**

The Entitlement Offer is fully underwritten by the Underwriter. Refer to section 8.5 of this Prospectus for details of the terms of the underwriting.

The Underwriting Agreement gives the Underwriter the right to enter into sub-underwriting agreements to pass on some or all of its obligations to subscribe for the Shortfall under the Underwriting Agreement.

The Underwriter has entered into a sub-underwriting agreement with Goldfire Enterprises Pty Ltd (**Goldfire**), pursuant to which Goldfire will sub-underwrite up to 20,000,000 Options (**Sub-Underwriting Agreement**). Goldfire is an entity associated with Director, Robert Martin.

Under the terms of the Sub-Underwriting Agreement, Goldfire will be paid a sub-underwriting fee of 2.0% of the sub-underwritten amount, being up to \$4,000, in consideration for sub-underwriting.

#### **4.9 Shortfall Offer**

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

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each New Option to be issued under the Shortfall Offer shall be \$0.01 being the price at which New Options have been offered under the Entitlement Offer.

The Company intends to allocate the Shortfall to Shareholders who subscribe for Additional Options (refer section 4.5(a)), the Underwriter and its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Entitlement Offer.

The Directors otherwise reserve the right to issue Shortfall Options at their absolute discretion.

#### **4.10 ASX listing**

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

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

#### **4.11 Allotment**

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

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

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

#### **4.12 Overseas shareholders**

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

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

##### ***New Zealand***

The New Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

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

##### ***Nominees and custodians***

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **4.13 Enquiries**

Any questions concerning the Offers should be directed to Mark Clements, Company Secretary, on +61 8 6109 4333.

## 5. PURPOSE AND EFFECT OF THE OFFER

### 5.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$1,021,703.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Ongoing exploration activities – Bryah Basin <sup>1</sup>	\$906,703	88.7%
2.	Expenses of the Offer <sup>2</sup>	\$115,000	11.3%
	<b>Total</b>	<b>\$1,021,703</b>	<b>100%</b>

#### Notes:

1. Including: target generation, geochemical soil sampling, continued geological evaluation and drilling programmes at the Cashman Project and ongoing geological review and drilling programmes at the Wodger and Forrest Prospects.
2. Refer to section 8.10 of this Prospectus for further details relating to the estimated expenses of the Offer.

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

No funds will be raised from the Underwriter Offer as the Underwriter Options will be issued in part payment of the fees due to the Underwriter under the Underwriting Agreement.

No funds will be raised from the Director and KMP Offer as the Director Options and KMP Options will be issued as consideration for services provided to the Company.

### 5.2 Effect of the Offers

The principal effect of the Offers, assuming all New Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by \$906,703 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Options on issue from 2,500,000 as at the date of this Prospectus to 129,670,335 Options.

### 5.3 Pro-forma balance sheet

The audited balance sheet as at 30 June 2018 and the unaudited pro-forma balance sheet as at 30 June 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all New Options offered under the Prospectus are issued.

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

	<b>AUDITED 30 June 2018</b>	<b>PROFORMA 30 June 2018</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents <sup>1</sup>	\$3,178,861	\$4,085,564
Trade and other receivables	\$31,532	\$31,532
Financial assets	\$1,200,000	\$1,200,000
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,410,393</b>	<b>\$5,317,096</b>
<b>NON-CURRENT ASSETS</b>		
Property Plant and equipment	\$188,613	\$188,613
Exploration assets <sup>1</sup>	\$16,883,568	\$16,883,568
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$17,072,181</b>	<b>\$17,072,181</b>
<b>TOTAL ASSETS</b>	<b>\$21,482,574</b>	<b>\$22,389,277</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	\$263,797	\$263,797
Borrowings	\$40,000	\$40,000
Creditors, and borrowings	\$134,778	\$134,778
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$438,575</b>	<b>\$438,575</b>
Provisions	\$129,880	\$129,880
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>\$129,880</b>	<b>\$129,880</b>
<b>TOTAL LIABILITIES</b>	<b>\$568,455</b>	<b>\$568,455</b>
<b>NET ASSETS</b>	<b>\$20,914,119</b>	<b>\$21,820,822</b>
<b>EQUITY</b>		
Issued capital	\$123,829,985	\$123,829,985
Reserves	\$1,241,125	\$2,147,828
Accumulated losses	(\$104,156,991)	(\$104,156,991)
<b>TOTAL EQUITY</b>	<b>20,914,119</b>	<b>\$21,820,822</b>

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Notes: Existing cash reserves plus funds raised of \$1,021,703 less anticipated expenses of the offer \$115,000 delivering a net increase of \$906,703

#### 5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all New Options offered under the Prospectus are issued, is set out below.

