

PURSUIT MINERALS LIMITED
ACN 128 806 977

CLEANSING PROSPECTUS

For an offer of up to 11,364 Shares at an issue price of \$0.088 per Share to raise up to \$1,000 (before expenses) (**Offer**).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Shares offered by this Prospectus should be considered highly speculative.**

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1. CORPORATE DIRECTORY

Directors

Peter Wall
Non-Executive Chairman

Jeremy Read
Managing Director

Ian Wallace
Executive Director

Matthew O'Kane
Non-Executive Director

Company Secretary

Stephen Kelly

ASX Code

PUR

Solicitors

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Lawyers and Consultants
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Share Registry*

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Applecross WA 6153

Telephone: +61 1300 992 916
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Auditors*

Bentleys Audit & Corporate (WA) Pty
Ltd
Level 3, London House
216 St Georges Terrace
Perth WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

| Action | Date |
|--|--------------------------|
| Lodgement of Prospectus with the ASIC and ASX | 6 July 2018 |
| Opening Date | 6 July 2018 |
| Closing Date* | 5.00pm (WST) 6 July 2018 |
| Expected date for quotation of Shares issued under the Offer on ASX* | 6 July 2018 |

*The Directors reserve the right to extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Important Notes

This Prospectus is dated 6 July 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

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

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Shares under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.6 Disclaimer

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

2.7 Forward-looking statements

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

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

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

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

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

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.8 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.pursuitminerals.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

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.

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

3. DETAILS OF THE OFFER

3.1 The Offer

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 11,364 Shares at an issue price of \$0.088 per Share, to raise up to \$1,000 (before expenses).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 5.

3.2 Minimum subscription

There is no minimum subscription.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus). Accordingly, the Company is seeking to raise only a nominal amount under this Prospectus as the purpose of this Prospectus is not to raise capital.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Also, as set out in Section 7.1, the Company is making an application to the Federal Court of Australia seeking declaratory relief and ancillary orders relating to any prior trading in uncleaned Shares which were subject to trading restrictions at the time of their sale, so that on-sales of those Shares prior to the issue of this Prospectus will be validated and will not attract any civil liability.

3.5 Applications

Applications for Shares under the Offer must only be made by investors at the direction of the Company and using the Application Form accompanying this Prospectus. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

Payment for Shares must be made in full at the issue price of \$0.088 per Share.

Completed Application Forms and accompanying cheques, made payable to "**PURSUIT MINERALS LIMITED**" and crossed "**Not Negotiable**", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

3.6 Not underwritten

The Offer is not underwritten.

3.7 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

3.8 Issue

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

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

The Company's decision on the number of Shares to be allocated to an Applicant will be final.

3.9 Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the

Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

3.10 Applicants outside Australia

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.11 Enquiries

Any questions concerning the Offer should be directed to Mr Stephen Kelly, Company Secretary, on +61 7 3708 1013.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date, (including prior to the date of this Prospectus).

Under the Offer, an amount of approximately \$1,000 (before expenses) may be raised. All of the funds raised (if any) from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 for further details relating to the estimated expenses of the Offer.

4.2 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

| Shares | Number |
|--|-------------------|
| Shares on issue as at the date of this Prospectus ¹ | 81,470,513 |
| Shares offered pursuant to the Offer | 11,364 |
| Total Shares on issue on completion of the Offer | 81,481,877 |

Notes:

1. 2,750,000 Shares are escrowed until 14 August 2018 and 13,008,723 Shares are escrowed until 23 August 2019.

| Options | Number |
|---|-------------------|
| Unquoted Options on issue as at the date of this Prospectus: | |
| Exercisable at \$48.691 each on or before 24 July 2018 | 30,670 |
| Exercisable at \$0.20 each on or before 28 February 2020 ¹ | 1,500,000 |
| Exercisable at \$0.25 each on or before 14 August 2021 ¹ | 15,000,000 |
| Options offered pursuant to the Offer | Nil |
| Total Options on issue on completion of the Offer | 16,530,670 |

Notes:

1. These Options are escrowed until 23 August 2019.

| Performance Rights ¹ | Number |
|--|-------------------|
| Performance Rights on issue as at the date of this Prospectus: | |
| Class A Performance Rights | 8,000,000 |
| Class B Performance Rights | 8,000,000 |
| Class C Performance Rights | 8,000,000 |
| Performance Rights offered pursuant to the Offer | Nil |
| Total Performance Rights on issue after completion of the Offer | 24,000,000 |

