

# Prospectus

**Lamboo Resources Limited ABN 27 099 098 192**

**ASX Code: LMB**

**For a non-renounceable entitlement issue of 1 New Share for every 5 Shares held by Eligible Shareholders registered at on the Record Date at an issue price of \$0.06 per New Share to raise up to \$2,054,540.**

## **Defined terms**

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Section 10.

## **Important document**

This Prospectus provides important information about the Company. You should read the entire document. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser.

**An investment in the Company's securities is speculative.**

## Important Notice

This Prospectus is dated 7 July 2015 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which to which this Prospectus relates.

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the New Shares the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Hong Kong and Singapore may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This document may not be distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy securities in the United States. Any securities described in this document have not been and will not be, registered under the US *Securities Act 1993* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the *US Securities Act 1993* and applicable US state securities law.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

### Web Site – Electronic Prospectus

A copy of this Prospectus is available and can be downloaded from the website of the Company at [www.lambooresources.com.au](http://www.lambooresources.com.au).

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

Prospectus should ensure that they download and read the entire Prospectus.

The *Corporations Act* prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

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 Entitlement and Acceptance 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.

### Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus issued under Section 713 of the *Corporations Act*, which allows the issue of more concise prospectuses for offers of more concise prospectuses for offers of continuously quoted securities. In preparing this Prospectus, consideration has been given to the fact that the Company is a disclosing entity for the purposes of the *Corporations Act* and as such, it is subject to regular reporting and disclosure obligations. Please note that this Prospectus should be read in conjunction with publicly available information the Company has provided to ASIC and ASX and that copies of documents the Company has lodged with ASIC and ASX may be obtained from or inspected at an ASIC office.

### Suitability of Investment & Risks

Before deciding to invest in the Company, prospective investors should read this Prospectus in its entirety and in particular, the risk factors in section 5. They should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding to invest.

Any investment in the New Shares of the Company should be regarded as speculative.

**Definitions**

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Section 10.

**Privacy**

Please read the privacy information located in section 7.4 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

## Contents

|   |    |
|---|----|
| Chairman's Letter .....                                     | 5  |
| 1. Investment Summary.....                                  | 6  |
| 2. Details of the Offer .....                               | 9  |
| 3. How to Apply .....                                       | 14 |
| 4. Effect of the Offer on the Company .....                 | 17 |
| 5. Risk Factors .....                                       | 25 |
| 6. Rights and Liabilities attaching to the New Shares ..... | 30 |
| 7. Additional Information.....                              | 32 |
| 8. Directors' Responsibility and Consent .....              | 40 |
| 9. Corporate Directory .....                                | 41 |
| 10. Glossary .....  | 42 |

## Risk Factors Summary

An investment in New Shares and in the Company generally, is subject to risks and uncertainties and should be considered speculative. Some of the more significant risks which affect an investment in the Company include (but are not limited to):

- (a) Future capital needs and additional funding risk
- (b) The Company failing to recover the Deposit from Hengda
- (c) Exploration and development costs
- (d) Resource estimates risks
- (e) Risks concerning ability to exploit successful discoveries
- (f) Mining, development and infrastructure risks
- (g) Environmental risks
- (h) Competition risk
- (i) Mineral title risk
- (j) Native Title risk
- (k) Acquisition and investment risks
- (l) Commodity prices risk
- (m) Occupational health and safety risk
- (n) Economic risk
- (o) Liquidity risk
- (p) Securities investments and share market conditions risk
- (q) Specific disputes risk

In this regard, please refer to **Section 5** for more information.

## Timetable for the Offer

| Event  | Date                   |
|--|------------------------|
| Announcement of Offer and application for quotation of New Shares<br>Prospectus lodged with ASIC and ASX<br>Letter to Option holders about the Offer | Tuesday 7 July 2015    |
| Record date to identify Eligible Shareholders entitled to participate in the Offer   | Monday 13 July 2015    |
| Prospectus and personalised Entitlement and Acceptance forms sent to Eligible Shareholders   | Thursday 16 July 2015  |
| Closing Date   | Monday 27 July 2015    |
| Issue date and despatch of holding statements<br>Deferred settlement trading ends.   | Monday 3 August 2015   |
| Trading in New Shares commences  | Thursday 6 August 2015 |

*Note: These dates are indicative only and subject to change. The Company has the right to vary these dates without notice, including to close the Offer early or accept late Applications, either generally or in particular cases. A more detailed timetable appears in Section 2.6.*

## Key Statistics for the Offer

|   |                    |
|---|--------------------|
| Shares currently on issue                                 | 171,211,687        |
| Options currently on issue                                | 12,637,835         |
| Performance Rights Currently on issue                     | 10,000,000         |
| <b>Shares to be issued under the Offer</b>                | <b>34,242,337</b>  |
| <b>Total Shares on issue at close of the Offer*</b>       | <b>205,454,024</b> |
| Total Options on issue at close of the Offer              | 12,637,835         |
| Total Performance Rights on issue at close of the Offer** | 10,000,000         |
| <b>Offer Price per New Share</b>                          | <b>\$0.06</b>      |
| <b>Maximum amount raised under the Offer***</b>           | <b>\$2,054,540</b> |

Notes: The table:

\* Assumes full subscription under the Offer.

\*\* These Performance Rights have vested.

\*\*\* Assumes no Options or Performance Rights are exercised before the Record Date. The effect of exercise of all of the Options and Performance Rights on issue before the Record Date is that a further 4,527,567 New Shares may be issued under this Prospectus to raise an additional \$271,654.

## Chairman's Letter

Dear Shareholders,

Today, we are pleased to announce a non-renounceable rights issue on a one for five basis to Eligible Shareholders. We again thank our loyal Shareholder base for being supportive of Lamboo as we focus the Company on our core strategy of producing high purity flake graphite for advanced technology applications.

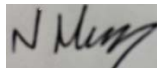
We intend to use the capital injection to continue our exploration and development activities at the McIntosh Project with the aim of adding JORC compliant resources at Targets 5 and 6 and commencement of a feasibility study later this year.

It is a very exciting time for Lamboo, with diamond drilling well underway at McIntosh, with the first results to be announced in the coming weeks. The team are currently on-site, where we are running double shift drilling and making great progress.

We will continue to focus on our expenses and minimize our spending on activities not directly focused on bringing our projects to production.

It is the intention of the Directors to take up their full rights in this issue.

Regards

A handwritten signature in black ink, appearing to read 'N Miles', is placed over a light grey rectangular background.

Neville Miles

## **1. Investment Summary**

### **1.1 What is the Offer**

The Company is making a non-renounceable rights issue to Eligible Shareholders on the basis of 1 New Share for every 5 Shares held as at the Record Date, at an Issue Price of \$0.06 per New Share to raise approximately \$2,054,540 (before costs of the Offer).

Assuming no Options or Performance Rights on issue in the Company are exercised before the Record Date, approximately 34,242,337 New Shares will be offered under the Entitlement Offer.

### **1.2 Rounding of fractions**

Entitlements will be rounded up to the nearest whole number.

### **1.3 Is there a minimum subscription?**

There is no minimum subscription to the Offer.

### **1.4 What are the terms of the New Shares**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights and liabilities attaching to the New Shares is set out in Section 6.

### **1.5 Purpose of the Offer and Use of Funds**

The Directors intend to apply the proceeds from the Offer as set out below:

| <b>Project/Purpose</b>  | <b>\$</b>        |
|---|------------------|
| Exploration and development of the Company's McIntosh Project | 1,396,178        |
| Working capital and the Company's other projects              | 598,362          |
| Offer costs   | 60,000           |
| <b>TOTAL</b>  | <b>2,054,540</b> |

However, in the event that circumstances change, business opportunities vary from expected, or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

### **1.6 The Company's Business**

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its last Annual Report are listed in Section 7.1.

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

### **1.7 Market prices of existing Shares on ASX**

The highest and lowest market sale price of the Company's Shares during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.



|              | 3 month high | 3 month low | Last market sale price |
|--------------|--------------|-------------|------------------------|
| <b>Price</b> | \$0.145      | \$0.051     | \$0.084                |
| <b>Date</b>  | 30/03/2015   | 29/05/2015  | 06/07/2015             |

## 1.8 Summary of Risks associated with the Company and an investment in New Shares

The business and activities of the Company are subject to normal business risks and uncertainties and there may be many factors that could affect the future performance of the Company. Some of these risks and uncertainties may be mitigated by the use of safeguards, appropriate systems and contingencies. However, some of these inherent risks are outside the control of the Company and as a result, the Directors are unable to mitigate those risks.