##### Shares

	Number
Shares currently on issue	408,681,340

##### Options

	Number
Options currently on issue:	
Unquoted exercisable at \$1.30 on or before 8 October 2019	2,500,000
New Options offered pursuant to the Entitlement Offer (Quoted exercisable at \$0.08 on or before 30 November 2020)	102,170,335
New Options offered pursuant to the Underwriter Offer (Quoted exercisable at \$0.08 on or before 30 November 2020)	5,000,000
Director and KMP Options (Unquoted exercisable at \$0.08 on or before 30 November 2020, subject to vesting conditions) <sup>1</sup> *Subject to Shareholder approval	20,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>129,670,335</b>

##### Notes:

1. The Director and KMP Options do not vest (i.e. are not exercisable) until the Optionholder has remained in the employment of the Company on that date which is six months from the issue date.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 411,181,340 Shares (assuming all Options are exercised) and on completion of the Offers (assuming all Entitlements are accepted) would be 538,351,675 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed. There are currently 6,000,000 performance rights on issue subject to certain vesting conditions, none of which have satisfied as at the date of this Prospectus.

#### 5.5 Details of substantial holders

Based on publicly available information as at 17 October 2018, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Michael George Fotios	74,438,594	18.26%
Goldfire Enterprises Pty Ltd <sup>1</sup>	28,651,486	7.03%
SG Hiscock & Company Limited	20,493,391	5.03%

**Notes:**

1. Goldfire Enterprises Pty Ltd is an entity associated with Mr Robert Martin, a Director. Please refer to the substantial holder notice dated 24 April 2018.

The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only New Options are being issued.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 6.1 New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.08 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on 30 November 2020 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

## 6.2 **Director and KMP Options**

The Director and KMP Options are exercisable at any time on and from the Optionholder remaining in the employment of the Company on that date which is six months from the issue date of the Director and KMP Options until the Expiry Date.

Otherwise, the terms and conditions of the Director and KMP Options are as set out in section 6.1.

## 6.3 Shares

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

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

### (a) General meetings

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

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

### (b) Voting rights

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

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

### (c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

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

(d) **Winding-up**

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

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

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

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## **7. RISK FACTORS**

### **7.1 Introduction**

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

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

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

### **7.2 Company specific**

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

Upon implementation of the Offer, assuming all Entitlements are accepted the number of Options will increase from 2,500,000 currently on issue to 129,670,335 and this has the potential to increase the number of Shares on issue from 408,681,340 to 538,351,675 (assuming the exercise of all Options). This means that each Share will represent a significantly lower proportion of the ownership of the Company.

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

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.044 is not a reliable indicator as to the potential trading price of Shares or New Options after implementation of the Offer.

### **7.3 Industry specific**

#### **(a) Mining related issues**

An investment in a natural resource company involves a significant degree of risk. The degree of risk may increase substantially because the Company's projects are in the exploration stages as opposed to the development stage. Exploration and the transition of resource discoveries to commercial production are endeavours which may be positively or negatively impacted by numerous issues including, but not limited to regulatory legislation, industrial disputes, cost overruns, adverse land and title claims and compensation, and other unforeseen contingencies. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company's projects, the extent of which cannot be predicted.

(b) **Commodity price fluctuations**

The prices of copper, gold and other minerals are influenced by numerous variable factors, including laws and regulations, economic conditions and physical and trading demand and supply. Fluctuations in mineral prices may, positively or negatively, influence the operating and financial performance of projects and businesses in which the Company has, or proposes to have, an interest.

(c) **Recovery**

There is the risk that discoveries in which the Company invests may fail to realise their estimated potential recoverable resources or reserves and/or production rates.

(d) **Contract risks**

The Company is and will be a party to numerous agreements. A number of these agreements relate directly or indirectly to the provision of services and products to the Company and include provisions which may impose financial and/or other claims on the Company. A material claim under such provisions could adversely impact on the Company's performance.

Specifically, in February 2018 the Company entered into a farm in and joint venture agreement with Sandfire Resources NL (**Sandfire**) with respect to the Morck Well East and Doolgunna Projects (**JV Agreement**). The Company is reliant on Sandfire complying with the terms and conditions of the JV Agreement and the conditions attaching to the tenements the subject of the JV Agreement. Should Sandfire fail to comply with the terms of the JV Agreement, the Company's interest in the Morck Well East and Doolgunna Projects may be adversely affected.