Notes:

1. The full terms and conditions of the Performance Rights are set out in section 13.4 of the Company's re-compliance prospectus dated 19 June 2017. The vesting conditions are as follows:
 - a. **(Class A):** The Company (or a subsidiary) still holds at least one of the Projects and has completed a minimum of 3,000m of drilling at the Paperbark Project, the Bluebush Project or both (as required by the Acquisition Agreement) 12 months after 25 August 2017, or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.30 within 12 months after 25 August 2017;
 - b. **(Class B):** Zinc mineralisation of greater than 10m thickness with zinc equivalent grade of 10% or higher is intersected on the Bluebush Project within 24 months after 25 August 2017 or, a positive scoping study is completed and the Board resolves to commence a pre-feasibility study on the Paperbark Project within 24 months after 25 August 2017, or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.40 within 24 months after 25 August 2017; and
 - c. **(Class C):** A Mineral Resource is delineated on any Project of equal to or greater than 450,000t of contained zinc equivalent metal within 36 months after 25 August 2017 or, the volume weighted average price of Shares as traded on ASX over 20 consecutive trading days is not less than \$0.50 within 36 months after 25 August 2017.

4.3 Financial effect of the Offer

After paying for the expenses of the Offer of approximately \$8,200, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$1,000) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$1,000 less expenses of the Offer of \$8,200.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

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

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

5.1 General meetings

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

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

5.2 Voting rights

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

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

5.3 Dividend rights

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

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

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

5.4 Winding-up

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

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

5.5 Shareholder liability

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

5.6 Transfer of shares

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

5.7 Future increase in capital

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

5.8 Variation of rights

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

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

5.9 Alteration of constitution

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

6. RISK FACTORS

6.1 Introduction

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

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

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

6.2 Company specific

(a) Application and renewal risk

The Company's mineral exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The Company cannot guarantee additional applications for tenements made recently by the Company in Sweden will ultimately be granted, in whole or in part.

The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. Further, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

The following tenements are due for renewal as follows:

- (i) the tenements which comprise the Coober Pedy Project (EL 4891 and EL 4892) are due for renewal on 23 May 2019;
- (ii) the tenements comprising the Bluebush Project (EPM 8937 and EPM 8454) are due for renewal on 6 September 2019 and 11 November 2019, respectively;
- (iii) the tenements comprising the Paperbark Project (EPM 14309 and EPM 25191) are due for renewal on 12 September 2022 and 7 April 2019, respectively;
- (iv) the mineral reservations granted in relation to the tenements comprising the Koitelainen Project and the Karhujupukka Project in Finland expire on 29 March 2020. The Koitelainen and Karhujupukka mineral reservations allow the Company to conduct non-ground disturbing activities such as geological mapping and airborne surveys. To conduct ground disturbing

activities such as trenching and drilling, the Company must apply for ore prospecting permits (**OPP's**). During the term of the mineral reservations, Pursuit is the only company who can apply for OPP's within the boundaries of the two Koitelainen reservations;

- (v) the exploration licences granted in relation to the Kramsta, Kullberget and Simsevallen Projects in Sweden are due for renewal on 20 June 2021; and
- (vi) the exploration licences granted in relation to the Sumassjon Project in Sweden are due for renewal on 21 June 2021.

The Company has no reason to believe that the required renewals or other authorisations required to continue exploration and development activities on the exploration tenements will not be obtained. However, there is no 100% assurance that other renewals will be given and there is no assurance that new conditions will not be imposed in connection with a renewal, which could adversely affect the Company's ability to operate effective exploration programs. If the renewals are not granted, the Company will lose its interest in the relevant tenements, which will have a negative impact on the Company's operating performance.

The Company has applied for, but has not yet been granted, an exploration licence in relation to the tenements comprising the Airjoki Project in Sweden.

(b) **Exploration target and resource estimates**

A mineral resource (the **JB Prospect Resource**) has been defined on the Paperbark Project. The Company has also identified a number of areas on the Company's projects (**Projects**), based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling for its initial activities. Insufficient data however, exists to provide certainty over the extent of the mineralisation at those areas or whether mineralisation does actually exist at other areas. Whilst the Company intends to undertake additional exploratory work on those areas with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration areas identified. No assurance can be provided that the JB Prospect Resource or any other resource identified in the future can be economically extracted.