Details of the risks relevant to the Company are described in more detail in Section 5 of this Prospectus and are summarised below by heading:

- (a) Future capital needs and additional funding risk
- (b) The Company failing to recover the Deposit from Hengda
- (c) Exploration and development costs
- (d) Resource estimates risks
- (e) Risks concerning ability to exploit successful discoveries
- (f) Mining, development and infrastructure risks
- (g) Environmental risks
- (h) Competition risk
- (i) Mineral title risk
- (j) Native Title risk
- (k) Acquisition and investment risks
- (l) Commodity prices risk
- (m) Occupational health and safety risk
- (n) Economic risk
- (o) Liquidity risk
- (p) Securities investments and share market conditions risk
- (q) Specific disputes risk

## 1.9 What are the Directors' interests in the Company's securities and their intention regarding their Entitlements?

As at the date of this Prospectus, some of the Directors have either a direct or indirect interest in Shares. Set out below is a table summarising the beneficial interest in the securities of the Company and the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlements.

| Director               | Shares    | Entitlement | Intentions |
|------------------------|-----------|-------------|------------|
| Neville Miles          | 1,125,139 | 225,028     | Accept     |
| Anthony (Tony) Cormack | 168,974   | 33,795      | Accept     |
| Garry Plowright        | Nil       | Nil         | n/a        |

## 1.10 Who are substantial holders of the Company's Shares?

Based on substantial shareholder notices received prior to the date of this Prospectus, those persons (together with their associates) who have a relevant interest of 5% or more in the Shares on issue, are set out below:

| Shareholder  | % Holding |
|--|-----------|
| Och-Ziff Holding Corporation and Och-Ziff Capital Management Group LLC | 10.242    |
| National Nominees Limited  | 8.846     |

If all Entitlements are accepted, there will be no change in the substantial shareholders on completion of the Offer.

### 1.11 What happens if Shareholders do not take up their Entitlements?

If Shareholders do not participate in the Offer, their holdings of Shares are likely to be diluted by approximately 20% (as compared with their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders (assuming no Options or Performance Rights are exercised before the Record Date) are set out in Section 4.4.

### 1.12 CHESS

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful Applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

### 1.13 Holders of Existing Options and Performance Rights

Holders of Options and Performance Rights will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Options or Performance Rights under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being a holder of Shares registered on the share register at 7.00pm (AEST) on the Record Date, and having a registered address in either Australia, New Zealand, Hong Kong or Singapore.

There are currently 12,637,835 Options and 10,000,000 Performance Rights on issue, details of which are set out in Section 4.3.

If all entitled Option Holders and holders of Performance Rights elect to exercise their Options or Performance Rights prior to the Record Date to participate in the Offer, a further 4,527,567 New Shares will be issued under this Prospectus to raise an additional \$271,654.

### 1.14 Overseas Shareholders

This Prospectus and accompanying forms do not and are not intended to, constitute an offer of New Shares in any place outside Australia, New Zealand, Hong Kong and Singapore. The distribution of this Prospectus and the accompanying Entitlement and Acceptance Form in jurisdictions outside Australia, New Zealand, Hong Kong and

Singapore may be restricted by law, and any failure to comply with those restrictions may constitute a serious violation of applicable securities laws.

Accordingly the Company has decided that it is unreasonable to make offers under the Offer to the Ineligible Shareholders and accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to, Ineligible Shareholders.

### **1.15 Withdrawal of Prospectus**

The Directors may, at any time, withdraw this Prospectus, in which case the Company will repay, as soon as practicable and without interest, all Application Moneys received.

## **2. Details of the Offer**

### **2.1 Company activities and financial information**

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its last Annual Report are listed in Section 7.1.

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

### **2.2 The Entitlement Offer**

The Offer is an offer of approximately 34,242,337 New Shares at an Issue Price of \$0.06 per New Share, on the basis of 1 New Share for every 5 Shares held by Eligible Shareholders on the Record Date, to raise up to \$2,054,540 (before costs of the Offer).

The Company will apply to the ASX for the New Shares to be granted official quotation on the ASX within 7 days of lodgement of this Prospectus with ASIC.

The Offer is an offer to Eligible Shareholders only.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Shareholders may subscribe for all or part of their Entitlement.

### **2.3 Offer non-renounceable**

The Entitlement Offer is non-renounceable. Accordingly, Entitlements cannot be traded on ASX or otherwise and they cannot be transferred or otherwise disposed of.

### **2.4 Shortfall and Additional Share Offer**

If any Eligible Shareholders do not take up their full Entitlement under this Offer, the New Shares that are not taken up will form the Shortfall.

Eligible Shareholders may, in addition to applying for their Entitlement, apply for Additional Shares.

The Additional Share Offer is a separate offer pursuant to this Prospectus. The issue price of the New Shares to be issued pursuant to the Additional Share Offer is \$0.06.

Eligible Shareholders who want to apply for Additional Shares should insert the number of Additional Shares that they want to apply for in the appropriate section of the Entitlement and Acceptance Form. Any Additional Shares that are applied for must be paid for at the

same time and in the same way that the New Shares to be issued pursuant to the acceptance of Entitlements, are paid for.

Notwithstanding any application received in response to the Additional Share Offer, the Directors may, at their complete and absolute discretion, place the Additional Shares with any third party.

There is no guarantee that Eligible Shareholders will receive any or all of the Additional Shares they apply for. It is an express term of the Additional Share Offer that Eligible Shareholders may receive no allocation of Additional Shares applied for and if any are allotted in response to an application under the Additional Share Offer, the relevant Eligible Shareholders must accept any such lesser number of Additional Shares (being less than the number actually applied for) as are issued in response to such an application.

Any money paid for Additional Shares that are not issued to an Eligible Shareholder who applies for them, will be returned to the Eligible Shareholder without interest.

Additional Shares that are issued to Eligible Shareholders will be issued at the same time as the New Shares to be issued pursuant to the acceptance of Entitlements.

Ineligible Shareholders may not take up their Entitlements under the Offer and accordingly New Shares that would have otherwise have been issued to them (had they been Eligible Shareholders) will form part of the Shortfall.

## 2.5 Eligibility of Shareholders

The Entitlement Offer and the Additional Share Offer are being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders on the Record Date who have a registered address in Australia, New Zealand, Hong Kong and Singapore or who are Shareholders that the Company has otherwise determined are eligible to participate.

The Entitlement Offer and the Additional Share Offer are not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia, New Zealand, Hong Kong and Singapore.

In particular this Entitlement Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

## 2.6 Important Dates

| Event  | Date                 |
|--|----------------------|
| Announcement of Offer and application for quotation of New Shares<br>Prospectus lodged with ASIC and ASX<br>Letter to Option holders about the Offer<br>Letter to Shareholders containing the information required by Appendix 3B. | Tuesday 7 July 2015  |
| Ex date  | Thursday 9 July 2015 |

| <b>Event</b>   | <b>Date</b>            |
|--|------------------------|
| Record date to identify Eligible Shareholders entitled to participate in the Offer         | Monday 13 July 2015    |
| Prospectus and personalised Entitlement and Acceptance forms sent to Eligible Shareholders | Thursday 16 July 2015  |
| Closing Date   | Monday 27 July 2015    |
| Securities quoted on a deferred settlement basis.  | Tuesday 28 July 2015   |
| ASX notified of Shortfall  | Thursday 30 July 2015  |
| Issue date and despatch of holding statements<br>Deferred settlement trading ends.         | Monday 3 August 2015   |
| Trading in New Shares commences  | Thursday 6 August 2015 |

*The timetable is subject to change and is indicative only. The Company, in consultation with the Underwriter, reserves the right to alter the timetable, including by extending the Closing Date, at any time. A more detailed timetable appears in Section 2.6.*

## **2.7 Placement of Shortfall**

Notwithstanding any application received in response to the Additional Share Offer, the Directors may, at their complete and absolute discretion, place the Shortfall with any third party. The Directors will attempt to place those New Shares within 3 months of the Closing Date as required by Exception 3 to ASX Listing Rule 7.1, set out in ASX Listing Rule 7.2.