(e) **Competition risks**

The businesses in which the Company is involved are subject to domestic and global competition. The Company will have no influence or control over its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(f) **Environmental risks**

Development of mineral resources has some impact on the environment. It is possible that environmental claims could arise in the future against the Company and the potential for liability is an ever-present risk.

(g) **Government Policy**

Industry profitability can be affected by changes in government within Australia and elsewhere, which are not within the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the activities of the Company, and the possible effects of those activities on the environment and on the interests of local inhabitants, among other things.

(h) **Licences**

Licences and permits from regulatory authorities are required for many aspects of the Company's activities. There are no guarantees that licences will be granted, retained or renewed or that unfavourable conditions will not be imposed.

(i) **Weather and climatic conditions**

The current and future activities of the Company, including access to its projects and the conduct of its activities may be affected by seasonal and unexpected weather patterns, heavy rain, floods and other weather and climatic conditions.

## 7.4 **General risks**

(a) **Economic**

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

(b) **Market conditions**

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

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

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

(c) **Additional requirements for capital**

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

the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Taxation**

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

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

(e) **Reliance on key personnel**

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

(f) **Foreign currency exchange rate risks**

If any part of the revenue and expenditure of the Company is in currencies other than Australian dollars and this exposes the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of that revenue and expenditure.

(g) **Industrial dispute risks**

The Company's projects and businesses may be adversely impacted by industrial disputes by personnel whose services are relevant to the Company's activities and/or third parties. The risk of industrial disputes and the potential negative impact on the Company cannot be fully mitigated.

The above statements of risk factors are by way of illustration only. There are numerous other risk factors inherent in an investment in the Company's securities, and there can be no assurance whatsoever that a return on investment will be obtained by investing in the Company's securities, or that the investment therein will not be lost. Further, an investment in the Company's securities should be considered in light of recent Australian and world events, which have had a very significant impact on the stability of financial markets in Australia and worldwide and the ultimate consequences of which cannot be predicted with any certainty.

(h) **Insurance risks**

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. Such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the

scope of the insurance cover. There is also a risk that an insurer may default in payment of a legitimate claim by the Company under an insurance policy.

## **7.5 Speculative investment**

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

Therefore, the New Options 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 New Options.

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

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## **8. ADDITIONAL INFORMATION**

### **8.1 Litigation**

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

### **8.2 Continuous disclosure obligations**

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

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

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

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

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

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

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

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

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

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

<b>Date</b>	<b>Description of Announcement</b>
17/10/2018	Fully Underwritten Option Entitlement Issue
17/10/2018	Morck Well JV Update
10/10/2018	Bryah Basin Exploration Update
04/10/2018	Expiry of Options
01/10/2018	Change of Registered Office
27/09/2018	Cancellation of Performance Rights
27/09/2018	Appendix 4G
27/09/2018	Annual Report

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

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

### **8.3 Market price of shares**

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

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

Highest	0.076	2 August 2018
Lowest	0.039	11 October 2018
Last	0.044	17 October 2018

## 8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

## 8.5 Underwriting Agreement

By an agreement between the Underwriter and the Company (**Underwriting Agreement**), the Underwriter agreed to conditionally underwrite the Entitlement Offer for 102,170,335 New Options (**Underwritten Securities**).

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a management fee of 1.0% of the total value of the Underwritten Securities plus an underwriting fee of 5.0% of the value of the Underwritten Securities.

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

- (a) **(Company default)**: the Company fails to perform an obligation under the Underwriting Agreement;
- (b) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 10% or more or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (c) **(Prospectus)**: the Company does not lodge the Prospectus on the lodgement date or the Prospectus or the Entitlement Offer is withdrawn by the Company;
- (d) **(Offer Materials)**: a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of the Corporations Act and any other applicable requirements);
- (e) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (f) **(proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Entitlement Offer or the Prospectus, or publicly foreshadows that it may do so;
- (g) **(Unable to issue Shares)** the Company is prevented from issuing the Underwritten Securities within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (h) **(future matters)**: any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