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(c) **Regulatory changes**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title

and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company is the responsibility of the Company's sole employee, Managing Director Jeremy Read. Therefore, the Company will rely on the continued services of the Managing Director to oversee and ensure momentum of the Company's exploration programs and business/compliance functions.

In order to keep the fixed costs of running the Company to a minimum the Company has made a decision not to employ the services of an Exploration Manager at this particular time, to oversee the technical aspects of the Company. There is some risk with this approach as if Mr Read was to leave his role as Managing Director, there is not an Exploration Manager in place to ensure that exploration programs are still progressed on the Projects and there would be a subsequent loss of corporate knowledge relating to the Projects.

The largest risk to the Company, if Mr Read was to leave, would be to the continuity and expertise built up on the Projects. The likelihood that Mr Read will leave the Company in the short term is considered to be low.

(e) **Limited history**

Exploration has previously been conducted on the area of land the subject of the Projects, however, the Company has only recently commenced its own review and assessment of the exploration activities at the Projects. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Projects. Until the Company is able to realise value from the Projects, it is likely to incur ongoing operating losses.

(f) **Going concern**

The Company's interim financial report for the half-year ended 31 December 2017 includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the interim financial report, the Directors believe that based on the Company's recent capital raising of \$1,610,005, the success of previous capital raisings combined with the potential to attract farm-in partners for the Projects and the potential sale of the current portfolio of exploration assets held, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short term working capital requirements. Whilst the Directors are confident of securing funds as and when necessary to meet the Company's obligations as when they fall due, it is likely that further funding will be required to meet the medium to long term working capital costs of the Company.

(g) **Exploration risks**

The Company's mineral tenements are at various stages of exploration. There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited or that capital will be able to be obtained to advance the project towards a development decision.

The future exploration activities of the Company may be affected by a range of factors including activities of parties with overlapping tenure, geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising the Projects.

(h) **Litigation risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation however it is involved in the legal proceedings disclosed in Section 7.1.

6.3 Industry specific

(a) Exploration costs

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

(b) Mine development

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

The risks associated with the development of a mine will be considered in full should the Company's projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(c) Environmental

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(d) **Native title and Aboriginal heritage**

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

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

6.4 General Risks

(a) **Economic**

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

(b) **Commodity price volatility and exchange rate risks**

The Company intends to undertake exploration and development activities in international jurisdictions and will incur expenditure in currencies other than the Australian currency in which the Company predominantly raises equity funding and which is the Company's functional currency for financial reporting purposes. This will expose the Company to the fluctuations and volatility of the rate of exchange between the Australian dollar and those international currencies (which include, but are not limited to, the Swedish Krona and the Euro) as determined in international markets.

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of mineral products exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

(c) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the

Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) **Market conditions**

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

- (i) General economic outlook.
- (ii) Introduction of tax reform or other new legislation.
- (iii) Interest rates and inflation rates.
- (iv) Changes in investor sentiment toward particular market sectors.
- (v) The demand for, and supply of, capital.
- (vi) Terrorism or other hostilities.

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

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(e) **Additional requirements for capital**

The Company may require additional funding in the future in order to develop its projects, effectively implement its future business and operational plans and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(f) **Agents and contractors**

The Directors are unable to predict the risk of the insolvency or managerial failure by any of the contractors used (or to be used in the future) by the Company in any of its activities or the insolvency or other

managerial failure by any of the other service providers used (or to be used in the future) by the Company for any activity.

(g) **Force majeure**

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

(h) **Government policy changes**

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Queensland or South Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(i) **Insurance**

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

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(j) **Sovereign Risk**

The Company's Projects are located in Australia, Sweden and Finland and the Company has recently applied for mineral exploration licences in Sweden.

Possible sovereign risks associated with operating in Finland and Sweden (where the mineral rights are granted) include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Finland, Sweden or any other country in which the Company may, in the future, have an interest.

6.5 Investment speculative

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

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

7. ADDITIONAL INFORMATION

7.1 Litigation

As announced on 18 June 2018, the Company has become aware that the Shares issued by the Company on 6 and 7 June 2018 were not cleansed by the issue of a valid cleansing notice or cleansing prospectus so as to permit immediate trading in these Shares (**Prior Share Issues**). Among other reasons set out in Section 3.4, the Company is lodging this Prospectus under section 708A(11) of the Corporations Act to cleanse the Prior Share Issue so that subsequent trading is not subject to secondary trading restrictions under the Corporations Act. The Company will shortly file an application with the Federal Court of Australia seeking declaratory relief and ancillary orders relating to prior trading in the Prior Share Issue, so that on-sales prior to the issue of this Prospectus (if any) will be validated and will not attract any civil liability. The Company will keep the market updated accordingly.