## **2.8 Fees and Commissions**

As the Entitlement Offer is not underwritten by any licensed securities dealer, the Company has no contractual obligations to pay any fees or commissions in respect of any funds raised under this Prospectus. The Directors nevertheless are aware that some assistance to the Entitlement Offer may be provided by member organisations of the ASX or licensed securities dealers. Any fee or commission to be paid for that assistance will be negotiated by the Company as and when required.

## **2.9 Opening and Closing Date of the Offer**

The Opening Date of the Entitlement Offer will be 16 July 2015 at 9.00 am (Brisbane time) and the Offer will close on 27 July 2015 at 5.00pm (AEST). The Company reserves the right to close the Offer early or to extend the Closing Date of the Offer without prior notice.

## **2.10 Costs of the Offer**

The Company estimates the costs of the Offer to be approximately \$60,000.

## **2.11 Quotation of New Shares**

Application will be made within seven (7) days of the date of this Prospectus to the ASX for the New Shares issued pursuant to this Prospectus to be granted official quotation by the ASX.

If granted, official quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within 3 months after the date of this Prospectus, none of the New Shares under this Prospectus will be issued and all Application Monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

#### **2.12 Allotment**

It is expected that allotment of the New Shares will take place forthwith after the Closing Date of the Offer and the receipt of approval for quotation of the New Shares from ASX.

#### **2.13 Foreign Shareholders**

The Company has decided that it is unreasonable to make offers under the Offer or the Additional Share Offer to Shareholders who are Shareholders on the Record Date but with registered addresses outside of Australia, New Zealand, Hong Kong or Singapore (Ineligible Shareholders), having regard to the number of Shareholders in those places, the number and value of the New Shares that they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Entitlement Offer and the Additional Share Offer are not being extended to, and do not qualify for distribution or sale by or to, and no New Shares will be issued to Shareholders having registered addresses outside Australia, New Zealand, Hong Kong and Singapore.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Hong Kong and Singapore in which Shareholders may reside. The distribution of this Prospectus in jurisdictions other than Australia, New Zealand, Hong Kong and Singapore may be restricted by law and any failure to comply with such restrictions might constitute a violation of applicable securities laws.

In any event, the Entitlement Offer and the Additional Share Offer are only made to and may only be accepted by Eligible Shareholders. No offer is made pursuant to this document in any place in which, or to any person to whom, it would be unlawful to make such an offer.

#### **2.14 New Zealand**

In making this Offer to Eligible Shareholders in New Zealand, the Company is relying on the *Securities Act (Overseas Companies) Exemption Notice 2013* (NZ) by virtue of which this Prospectus is not required to be registered in New Zealand.

#### **2.15 Hong Kong**

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### **2.16 Singapore**

This Prospectus and any other material relating to the New Shares have not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore or any other regulatory authority there.

#### **2.17 Overseas Applicants**

Shareholders as at the Record Date, resident in countries outside Australia, should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to receive New Shares.

The failure to comply with any applicable restrictions may constitute a violation of securities laws.

## 2.18 Nominees, Trustees and Custodians

The foreign selling restrictions summarised in Section 2.13 apply to the underlying beneficial holder. Nominees, trustees or custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who hold Shares on behalf of persons who are resident outside Australia, New Zealand, Hong Kong or Singapore are responsible for ensuring that accepting an Offer and receiving New Shares does not breach regulations in the relevant overseas jurisdictions. Return of a completed Entitlement and Acceptance Form or payment via BPAY will constitute a representation by the applicant that there has been no breach of such regulations with respect to the Offer.

Eligible Shareholders who are nominees, trustees and custodians are therefore advised to seek independent advice as how they should proceed. Failure to comply with restrictions set out in this Prospectus may result in violations of applicable securities laws.

## 2.19 Directors' Interests in the Company

The Directors' beneficial interests in the capital of the Company at the date of this Prospectus, are as follows:

| Name                   | Ordinary Shares | Options/Performance Rights |
|------------------------|-----------------|----------------------------|
| Neville Miles          | 1,125,139       | Nil                        |
| Anthony (Tony) Cormack | 168,974         | Nil                        |
| Garry Plowright        | Nil             | Nil                        |

## 2.20 Electronic Prospectus

An electronic version of this Prospectus is available online at [www.lambooresources.com.au](http://www.lambooresources.com.au).

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

## 2.21 Risks of the Offer

**An investment in securities of the Company should be regarded as speculative.** In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are described in Section 5.

## **2.22 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

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

## **2.23 Enquiries**

Any queries regarding the Offer should be directed to Brent Van Staden, Joint Company Secretary on +61 7 3002 8767 or Leni Stanley, Joint Company Secretary on + 61 7 3221 6022.

## **2.24 Corporate governance**

The Directors monitor business affairs of the Company on behalf of the Shareholders. The Board has formally adopted corporate governance policies which are designed to encourage Directors and management to focus their attention on accountability, risk management and ethical conduct. Discussion about the Company's corporate governance is contained in the Company's 2014 Annual Report available on the Company's website at [www.lambooresources.com.au](http://www.lambooresources.com.au).

Copies of the Company's corporate governance policies and charters are also available on the Company's website.

# **3. How to Apply**

## **3.1 Your choices as an Eligible Shareholder**

The number of New Shares to which each Eligible Shareholder is entitled (Entitlement) is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

Each Eligible Shareholder may:

- (a) take up its Entitlement in full (refer to Section 3.2);
- (b) take up its entitlement in full and apply for Additional Shares (refer to Section 3.3);
- (c) take up part of its Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 3.4); or
- (d) allow its Entitlement to lapse (refer to Section 3.5).

Ineligible Shareholders may not take up any of their Entitlements.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. The Closing Date for acceptance of the Entitlement Offer is 5.00pm (Brisbane time) on 27 July 2015.

## **3.2 Taking up your Entitlement in full**

If you wish to take up your Entitlement in full, follow the instructions set out on the Entitlement and Acceptance Form.



Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with Section 3.7 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5.00pm (AEST) on 27 July 2015 at the address set out below:

- (a) By hand delivery (not to be used if mailing) - Lamboo Resources Limited, C/- Boardroom Pty Ltd, Level 12, 225 George Street, Sydney NSW 2000.
- (b) By post - Lamboo Resources Limited, C/- Boardroom Pty Ltd, GPO Box 3993 Sydney NSW 2001.

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5.00pm (AEST) on 27 July 2015.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register.

### **3.3 Taking up your Entitlement in full and applying for Additional Shares**

If you wish to take up all of your Entitlement and also apply for Additional Shares, complete the accompanying Entitlement and Acceptance Form for New Shares and the Additional Shares section in accordance with the instructions set out in the form and follow the other steps required in accordance with Section 3.2 above. In order to apply for Additional Shares, you must be an Eligible Shareholder and must have first taken up your Entitlement in full.

### **3.4 Taking up part of your Entitlement and allowing the balance to lapse**

If you wish to take up part only of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with Section 3.2 above.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and the Company receives an amount that is less than the Issue Price multiplied by your Entitlement (Reduced Amount), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

### **3.5 Allowing your entitlement to lapse**

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

### **3.6 Consequences of not taking up your Entitlement**

If you do not take up all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer, may be issued by the Directors to other Eligible Shareholders pursuant to an application by them for Additional Shares, or placed by the Directors to third parties at their discretion.

If Shareholders do not participate in the Offer, their holdings of Shares are likely to be diluted by approximately 20% (as compared with their holdings and number of Shares on issue as at the date of this Prospectus).

### **3.7 Payment**

The consideration for the New Shares is payable in full on application by a payment of \$0.06 per New Share.

The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to 'Lambo Resources Limited' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

### **3.8 Binding effect of Entitlement and Acceptance Form**

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

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia, New Zealand, Hong Kong or Singapore; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

### **3.9 Brokerage, handling fees and stamp duty**

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Prospectus. The amount payable on acceptance will not vary during the period of the Entitlement Offer and no further amount is payable on allotment.

Application Monies will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

## **4. Effect of the Offer on the Company**

### **4.1 Summary of the effect of the Offer**

The principal effects of the Offer will be to:

- (a) increase the number of Shares on issue from 171,211,687 as at the date of this Prospectus to 205,454,024 Shares (assuming no Options or Performance Rights are exercised before the Record Date); and
- (b) increase the estimated cash available to the Company by \$2,054,540 (before costs of the Offer).