- (i) **(No Quotation Approval)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX within 7 days of the lodgement date;
- (j) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus;
- (k) **(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, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (l) **(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 acting reasonably;
- (m) **(Indictable offence)**: a director of the Company is charged with an indictable offence; or
- (n) **(Termination Events)**: subject always to, in the reasonable opinion of the Underwriter reached in good faith, any of the events listed below having or being likely to have, or those events together having, or could reasonably be expected to have, a Material Adverse Effect or could give rise to a liability of the Underwriter under the Corporations Act, any of the following events occurs:
  - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, the Democratic People's Republic of Korea, or the Peoples Republic of China or any member of the European Union;
  - (ii) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (iii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
  - (iv) **(Contravention of constitution or Act)**: a contravention by a Company or Subsidiary of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (v) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or its subsidiaries including, without limitation, if any forecast in the

Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- (vi) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the issue of the Shares under the Offer or the Prospectus, other than as required by law or the ASX Listing Rules;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the issue of the Shares under the Offer or the affairs of the Company or any Subsidiary is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) **(Official Quotation qualified)**: the official quotation is qualified or conditional;
- (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an event of insolvency (as defined in the Underwriting Agreement) occurs in respect of the Company or any Subsidiary;
- (xiv) **(Judgment against the Company or its Subsidiary)**: a judgment in an amount exceeding \$100,000 is obtained against the Company or any Subsidiary and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or any Subsidiary, other than any claims foreshadowed by the Prospectus;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before the date on which allotment of the last of the Shares to be issued under the Offer

occurs in accordance with the Prospectus without the prior written consent of the Underwriter;

- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any Subsidiary 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 or any Subsidiary;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable which is greater than 2 Business Days;
- (xix) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: the Company or any Subsidiary passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: the Company or any Subsidiary alters its capital structure in any manner not contemplated by the Prospectus or pursuant to the exercise of options existing at the date of the Prospectus;
- (xxii) **(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; or
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

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

## 8.6 Mandate Agreement

On 18 September 2018, the Underwriter and the Company entered into a lead manager and underwriting mandate (**Mandate Agreement**) pursuant to which the Underwriter agreed to fully underwrite the Entitlement Offer for 102,170,335 New Options (**Underwritten Securities**) and act as the sole lead manager to the Entitlement Offer.

Pursuant to the Mandate Agreement, the Company has agreed to pay the Underwriter the following fees:

- (a) a sign on fee of \$25,000 payable on execution of the Mandate Agreement;
- (b) a management fee of 1.0% of the total amount raised;

- (c) an underwriting fee of 5.0% of the total amount underwritten; and
- (d) 5,000,000 Options.

The Company has also agreed to pay the Underwriter for all out of pocket expenses reasonably incurred by the Underwriter.

The Mandate Agreement contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

## 8.7 Interests of Directors

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

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

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

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### Security holdings

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

Director	Shares	Options	Performance Rights	Entitlement	\$
Neville Bassett <sup>2</sup>	1,100,000	Nil <sup>1</sup>	Nil	275,000	2,750
Brian Thomas <sup>3</sup>	Nil	Nil <sup>1</sup>	Nil	Nil	Nil
Craig Hall <sup>4</sup>	Nil	Nil <sup>1</sup>	Nil	Nil	Nil
Robert Martin <sup>56</sup>	31,151,486	Nil <sup>1</sup>	2,000,000	7,787,872	77,878.72

#### Notes:

1. Director Options are intended to be issued to Directors subject to Shareholder approval at the Annual General Meeting. Refer to section 4.3 of this Prospectus for further details.

2. 4,000,000 Director Options will be issued to Mr Neville Bassett pursuant to the Director and KMP Offer.
3. 4,000,000 Director Options will be issued to Mr Brian Thomas pursuant to the Director and KMP Offer.
4. 4,000,000 Director Options will be issued to Mr Craig Hall pursuant to the Director and KMP Offer.
5. 4,000,000 Director Options will be issued to Mr Robert Martin pursuant to the Director and KMP Offer.
6. 28,651,486 Shares are held indirectly by Goldfire Enterprises Pty Ltd (**Goldfire**), a company in which Mr Martin has a director and shareholding interest. Goldfire, an entity controlled by Mr Martin, is also a sub-underwriter to the Entitlement Offer. For further details refer to Section 4.8.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

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

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

<b>Director</b>	<b>Financial Year 2017 (\$)</b> <b>(Actual)<sup>1</sup></b>	<b>Financial Year 2018 (\$)</b> <b>(Actual)<sup>1</sup></b>	<b>Financial Year 2019 (\$)</b> <b>(Proposed)<sup>1</sup></b>
Neville Bassett	Nil	\$8,875	\$45,000
Brian Thomas	Nil	\$5,917	\$30,000
Craig Hall	Nil	Nil	\$30,000
Robert Martin	\$45,670	\$118,000	\$30,000

#### **Notes:**

- 1 Inclusive of short-term salary and fees, superannuation and equity settled share based payments. The 2019 financial year disclosure represents the actual proposed salary and includes the value of the options proposed to be issued pursuant to section 4.3 of this Prospectus.