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

7.2 Continuous Disclosure Obligations

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

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

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

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

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

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

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

| Date | Description of Announcement |
|--------------|---|
| 19 June 2018 | Copper Sulphide Mineralisation Intersected at Grunter North |
| 18 June 2018 | Company Update |
| 18 June 2018 | Suspension from Official Quotation |
| 12 June 2018 | Major New Area of Zinc-Lead Mineralisation at Paperbark |
| 7 June 2018 | Securities Issued under 7.1A and Cleansing Statement |
| 7 June 2018 | Appendix 3B |
| 4 June 2018 | Drilling Highlights Potential to Further Extend the JB Zone |
| 1 June 2018 | Reinstatement to Official Quotation |
| 1 June 2018 | Pursuit Completes \$1.61 Million Placement |
| 31 May 2018 | Appendix 4G and Corporate Governance Statement |
| 31 May 2018 | Voluntary Suspension |
| 29 May 2018 | Trading Halt |
| 22 May 2018 | Company Presentation |
| 17 May 2018 | JE Zone Drilling Intersects Mineralisation (amended) |
| 17 May 2018 | JE Zone Drilling Intersects Zinc and Lead Mineralisation |

| | |
|-------------------|--|
| 10 May 2018 | High Grade Vanadium Mineralisation at Koitelainen V Prospect |
| 1 May 2018 | Changes to Board of Directors |
| 30 April 2018 | Follow-up drilling program commenced at Paperbark Project |
| 30 April 2018 | Quarterly Activities Report and Quarterly Cashflow Report |
| 17 April 2018 | Change of Director's Interest Notice |
| 12 April 2018 | Pursuit secures Vanadium Projects in Finland |
| 28 February 2018 | Half Year Accounts |
| 19 February 2018 | Follow-up drilling programs defined |
| 1 February 2018 | Positive results from JB Zone HLS test work |
| 23 January 2018 | Quarterly Activities Report and Quarterly Cash Flow Report |
| 21 December 2017 | Completion of 2017 drilling program |
| 11 December 2017 | Research report and Managing Director interview |
| 6 December 2017 | New Zinc Mineralised system confirmed at Paperbark |
| 30 November 2017 | Results of Meeting |
| 30 November 2017 | Presentation to AGM by Managing Director |
| 29 November 2017 | Paperbark drilling intersects 16.64% Pb and Zn at JB Zone |
| 20 November 2017 | Drilling completed at Paperbark Project (Amended) |
| 17 November 2017 | Drilling completed at Paperbark Project |
| 6 November 2017 | Paperbark drill hole intersects JB Zone Mineralisation |
| 1 November 2017 | Bluebush drill program defines area for follow up drilling |
| 31 October 2017 | Quarterly Activities Report and Quarterly Cashflow Report |
| 30 October 2017 | Further positive indications of mineralisation at Bluebush |
| 30 October 2017 | Notice of Annual General Meeting/Proxy Form |
| 23 October 2017 | Pursuit Minerals Limited Investor Presentation |
| 20 October 2017 | Lead and Zinc anomalous zone defined at Stonemouse Prospect |
| 19 October 2017 | Strong Zinc and Lead Mineralisation confirmed in BB04-17 |
| 13 October 2017 | Drilling commences on Paperbark Project |
| 12 October 2017 | Hole BB03-17 returns best intersection to date for Bluebush |
| 10 October 2017 | Assay Results from Hole BB01-17, Bluebush Project |
| 5 October 2017 | Revised – Pursuit Intersects 34m of Mineralised Zone |
| 5 October 2017 | Pursuit Intersects 34m of Mineralised Fault Zone at Bluebush |
| 4 October 2017 | Bluebush Project Drilling Update |
| 2 October 2017 | Change of Company Secretary and Registered Office |
| 27 September 2017 | Change of Director's Interest Notice |
| 26 September 2017 | Change of Director's Interest Notice |
| 22 September 2017 | Media Release |

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

The announcements are also available through the Company's website at www.pursuitminerals.com.au.