### **4.2 Historical and Pro Forma Financial Information**

#### **4.2.1 Introduction**

This Section sets out the historical and pro-forma financial information. The basis for preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies set out in Section 4.2.5 below. The historical and pro-forma financial information comprises financial information of Lamboo Resources Limited (the Company or Lamboo). The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

#### **4.2.2 Historical Financial Information**

The historical financial information for Lamboo set out below comprises:

- The reviewed Balance Sheet as at 30 April 2015; and
- Selected notes to the reviewed Balance Sheet.

The historical financial information has been extracted from the reviewed balance sheet of Lamboo as at 30 April 2015. The historical financial information does not include a Statement of Comprehensive Income or a Statement of Cash Flows. The Company is an exploration company. During the period from incorporation to 30 April 2015 the Company has not earned any significant revenue from operations and therefore the presentation of the Statement of Comprehensive Income and Statement of Cash Flows is not considered relevant.

#### **4.2.3 Pro-Forma Financial Information**

The pro-forma financial information for Lamboo set out below comprises:

- The unaudited Pro-Forma Balance Sheet as at 30 April 2015; and
- Selected notes to the unaudited Pro-Forma Balance Sheet.

The unaudited Pro-Forma Balance Sheet has been derived from the reviewed Balance Sheet as at 30 April 2015 adjusted for the following transactions as if they had occurred at 30 April 2015 (pro-forma transactions):

- (a) The issue of 20,000,000 ordinary shares at an issue price of 6 cents per share under a placement completed in June 2015 raising \$1,200,000 before costs of \$72,000;

- (b) The issue of 34,242,337 ordinary shares at an issue price of 6 cents under the 1 for 5 rights issue under this Prospectus to raise \$2,054,540.
- (c) Total cash costs expected to be incurred in connection with the preparation of the Prospectus of \$60,000. These amounts have been offset against share capital;
- (d) The repayment of the Convertible Note ('Lind Note') issued in January 2015 for a total repayment amount of \$943,000 (see Section 5.1(s));
- (e) The proceeds of \$156,523 offset against the Convertible Note repayment amount to recognise the value of the 2 million shares issued in January 2015 under the Lind Note as collateral shares (see Section 5.1(s));

No adjustment has been made to reflect net cash flow movement for the payment of creditors and other cash outflows from operating activities from 1 May 2015 to the date of this document. At 30 June 2015 the Company had cash holdings of \$351,430.

#### 4.2.4 Lamboo Historical and Pro-Forma Financial Information

The historical and pro-forma financial information should be read in conjunction with the notes in Section 4.2.5.

| Balance Sheet                     | Notes   | Reviewed<br>Historical Balance<br>Sheet<br>30 April 2015<br>\$ | Reviewed<br>Pro-Forma<br>Balance Sheet<br>30 April 2015<br>\$ |
|-----------------------------------|---------|--|---|
| <b>Current assets</b>             |         |  |   |
| Cash and cash equivalents         | 4.2.5.3 | 683,388  | 3,019,451   |
| Trade and other receivables       |         | 2,514  | 2,514   |
| Other assets                      |         | 26,445   | 26,445  |
| <b>Total current assets</b>       |         | <b>712,347</b>   | <b>3,048,410</b>  |
| <b>Non-current assets</b>         |         |  |   |
| Trade and other receivables       |         | 94,227   | 94,227  |
| Plant and equipment               |         | 74,246   | 74,246  |
| Exploration and evaluation assets |         | 9,371,848  | 9,371,848   |
| <b>Total non-current assets</b>   |         | <b>9,540,321</b>   | <b>9,540,321</b>  |
| <b>Total assets</b>               |         | <b>10,252,668</b>  | <b>12,588,731</b>   |
| <b>Current liabilities</b>        |         |  |   |
| Trade and other payables          |         | 126,090  | 126,090   |
| Borrowings                        | 4.2.5.4 | 587,008  | -   |
| Derivative liability              |         | 99,324   | 99,324  |
| Provisions                        |         | 104,856  | 104,856   |
| <b>Total current liabilities</b>  |         | <b>917,278</b>   | <b>330,270</b>  |
| <b>Total liabilities</b>          |         | <b>917,278</b>   | <b>330,270</b>  |
| <b>Net assets</b>                 |         | <b>9,335,390</b>   | <b>12,258,461</b>   |

|                     |         |                  |                   |
|---------------------|---------|------------------|-------------------|
| <b>Equity</b>       |         |                  |                   |
| Share capital       | 4.2.5.5 | 43,289,201       | 46,568,264        |
| Reserves            |         | 885,640          | 885,640           |
| Accumulated losses  |         | (34,839,451)     | (35,195,443)      |
| <b>Total equity</b> |         | <b>9,335,390</b> | <b>12,258,461</b> |

#### 4.2.5 Notes to and Forming Part of the Financial Information

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information. The accounting policies have been consistently applied unless otherwise stated. The financial information is in compliance with the recognition and measurement requirements of Australian Accounting Standards.

##### 4.2.5.1 Basis of Preparation

###### Going concern

As at 30 April 2015 the Company has negative net working capital. In addition the Company has recorded a loss before income tax of \$4,269,000 for the 10 month period ended 30 April 2015.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the company to raise additional capital in the future; and
- the successful exploration and subsequent exploitation of the Company's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Company has funded its activities through issuance of equity securities and it is expected that the Company will be able to fund its future activities through further issuances of equity securities; and
- The directors note that the Company has raised approximately \$1.2 million from the issue of shares under a placement and is currently planning capital raising activities to fund its proposed activities until the end of 2015.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The Pro-Forma Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

###### Reporting basis and conventions

The financial information has been prepared on an accruals basis and is based on historical costs, except for certain financial instruments measured at fair value.

##### 4.2.5.2 Accounting Policies

###### a. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

## **b. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

## **c. Plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed periodically by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset is:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate</u> |
|-----------------------------|--------------------------|
| Plant and equipment         | 33%                      |
| Motor Vehicles              | 25%                      |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

## **d. Exploration and evaluation assets**

### Initial project acquisition costs

The costs relating to the initial acquisition of the following exploration projects have been

expensed as incurred:

- McIntosh (Kimberley Region, Western Australia);
- Halls Creek (Kimberley Region, Western Australia);
- Valla (Northern New South Wales);
- Geuman (Chungcheongnam-Do Province, South Korea);
- Samcheok (Gangwon-Do Province, South Korea); and
- Taehwa (Taehwa, South Korea).

Any subsequent future exploration and evaluation expenditures on these projects are capitalised in accordance with and AASB 6 “Exploration for and Evaluation of Mineral Resources”.

#### Exploration costs

Following tenement acquisition exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

#### **e. Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30-60 days of recognition.

#### **f. Borrowings - Convertible notes**

Convertible notes are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition any changes in fair value at each balance date are recognised in profit or loss.

#### g. Share Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### h. Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

##### **Key estimates – impairment**

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Where applicable, value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

##### **Key judgements – exploration & evaluation assets**

The Company performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on the continuing rights to explore the area of interest, planned future expenditure and an assessment of economically recoverable reserves, if known.

#### 4.2.5.3 Cash and Cash Equivalents

| <b>Reconciliation of movements in Pro-Forma cash and cash equivalents</b> | <b>\$</b>        |
|---|------------------|
| Cash and cash equivalents at 30 April 2015                                | 683,388          |
| Proceeds from the issue of shares pursuant to this Prospectus             | 2,054,540        |
| Payment of estimated costs with respect to this Prospectus                | (60,000)         |
| Proceeds from issue of shares under Placement – June 2015                 | 1,200,000        |
| Payment of estimated costs with respect the Placement – June 2015         | (72,000)         |
| Repayment of convertible notes – Lind Note                                | (943,000)        |
| Proceeds from Lind Collateral shares                                      | 156,523          |
| <b>Pro-Forma cash and cash equivalents</b>                                | <b>3,019,451</b> |

No pro-forma adjustments have been made to reflect cash flow movements for the payment of creditors and other cash outflows from operating activities between 1 May 2015 and the date of this document. At 30 June 2015 the Company had cash holdings of \$351,430.