## 8.8 Interests of experts and advisers

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

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

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

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

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

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

Pinnacle Corporate Finance Pty Ltd (formerly Somers and Partners Pty Ltd) will be paid an underwriting and lead management fee as detailed in sections 8.5 and 8.6 above. During the 24 months preceding lodgement of this Prospectus with the ASIC, Pinnacle Corporate Finance Pty Ltd has been paid fees totalling \$297,239.63 by the Company (including GST and disbursements).

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$44,180.01 (excluding GST and disbursements) for legal services provided to the Company.

During the 24 months preceding lodgement of this Prospectus with the ASIC, Greenwich & Co Audit Pty Ltd has been paid fees totalling approximately \$57,000.00 by the Company (including GST and disbursements).

## 8.9 Consents

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

named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this section:

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

Pinnacle Corporate Finance Pty Ltd has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named;

Greenwich & Co Audit Pty Ltd has given its written consent to being named as the auditors to the Company in this Prospectus. Greenwich & Co Audit Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

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

#### **8.10 Expenses of the offer**

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$115,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	\$3,206
ASX fees	\$5,651
Sign-on fee	\$25,000
Underwriting fee	\$51,085
Management fee	\$10,217
Legal fees	\$10,000
Printing and distribution	\$7,500
Miscellaneous	\$2,341
<b>Total</b>	<u>\$115,000</u>

#### **8.11 Electronic prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 6109 4333 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.aurisminerals.com.au](http://www.aurisminerals.com.au).

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

#### **8.12 Financial forecasts**

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

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

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

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

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

#### **8.14 Privacy Act**

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

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the

application for New Options, the Company may not be able to accept or process your application.

For personal use only

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**9. DIRECTORS' AUTHORISATION**

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

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



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**Neville Bassett**  
**Non-Executive Chairman**  
**For and on behalf of**  
**AURIS MINERALS LIMITED**

For personal use only

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## 10. GLOSSARY

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

**Annual General Meeting** means the Company's upcoming annual general meeting to be held on or before 30 November 2018.

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

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

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

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

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

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

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

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

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

**Company** means Auris Minerals Limited (ACN 085 806 284).

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

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

**Director and KMP Offer** means the offer of 20,000,000 Options on the terms and conditions set out in this Prospectus.

**Director Options** means an Option to acquire a Share under the Director and KMP Offer on the terms and conditions set out in section 6.2 of this Prospectus.

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

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

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

**Entitlement Offer** means the non-renounceable entitlement issue the subject of this Prospectus.

**KMP Options** means an Option to acquire a Share under the Director and KMP Offer on the terms and conditions set out in section 6.2 of this Prospectus.

**New Options** means the Options offered under this Prospectus, the terms of which are set out at section 6.1.

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

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

**Optionholder** means a holder of an Option.

**Prescribed Occurrence** means:

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

- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or any Subsidiary.

**Prospectus** means this prospectus.

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

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

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

**Shortfall** means the New Options not applied for under the Offer (if any).

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

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

**Shortfall Options** means those New Options issued pursuant to the Shortfall.

**Subsidiary** means:

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

**Sub-Underwriting Agreement** means the sub-underwriting agreement between the Underwriter and Goldfire Enterprises Pty Ltd.

**Underwriter** means Pinnacle Corporate Finance Pty Ltd (ACN 149 263 543) (AFSL 403 684).

**Underwriting Agreement** means the underwriting agreement between the Company and the Underwriter.

**Underwriter Offer** means the offer of 5,000,000 New Options on the terms and conditions set out in this Prospectus.

**Underwriter Options** means an Option to acquire a Share under the Underwriter Offer on the terms and conditions set out in section 4.2 of this Prospectus.

**Underwritten Securities** means up to 102,170,335 New Options to be issued under the Entitlement Offer.

**WST** means Western Standard Time as observed in Perth, Western Australia.