7.3 Market price of shares

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

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

| | (\$) | Date |
|-------------------|-------|-------------------------------|
| Highest | 0.185 | 12 April 2018 |
| Lowest | 0.087 | 15 June 2018 and 18 June 2018 |
| Last ¹ | 0.088 | 18 June 2018 |

Notes:

1. The Company's securities have been suspended from trading since 18 June 2018.

7.4 Substantial Shareholders

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

| Substantial Holder | Shares | Options | Performance Rights | Voting Power (%) ¹ |
|---|------------|---------|--------------------|-------------------------------|
| Teck Australia PL <Patersons Sec A/C> | 13,008,723 | Nil | Nil | 15.97 |

Notes:

1. This voting power is based on 81,470,513 Shares on issue.

7.5 Interests of Directors

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

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

(c) the Offer,

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

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

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

| Director | Shares | Performance Rights |
|-----------------|----------------|---------------------------|
| Peter Wall | Nil | 6,000,000 ¹ |
| Jeremy Read | 500,000 | 6,000,000 ² |
| Ian Wallace | Nil | 3,000,000 ³ |
| Matthew O'Kane | Nil | Nil |
| TOTAL | 500,000 | 15,000,000 |

Notes:

1. Comprising 6,000,000 Performance Rights held indirectly by Pheakes Pty Ltd <Senate A/C>, an entity in which Mr Wall has a relevant interest (being, 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 2,000,000 Class C Performance Rights).
2. Being, 2,000,000 Class A Performance Rights, 2,000,000 Class B Performance Rights and 2,000,000 Class C Performance Rights.
3. Being, 1,000,000 Class A Performance Rights, 1,000,000 Class B Performance Rights and 1,000,000 Class C Performance Rights.

No Director or any of their associates intend to participate in the Offer.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$750,000 per annum.

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

other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors for the past financial year, the current financial year and the proposed remuneration for financial year ended 30 June 2019.

| | Proposed Remuneration for the year ended 30 June 2019 | Remuneration for the year ended 30 June 2018 | Remuneration for the year ended 30 June 2017 |
|--------------------------------|---|--|--|
| Peter Wall ¹ | \$60,000 | \$60,000 | \$60,000 |
| Jeremy Read ^{2, 3} | \$262,800 | \$225,065 | Nil |
| Ian Wallace ^{2, 4} | \$57,420 | \$65,866 | Nil |
| Matthew O'Kane ^{5, 6} | \$60,000 | \$10,000 | Nil |

Notes:

- 1 Comprising Director fees of \$5,000 per month. Peter Wall is partner of Steinepreis Paganin who are the solicitors to the Company in relation to the Offer and generally.
- 2 Appointed as Directors on 14 August 2017.
- 3 Comprising annual salary of \$240,000 and superannuation. A summary of the material terms of Jeremy Read's executive services agreement with the Company is set out in section 10.3 of the Company's re-compliance prospectus dated 19 June 2017.
- 4 Ian Wallace will receive Director fees of \$3,000 per month, superannuation and is also engaged as a consultant to the Company on a part time basis (for a minimum average of two days per month with additional days subject to Board approval) at a rate of \$750 per day. The proposed remuneration figure for the financial year ended 30 June 2019 in the table above assumes the minimum average of two days per month are performed.
- 5 Appointed as a Director on 1 May 2018.
- 6 Comprising Director fees of \$5,000 per month.

7.6 Interests of Experts and Advisers

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

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

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

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

(f) the Offer,

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

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$5,000 (excluding GST and disbursements) for these services.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

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

7.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$8,200(excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on + 61 7 3708 1013 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 Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

7.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

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

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

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

7.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

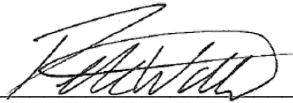
You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

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

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



Mr Peter Wall
Non-Executive Chairman
For and on behalf of
PURSUIT MINERALS LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Acquisition Agreement means the binding option agreement between Teck Australia Pty Ltd (ACN 091 271 911), the Company and NorthernX Pty Ltd (ACN 618 486 098), a wholly owned subsidiary of the Company.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

Assets means the three highly prospective base metals projects owned by the Company and located in Australia.

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

ASX Listing Rules means the official listing rules of ASX.

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

Board means the board of Directors as constituted from time to time.

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

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Pursuit Minerals Limited (ACN 128 806 977).

Constitution means the constitution of the Company.

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

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

Offer means the offer of Shares referred to in Section 3.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share.

Prior Share Issue has the meaning given to that term in Section 7.1.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

WST means western standard time as observed in Perth, Western Australia.