#### 4.2.5.4 Borrowings

| <b>Reconciliation of movements in Pro-Forma borrowings</b> | <b>\$</b> |
|--|-----------|
| Borrowings at 30 April 2015                                | 587,008   |
| Fair Value Adjustment                                      | 355,992   |
| Repayment of convertible notes– Lind Note                  | (943,000) |
| <b>Pro-Forma borrowings</b>                                | <b>-</b>  |

The terms of the convertible notes were as follows:

|                  |                |
|------------------|----------------|
| Issue Date:      | 9 January 2015 |
| Maturity Date:   | 9 January 2016 |
| Note Face Value: | \$1,150,000    |

The face value of the note is a 15% premium over the funded amount of \$1,000,000 and the Company paid the note holder a \$100,000 fee in cash on receipt of the funds.



Repayment: The Lind Note was repaid on 26 June 2015.

The Lind Note is repayable by equal monthly payments over a 12 month period from the end of February 2015. Each monthly repayment can be made, at Lamboo's option, either through cash or shares ("Repayment Shares") or a combination of both.

If the Company elects to repay the whole or part of the monthly payments in cash, the repayment amount will carry a premium of 2.5% of the relevant repayment amount. If the Company elects to repay via shares, the Repayment shares will be priced at 90% of the average of three daily volume weighted average prices (VWAP) chosen by Lind during a specified period prior to each issue of shares.

Lamboo can repay the full outstanding face value of the Convertible Note based on a 2.5% premium and Lind would have the right upon such repayment to convert an amount equal to 25% of the face value of the Convertible Note at that time into equity at the premium conversion price which is equal to 130% of the Average of the VWAP during the 20 trading days prior to the Funding Agreement being signed ("Premium Conversion Price").

After a period of 60 days from the initial drawdown, Lind has the option to convert any amounts outstanding under the Funding Agreement into ordinary shares at the Premium Conversion Price ("Conversion shares").

Lind Options In conjunction with the convertible notes the note holder was issued with 3,000,000 unlisted options to acquire shares with an exercise price equal to the Premium Conversion Price or 130% of the average of the daily VWAPs per share during the twenty (20) consecutive Trading Days immediately prior to 28 February 2015 and exercisable 36 months from the date of issue. The exercise price of the options was determined to be 16.162 cents per share and the expiry date is 3 March 2018.

#### 4.2.5.5 Share Capital

| <b>Reconciliation of movements in Pro-Forma share capital</b> | <b>Number of shares</b> | <b>\$</b>         |
|---|-------------------------|-------------------|
| Shares on issue at 30 April 2015                              | 151,211,687             | 43,289,201        |
| Issue of Placement Shares - June                              | 20,000,000              | 1,200,000         |
| Costs of placement  | -                       | (72,000)          |
| Proceeds from Lind Collateral shares                          | -                       | 156,523           |
| Issue of shares pursuant to this Rights Issue Prospectus      | 34,242,337              | 2,054,540         |
| Costs of rights issue   | -                       | (60,000)          |
| <b>Pro-Forma share capital</b>                                | <b>205,454,024</b>      | <b>46,568,264</b> |

#### 4.2.5.6 Commitments

##### ***Future exploration commitments***

The Company has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company. The commitments at 30 April 2015 were as follows:

|                                       | <b>\$</b>        |
|---------------------------------------|------------------|
| <b><i>Exploration commitments</i></b> |                  |
| Less than 12 months                   | 798,520          |
| Between 12 months and 5 years         | 2,552,560        |
| Greater than 5 years                  | -                |
|                                       | <b>2,651,080</b> |

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Company has the option to negotiate new terms or relinquish the tenements. The Company also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

#### 4.2.5.7 Contingent Assets and Liabilities

There has been no change to contingent assets and contingent liabilities disclosed in the 30 June 2014 financial report.

#### 4.2.5.8 Subsequent Events

The Directors are not aware of any other significant changes in the state of affairs of the Company or events subsequent to 30 April 2015 that would have a material impact on the historical or pro-forma financial information.

#### 4.3 Effect of the Offer on the Company's Capital Structure on completion of the Offer

The capital structure of the Company, following completion of the Offer, is expected to be as follows:

| Shares   | Number             |
|--|--------------------|
| Balance at the date of this Prospectus             | 171,211,687        |
| To be issued pursuant to the Offer*                | 34,242,337         |
| <b>Total Shares on issue at close of the Offer</b> | <b>205,454,024</b> |

\*Note: The table Assumes full subscription under the Offer.

| Options   | Number            |
|---|-------------------|
| Balance at the date of this Prospectus*             | 12,637,835        |
| <b>Total options on issue at close of the Offer</b> | <b>12,637,835</b> |

\*Note: Options comprise:

4,387,835 Unlisted Options exercisable at 15 cents expiring on 15 August 2015  
 3,000,000 Unlisted Options exercisable at 16.162 cents expiring on 3 March 2018  
 5,250,000 Unlisted Options exercisable at 20 cents expiring on 30 June 2016

| Performance Rights*  | Number            |
|--|-------------------|
| Balance at the date of this Prospectus                         | 10,000,000*       |
| <b>Total Performance Rights on issue at close of the Offer</b> | <b>10,000,000</b> |

\* These Performance Rights have vested.

#### 4.4 Effect of the Offer on control of the Company

If Shareholders do not participate in the Offer, their holdings of Shares are likely to be diluted by approximately 20% (as compared with their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders (assuming no Options or Performance Rights are exercised before the Record Date) are set out below:

**Scenarios if Entitlements are not taken up and are taken up by others as Additional Shares or are placed by the Directors to third parties:**

| Holder        | Holding at Record Date | % at Record Date | Entitlement | Holding if Entitlement not taken up | % if Entitlement not taken up |
|---------------|------------------------|------------------|-------------|-------------------------------------|-------------------------------|
| Shareholder 1 | 10,000,000             | 5.84%            | 2,000,000   | 10,000,000                          | 4.87%                         |
| Shareholder 2 | 5,000,000              | 2.92%            | 1,000,000   | 5,000,000                           | 2.43%                         |
| Shareholder 3 | 1,500,000              | 0.88%            | 300,000     | 1,500,000                           | 0.73%                         |

|               |         |       |        |         |       |
|---------------|---------|-------|--------|---------|-------|
| Shareholder 4 | 400,000 | 0.23% | 80,000 | 400,000 | 0.19% |
| Shareholder 5 | 50,000  | 0.03% | 10,000 | 50,000  | 0.02% |

## 5. Risk Factors

The New Shares offered under the Prospectus are considered speculative

An investment in the Company is not risk free and the Directors strongly urge potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult with their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

Prior to deciding whether to participate in the Offer, investors should read the entire Prospectus and review announcements made by the Company to ASX (at [www.asx.com.au](http://www.asx.com.au) under the code **LMB**, in order to gain an appreciation of the Company, its activities, operations, financial position and prospects.

Securities do not carry any guarantee with respect to the payment of any dividends, returns of capital or the market value of those securities.

There are specific risks which relate directly to the Company's business. In addition, there are 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 Shares.

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

### 5.1 Company and industry risks

#### (a) Future capital needs and additional funding

There is a risk that the Company's efforts to raise funds will not be sufficient to complete proposed exploration and development and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company, will vary according to a number of factors, including prospectivity of its projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms, the Company may not be able to further develop its projects and this may impact on the Company's ability to continue as a going concern.

#### (b) Non recovery of the Deposit from Hengda

There is a risk that the Company will not recover the Deposit or any part thereof from Hengda, although the Company intends to discuss the matter with Hengda and consider its options after 30 June 2015 when the final instalment of the Deposit is due, the previous instalments having not been paid. In this regard, see Section 7.6.

(c) Exploration and development costs

Exploration and development are high risk undertakings. The Company does not give any assurance that continued exploration of its current projects or any future projects will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

(d) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. The Company believes that these estimates were appropriate when made, but they may change significantly when new information becomes available. There are risks associated with such estimates, as resource estimates are necessarily imprecise and depend to some extent on interpretation, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates may affect the Company's future plans and ultimately, its financial performance and value of its Shares.

(e) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation will involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company's.

(f) Mining, development and infrastructure risks

Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management, performance of sales and offtake contracts and proficient financial management. Mining and development operations can be hampered by force majeure circumstances, invention of disruptive technologies resulting in substitutes for the mineral resources, environmental considerations and cost overruns as a result of unforeseen events.

The Company's operations will depend on an uninterrupted flow of materials, supplies, equipment, services and finished projects. Due to the geographic location of the Company's projects, it will depend on third parties for the provision of road, port, marine, shipping and other transportation services. Contractual disputes, demurrage charges, classification of commodity inputs and finished products, road and port capacity issues, availability of trucks and vessels, weather conditions, labour disruptions or other factors may have an adverse impact on the Company's ability to transport materials according to schedules and contractual commitments. If these circumstances arise, they may adversely affect the Company's business, results of operations, financial performance and the value of its Shares.

(g) Environmental risks

The operations and activities of the Company are subject to environmental laws and regulations, which can be amended by the relevant authorities from time to time. As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment,

particularly if advanced exploration or mine development proceeds. As a result, there is risk that the Company may incur liability under environmental laws that is greater than costs it anticipated.

(h) Competition

The Company competes with other companies. Some of these companies have greater financial and other resources than the Company and as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies. The technologies directly associated with the use of the Company's mineral resources compete with other technologies that can provide the same utility by using other materials. The marketability of the Company's mineral resources may be adversely impacted by technological obsolescence.

(i) Title risk

Mining tenements are governed by legislation and each tenement is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. There is a risk that the Company could lose title to one or more of its tenements if tenement conditions or annual expenditure commitments are not met.

(j) Native Title, Aboriginal Heritage and Heritage

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

(k) Joint venture

The Company may, in the future, become a party to joint venture agreements governing the continued exploration and development of its projects. There is a risk that the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.

(l) Acquisition and investment risks

The Company may seek potential acquisitions and investments to complement its existing exploration assets. Whilst the Company will undertake thorough due diligence on any acquisitions or investments, there are risks associated with acquisitions or investments which may not be fully mitigated. Furthermore, any acquisition or investment may require the Company to raise additional capital, which may be dilutive for existing Shareholders.

(m) Commodity prices

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for

interest rates, inflation and other economic or political factors on both a regional and global basis. These factors may have a negative effect on the Company's exploration, project development and production plans and activities, together with its ability to fund those plans and activities.

(n) Occupational health & safety

The exploration and mining industry has become subject to increasing occupational health and safety responsibility and liability. The Company may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

(o) Key personnel

The ability of the Company to achieve its objectives depends on the retention of key personnel who provide technical expertise. If the Company cannot secure external technical expertise (for example to carry out drilling) or if the services of the present technical panel cease to become available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget the Company has decided upon.

Whilst the ability of the Company to achieve its objectives may be affected by the matters mentioned above, the Directors believe that appropriately skilled and experienced professionals will be available to provide services to the Company at market levels of remuneration in the event key external contractors cease to be available.

(p) Insurance

Insurance against all risks associated with mineral exploration and production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be obtained, either because such cover is not available or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover. The occurrence of an event that is not covered or is only partially covered by insurance will have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that the Directors consider reasonable.

(q) Country risk

The Company has projects located outside Australia, subject to political, economic, legal and social risk that is different from Australia. There can be no assurance that the systems of government and the political systems in overseas countries will remain stable. Further, there can be no assurance that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in these countries will not be amended or replaced in the future to the detriment of the Company's business and/or projects. The Directors are unaware of any such proposals as at the date of this Prospectus.

(r) Dividends Policy

The Directors are unable to say if and when the Company will be able to pay dividends. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of profit, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

(s) Specific Disputes Risk

There is a potential dispute between:

- (i) the Company and its former managing director concerning his entitlements upon termination; and
- (ii) the Company and Lind concerning the Company's purported repayment of the Lind Note. Lind disputes the Company's setting off, against the final balance of the Lind Note, the value of 2 million Shares (Collateral Shares) at a valuation of 90% of the average of 3 daily VWAPS during the 20 days prior to the Company's repayment of the Lind Note. The Collateral Shares were issued to Lind on or about 20 January 2015 pursuant to the Lind Note. Lind maintains it must only pay the Company for the Collateral Shares at the above valuation 30 days after repayment of the Lind Note by the Company, whereas the Company maintains in the particular circumstances, it was entitled to set off the value of the Collateral Shares.

The Company has received legal advice regarding both matters and while it hopes that proceedings will be avoided in both cases, the Company will defend any proceedings commenced against it, as it does not believe any payment is due in either case. If the Company's defences in either case are unsuccessful, the Company may be ordered to pay legal costs of the other party.

## 5.2 General Investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) Securities investments and share market conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies, may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) Liquidity risk

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(c) Economic risk

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(d) List not exhaustive

The above list of risk factors should not to be taken as exhaustive of the risks faced by the Company or by Shareholders. 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 Shares Offered under this Prospectus. Accordingly, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time. Shareholders should consider that investment in the Company is highly speculative and should consult their professional advisers before deciding whether to take up their Entitlement.

## **6. Rights and Liabilities attaching to the New Shares**

### **6.1 Shares**

Full details of the rights and liabilities attaching to the New Shares, which rank equally with all other existing Shares, are:

- (a) detailed in the Company's Constitution a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the New Shares, which are fully paid ordinary shares that rank equally with all Shares currently on issue.

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.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the Board may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at



the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

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

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Election of Directors

There must be a minimum of 3 Directors and the Board may set a maximum number of Directors. At every annual general meeting one third of the Directors (rounded up to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(g) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(h) Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (i) divide the assets of the Company among the members in kind;
- (ii) for that purpose, fix the value of assets and decide how the division is to be carried out as between the members and different class of members; and
- (iii) If members approve by special resolution, vest assets of the Company in trustees on any trusts for the benefit of the members as the liquidator thinks appropriate, but members may not be compelled to accept any securities in respect of which the member incurs any liability.

(i) Shareholder liability

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

(j) Alteration to the Constitution

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

(k) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## **7. Additional Information**

### **7.1 Disclosing entity**

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and 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 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 period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2014 to 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 securities 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 of the Company for the financial year ended 30 June 2014, being the last financial report for a financial year of the Company lodged with the ASIC before the issue of this Prospectus;
  - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
  - (iii) any continuous disclosure notices given by the Company after the lodgement of that annual report and the lodgement of this Prospectus.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours. The Company has lodged the following announcements with ASX since the 30 June 2014 audited financial statements:

| Date       | Headline   | Pages |
|------------|--|-------|
| 01/07/2015 | Default on Hengda Repayments                                 | 1     |
| 30/06/2015 | Change in substantial holding                                | 6     |
| 29/06/2015 | Repayment of Convertible Note                                | 1     |
| 26/06/2015 | App 3B - Allotment of 20m Placement Shares                   | 13    |
| 26/06/2015 | App 3B - Shares offered under Prospectus                     | 12    |
| 26/06/2015 | Cleansing Prospectus   | 28    |
| 22/06/2015 | Diamond Drilling commences following Final Heritage Approval | 1     |
| 15/06/2015 | Capital Raising Update                                       | 1     |
| 11/06/2015 | Trading Halt   | 2     |
| 10/06/2015 | App 3X Initial Directors Interest Notice - Mr G Plowright    | 2     |
| 10/06/2015 | Appointment of Director - Mr Garry Plowright                 | 1     |
| 09/06/2015 | App 3Y Change of Directors Interest Notice - T Cormack       | 2     |
| 05/06/2015 | Change of Directors Interest Notice - Mr N Miles             | 2     |
| 03/06/2015 | App 3Y Change of Directors Interest Notice - Mr A Cormack    | 2     |
| 02/06/2015 | McIntosh Heritage Clearance Survey - Preliminary Advice      | 2     |
| 01/06/2015 | Hengda Deposit Update  | 1     |
| 01/06/2015 | New Constitution approved by Shareholders                    | 36    |
| 29/05/2015 | McIntosh Project Update Presentation                         | 15    |
| 29/05/2015 | Results of EGM   | 1     |
| 29/05/2015 | Chairman's Address to EGM                                    | 4     |
| 26/05/2015 | App 3Z - Final Director's Interest Notice - Mr Lee           | 2     |
| 26/05/2015 | Resignation of Director - Mr Alvars Lee                      | 1     |
| 21/05/2015 | Lind Repayment Cash Election                                 | 1     |
| 19/05/2015 | Hengda Deposit Updated                                       | 1     |
| 15/05/2015 | Change of registry address                                   | 1     |
| 07/05/2015 | Supplementary Notice of General Meeting and EM               | 4     |

| Date       | Headline   | Pages |
|------------|--|-------|
| 04/05/2015 | Notice of General Meeting of Shareholders                    | 11    |
| 01/05/2015 | Default on the 1st Repayment of the Hengda Deposit           | 1     |
| 30/04/2015 | Appendix 5B - Quarterly Activities Report to 31 March 2015   | 19    |
| 30/04/2015 | Appendix 5B - Quarterly Cash Flow Report to 31 March 2015    | 5     |
| 27/04/2015 | Amended App 3B -Lind Shares and Election for Cash Repayment  | 13    |
| 27/04/2015 | App3B - Lind Shares and Election for Cash for next payment   | 13    |
| 20/04/2015 | App 3Y - Change in Directors Interest Notice - N Miles       | 2     |
| 20/04/2015 | Presentation - Pathway to Growth and Revenue                 | 21    |
| 17/04/2015 | App 3Z - Final Directors Interest Notice - R Trevillion      | 2     |
| 16/04/2015 | Resignation of Managing Director/CEO                         | 1     |
| 15/04/2015 | McIntosh - Positive Conceptual Study Results                 | 12    |
| 01/04/2015 | Change in substantial holding                                | 5     |
| 01/04/2015 | App 3B - Issue of Shares and Options under Placement         | 12    |
| 30/03/2015 | App 3B - Placement of Shares and Options                     | 12    |
| 30/03/2015 | Agreement for Return of Hengda Deposit                       | 2     |
| 30/03/2015 | Trading Halt   | 2     |
| 25/03/2015 | Appendix 3B - Issue of Shares for Lind Note Repayment        | 12    |
| 23/03/2015 | Completion of Capital Raising - Correction                   | 2     |
| 23/03/2015 | Completion of Capital Raising                                | 1     |
| 19/03/2015 | Trading Halt   | 2     |
| 05/03/2015 | Appendix 3B - Shares to be issued under Prospectus           | 12    |
| 05/03/2015 | App 3Y Change of Directors Interest - A Cormack              | 2     |
| 05/03/2015 | App 3Y Change of Directors Interest - N Miles                | 2     |
| 04/03/2015 | Amended Appendix 3B - Issue of Unlisted Options              | 13    |
| 03/03/2015 | Appendix 3B - Issue of Unlisted Options                      | 12    |
| 27/02/2015 | Cleansing Prospectus   | 42    |
| 27/02/2015 | Half Year Accounts to 31 December 2014                       | 25    |
| 27/02/2015 | Results of General Meeting of Shareholders                   | 1     |
| 27/02/2015 | Strategy Presentation - Pathway to Production and Revenues   | 31    |
| 23/02/2015 | McIntosh - Significant Added Potential Demonstrated          | 16    |
| 09/02/2015 | Strong Flake Graphite Potential at Target 11 - 3D VTEM       | 10    |
| 02/02/2015 | Geumam - Significant Drill Hole Intercepts and Metallurgical | 11    |
| 30/01/2015 | App 5B - Quarterly Cash Flow Report - 31 December 2014       | 5     |
| 30/01/2015 | Quarterly Activities Report - 31 December 2014               | 22    |
| 28/01/2015 | Notice of General Meeting and Explanatory Statement          | 16    |
| 27/01/2015 | McIntosh - Significant Cu/Ni Potential at Target 4           | 12    |
| 21/01/2015 | McIntosh - Significant Flake Graphite Potential at Target 10 | 10    |
| 20/01/2015 | Appendix 3B - Funding Arrangement Shares                     | 12    |
| 12/01/2015 | Funding Agreement  | 2     |
| 19/12/2014 | Results of Annual General Meeting                            | 1     |

| Date       | Headline   | Pages |
|------------|--|-------|
| 19/12/2014 | Strategic Presentation to AGM                                | 19    |
| 19/12/2014 | Chairman Address to Annual General Meeting                   | 2     |
| 19/12/2014 | Appendix 3Z Final Directors Interest Notice - Mr Xie         | 2     |
| 19/12/2014 | Non-Executive Director Resignation - Mr Xie                  | 1     |
| 18/12/2014 | App 3X - Initial Directors Interest Notice - T Cormack       | 2     |
| 17/12/2014 | Appointment of New Director                                  | 1     |
| 15/12/2014 | McIntosh Project - Target 3 VTEM Results and Target 4 Update | 17    |
| 12/12/2014 | App 3X Initial Director's Interest Notice - N Miles          | 2     |
| 10/12/2014 | App 3Z - Final Director's Interest Notice - B Preston        | 2     |
| 09/12/2014 | Board Changes  | 1     |
| 09/12/2014 | Change of Registered Office and Management Office            | 1     |
| 09/12/2014 | Notice of change of interests of substantial holder          | 3     |
| 08/12/2014 | VTEM Supermax Interpretation Results                         | 22    |
| 02/12/2014 | McIntosh and Geuman Projects Update                          | 1     |
| 02/12/2014 | Reinstatement to Official Quotation                          | 1     |
| 02/12/2014 | Hengda Update  | 5     |
| 25/11/2014 | Change of Company Secretary                                  | 1     |
| 24/11/2014 | Update on Hengda   | 1     |
| 18/11/2014 | Notice of Annual General Meeting/Proxy Form                  | 10    |
| 03/11/2014 | Extension of Date for Annual General Meeting                 | 3     |
| 31/10/2014 | Annual Report to shareholders                                | 70    |

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

## 7.2 Market prices of existing Shares on ASX

The highest and lowest market sale price of the Company's Shares during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

|              | 3 month high | 3 month low | Last market sale price |
|--------------|--------------|-------------|------------------------|
| <b>Price</b> | \$0.145      | \$0.051     | \$0.084                |
| <b>Date</b>  | 30/03/2015   | 29/05/2015  | 06/07/2015             |

## 7.3 No prospective financial forecasts

The Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings, because the proposed future operations of the Company do not have an operating history from which reliable forecasts can be made. 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.

Notwithstanding the above, this Prospectus includes, or may include, forward looking statements including, without limitation, forward looking statements regarding the

Company's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future.

Matters not yet known to the Company or not currently considered material to the Company may impact on these forward looking statements. These statements reflect views held only as at the date of this Prospectus. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Prospectus might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

#### **7.4 Privacy**

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the acceptance and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there, even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person, subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

#### **7.5 Lind Note**

The Company has paid what it considers to be the full outstanding balance of the Lind Note. However, see Section 7.10.

#### **7.6 Hengda**

Hengda has not paid instalments of the settlement agreement between Hengda and the Company due for payment on 30 April 2015, 30 May 2015 and 30 June 2015 and as a consequence, the Company will consider what action it should take, including discussing the matter with Hengda and investigating its legal options.

## 7.7 Dividend Policy

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

## 7.8 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## 7.9 Determination by ASIC

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

## 7.10 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company, save that there is a potential dispute between:

- (a) the Company and its former managing director concerning his entitlements upon termination; and
- (b) the Company and Lind concerning the Company's purported repayment of the Lind Note. Lind disputes the Company's setting off, against the final balance of the Lind Note, the value of 2 million Shares (Collateral Shares) at a valuation of 90% of the average of 3 daily VWAPS during the 20 days prior to the Company's repayment of the Lind Note. The Collateral Shares were issued to Lind on or about 20 January 2015 pursuant to the Lind Note. Lind maintains it must only pay the Company for the Collateral Shares at the above valuation 30 days after repayment of the Lind Note by the Company, whereas the Company maintains in the particular circumstances, it was entitled to set off the value of the Collateral Shares.

The Company has received legal advice regarding both matters and while it hopes that proceedings will be avoided in both cases, the Company will defend any proceedings commenced against it, as it does not believe any payment is due in either case. If the Company's defences in either case are unsuccessful, the Company may be ordered to pay legal costs of the other party.

## 7.11 Expiry Date

No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus

## 7.12 Substantial Shareholders

The particulars of the Company's substantial Shareholder are set out below:

| Shareholder  | % Holding |
|--|-----------|
| Och-Ziff Holding Corporation and Och-Ziff Capital Management Group LLC | 10.242    |
| National Nominees Limited  | 8.846     |

### 7.13 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

| Director                     | Shares Directly and Indirectly held | Options |
|------------------------------|-------------------------------------|---------|
| Neville Miles                | 1,125,139                           | Nil     |
| Anthony (Tony) Cormack       | 168,974                             | Nil     |
| Garry Plowright <sup>1</sup> | Nil                                 | Nil     |

Note:

1) Appointed 10 June 2015

### 7.14 Remuneration of Directors

Mr Neville Miles is paid \$90,000 per annum (plus statutory superannuation) as Non-Executive Chairman. In the two years prior to the date of this Prospectus, Mr Miles received a total remuneration of \$50,671.

Mr Tony Cormack is paid \$240,000 per annum (plus statutory superannuation) as an executive director. In the two years prior to the date of this Prospectus, Mr Cormack received a total remuneration of \$128,905 during the period that he was Executive Director and \$120,595 for the period he was an executive.

Mr Plowright is paid \$60,000 (plus statutory superannuation) as a non-executive director. In the two years prior to the date of this Prospectus, Mr Plowright received a total remuneration of \$3,633.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by Shareholders at a general meeting. Fees for non-executive Directors are not linked to the performance of the economic entity.

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

The Company has (and will, in the case of Mr Plowright) entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

Directors are also entitled to be reimbursed for reasonable expenses incurred by them in providing their services to the Company. Non-executive directors are entitled to payment in addition to their director's fee if they undertake work in addition to their services as non-executive director. Payment for such additional work will be at agreed market rates.

The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.



### **7.15 No other Directors' interests**

Other than as set out above or elsewhere in this Prospectus, no Director or proposed Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- (d) to a Director or proposed Director to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

### **7.16 Interests of promoters and named persons**

Except as disclosed in this Prospectus, no other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

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

CBP Lawyers has advised the Company in relation to aspects of the Offer. CBP Lawyers will receive fees of approximately \$5,000 in connection with this Prospectus.

### **7.17 Consents**

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;

- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

| Name              | Role           |
|-------------------|----------------|
| CBP Lawyers       | Lawyers        |
| Boardroom Pty Ltd | Share Registry |

## 8. Directors' Responsibility and Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 7 July 2015




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Signed for and on behalf of  
Lambo Resources Limited by  
Tony Cormack

## 9. Corporate Directory

| Directors              |                          | Secretaries (Joint)              |
|------------------------|--------------------------|----------------------------------|
| Neville Miles          | (Non-Executive Chairman) | Leni Stanley<br>Brent van Staden |
| Garry Plowright        | (Non-Exec. Director)     |                                  |
| Anthony (Tony) Cormack | (Exec. Director)         |                                  |

| Registered and Business Office   | Share Registry*   |
|--|---|
| Level 6 / 344 Queen Street<br>Brisbane QLD 4000<br>Tel: +61 7 3221 6022<br>Email: <a href="mailto:info@lambooresources.com.au">info@lambooresources.com.au</a> | Boardroom Pty Ltd<br>Level 12, 225 George Street<br>Sydney NSW 2000<br>GPO Box 3993 Sydney NSW 2001<br>Tel: 1300 737 760<br>Fax: 1300 653 459 |

| Auditor  | Solicitors  |
|--|---|
| BDO Audit Pty Ltd<br>Level 10/12 Creek Street<br>Brisbane QLD 4000<br>Tel: +61 7 3237 5999<br>Fax: +61 7 3221 9227 | Colin Biggers & Paisley Lawyers<br>Level 35, 1 Eagle Street, Brisbane QLD 4000<br>Tel: +61 7 3002 8767<br>Email: <a href="mailto:bvs@cbp.com.au">bvs@cbp.com.au</a> |

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus.

### Website

[www.lambooresources.com.au](http://www.lambooresources.com.au)

## 10. Glossary

Where the following terms are used in this Prospectus they have the following meanings:

|  |  |
|--|--|
| <b>A\$ or \$</b>                             | Australian dollars unless otherwise stated.  |
| <b>AEST</b>                                  | Australian Eastern Standard Time.  |
| <b>Acceptance</b>                            | An acceptance of Entitlements.   |
| <b>Additional Shares or Shortfall shares</b> | New Shares to be issued pursuant to the Additional Share Offer.  |
| <b>Applicant</b>                             | An Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.                           |
| <b>Application</b>                           | The submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.         |
| <b>Application Moneys</b>                    | The aggregate amount payable for the New Shares (and any Additional Shares) applied for in a duly completed Entitlement and Acceptance Form or through BPAY, calculated as the issue price of the New Shares multiplied by the number of New Shares applied for. |
| <b>ASIC</b>                                  | The Australian Securities & Investments Commission.  |
| <b>ASX</b>                                   | ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.  |
| <b>ASX Settlement</b>                        | ASX Settlement Pty Ltd ACN 008 504 532.  |
| <b>Board</b>                                 | The board of Directors.  |
| <b>CHESS</b>                                 | The Clearing House Electronic Sub Register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form.  |
| <b>Closing Date</b>                          | 5.00pm AEST on 27 July 2015 or an amended time as set by the Board.  |
| <b>Company</b>                               | Lamboo Resources Limited (ABN 27 099 098 192).   |
| <b>Constitution</b>                          | The constitution of the Company.   |
| <b>Corporations Act</b>                      | The Corporations Act 2001 (Cth).   |
| <b>Deposit</b>                               | US\$2 million deposit paid by Lamboo to a shareholder of Hengda pursuant an agreement to acquire shares in Hengda.   |
| <b>Director</b>                              | A director of the Company.   |
| <b>Eligible Shareholder</b>                  | A Shareholder on the Record Date who has a registered address in Australia, New Zealand, Hong Kong or Singapore or is a Shareholder that the Company has otherwise determined is eligible to participate.  |
| <b>Entitlement</b>                           | The entitlement to subscribe for New Shares pursuant to the Entitlement Offer.   |
| <b>Entitlement and</b>                       | The entitlement and acceptance form accompanying this  |

|                                   |  |
|-----------------------------------|--|
| <b>Acceptance Form</b>            | Prospectus.  |
| <b>Entitlement Offer or Offer</b> | The pro rata non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share for every 5 Shares of which the Shareholder is the registered holder on the Record Date. |
| <b>Hengda</b>                     | China Sciences Hengda Graphite Co. Ltd.  |
| <b>Ineligible Shareholder</b>     | A Shareholder (or beneficial holder of Shares) who is a Shareholder on the Record Date with a registered address outside of either Australia, New Zealand, Hong Kong or Singapore. |
| <b>Lambo</b>                      | Lambo Resources Limited (ABN 27 099 098 192).  |
| <b>Lind</b>                       | Australian Special Opportunity Fund, LP, an institutional investor managed by The Lind Partners LLC.   |
| <b>Lind Note</b>                  | the uncertificated convertible note issued to Australian Special Opportunity Fund, LP, an institutional investor managed by the Lind Partners LLC, on or about 20 January 2015.    |
| <b>Listing Rules</b>              | The listing rules of ASX.  |
| <b>Offer</b>                      | The offer of New Shares (including Additional Shares) made under this Prospectus.  |
| <b>Offer Period</b>               | The period between the Opening Date and the Closing Date.  |
| <b>New Shares</b>                 | Shares offered pursuant to the Offer.  |
| <b>Official List</b>              | The Official List of ASX.  |
| <b>Opening Date</b>               | 16 July 2015.  |
| <b>Option</b>                     | An option to subscribe for and be issued, a Share.   |
| <b>Option Holders</b>             | The holders of Options.  |
| <b>Prospectus</b>                 | This Prospectus and includes the electronic Prospectus.  |
| <b>Placement</b>                  | The placement by and at the complete discretion of the Directors to third parties, of any remaining Shortfall after completion of the Offer and the Additional Share Offer.        |
| <b>Record Date</b>                | 7.00pm (AEST) on 13 July 2015.   |
| <b>Section</b>                    | A numbered section of this Prospectus.   |
| <b>Share</b>                      | A fully paid ordinary share in the Company.  |
| <b>Shareholder</b>                | The registered holder of Shares in the Company.  |
| <b>Share Registry</b>             | Boardroom Pty Ltd  |
| <b>Shortfall</b>                  | Any New Shares in respect of which the Entitlement Offer has not been accepted.  |
| <b>US Securities Act</b>          | The US Securities Act of 1933, as amended.   |