

TANDO RESOURCES LIMITED

ACN 618 307 887

PROSPECTUS

For an offer to Eligible Shareholders of up to 3,529,412 Shares and up to 1,764,706 free SPP Options at an issue price of \$0.085 per Share to raise up to \$300,000 (**SPP Offer**).

Oversubscriptions of up to a further 3,529,412 Shares and up to 1,764,706 free SPP Options at an issue price of \$0.085 per Share to raise up to a further \$300,000 may be accepted under the SPP Offer.

This Prospectus also contains an offer of up to 10,000,000 Options (**Placement Options**) to be issued as free attaching to Shares to be issued under the Placement (**Placement Options Offer**).

This Prospectus also contains an offer of up to 11,765 Shares at an issue price of \$0.085 per Share to raise up to \$1,000 (**Cleansing Offer**). The Cleansing Offer is included 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 of the Cleansing Offer.

IMPORTANT INFORMATION

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

The Securities offered by this Prospectus should be considered highly speculative.

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1. CORPORATE DIRECTORY

Directors

Mr William Oliver
Managing Director

Jeremy King
Non-Executive Director

Mr Patrick Burke
Non-Executive Director

Mr Luigi Matteucci
Non-Executive Director

Company Secretary

Mr Mauro Piccini

ASX Code

TNO

Solicitors

Steinepreis Paganin
Lawyers and Consultants
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16 Milligan Street
PERTH WA 6000

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Lead Manager

Xcel Capital Pty Ltd
Suite 4, Level 1
11 Ventnor Avenue
WEST PERTH WA 6005

Share Registry*

Automic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000

Auditors*

RSM Australia Partners
8 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

Event	Date (WST)
Record Date	10 May 2019
Announcement of SPP Offer	13 May 2019
Lodgement of Prospectus with ASIC and ASX	20 May 2019
Opening Date of SPP Offer and Placement Options Offer Opening Date of Cleansing Offer	20 May 2019
Closing Date of Cleansing Offer	21 May 2019
Issue of Placement Shares under the Cleansing Offer	22 May 2019
Trading commences for Placement Shares issued pursuant to the Cleansing Offer	23 May 2019
Closing Date for SPP Offer and Placement Options Offer**	10 June 2019
Issue of Shares and SPP Options pursuant to the SPP Offer	12 June 2019
Issue of Options under the Placement Options Offer	12 June 2019
Trading commences for Shares, SPP Options and Placement Options issued pursuant to the Offers	13 June 2019

* These dates are indicative only and may change without prior notice.

** Subscribers under the SPP Offer and Placement Options Offer should ensure that they have lodged their Application Form by this date.

2.2 Important Notes

This Prospectus is dated 20 May 2019 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form.

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

certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 ASIC Class Order on Share Purchase Plans

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Class Order CO 09/425 (**Class Order**). This Class Order allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12 month period.

The Class Order only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

- (a) the period during which the class was quoted; and
- (b) the period of 12 months before the day on which the offer is made.

As the Company's securities were suspended from quotation for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the Class Order and, therefore, is undertaking the share purchase plan under this Prospectus.

2.4 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 securities under this Prospectus.

2.5 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in 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 Securities 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 Securities pursuant to this Prospectus.

2.6 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 Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.7 Disclaimer

No person is authorised to give information or to make any representation in connection with the offers 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 Offers. You should rely only on information in this Prospectus.

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

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.

2.9 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFERS

3.1 The SPP Offer

The Company is undertaking an offer of Shares and SPP Options to existing Shareholders pursuant to a share purchase plan (**SPP** or **Share Purchase Plan**).

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 3,529,412 Shares at an issue price of \$0.085 per Share, together with one (1) free attaching Option for every two (2) Shares subscribed for and issued (**SPP Options**), in order to raise up to \$300,000 (before costs) (**SPP Offer**). The Company may accept oversubscriptions of up to a further 3,529,412 Shares and up to 1,764,706 free SPP Options at an issue price of \$0.085 per Share to raise up to a further \$300,000. Therefore, the maximum amount which may be raised under the SPP Offer is \$600,000.

Eligible Shareholders are entitled to apply for a maximum of \$15,000 worth of Shares (representing 176,471 Shares at an issue price of \$0.085 per Share), together with one (1) free SPP Option for every two (2) Shares subscribed for and issued. This is a 17% discount to the VWAP for Shares calculated over the last five (5) days on which sales of the Shares were recorded before the date of announcement of the Share Purchase Plan.

The issue of up to 7,058,824 Shares and up to 3,529,412 SPP Options (assuming full oversubscription) will be issued pursuant to the Company's 15% placement capacity in accordance with Listing Rule 7.1.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

All of the SPP Options offered under this Prospectus will be issued on the terms and conditions set out in Section 5.2 of this Prospectus. All Shares issued on conversion of the SPP Options will rank equally with the Shares on issue at the date of this Prospectus.

Details of the purpose and effect of the Offers are set out in Section 4 of this Prospectus.

3.2 The Placement Offer

As announced on 13 May 2019, the Company also proposes to undertake a separate placement to sophisticated and professional investors (**Placement Subscribers**) to raise \$1,700,000 through the issue of 20,000,000 Shares (**Placement Shares**) at an issue price of \$0.085 per Share (**Placement**) with funds to be applied towards the continuing development of Phase 1 at its SPD Vanadium Project, upgrading the recently completed scoping study to a pre-feasibility study and advancing key offtake agreements in relation to its SPD Vanadium Project.

The terms of the Placement will include one (1) free attaching Option be issued for every two (2) Shares subscribed for under the Placement, totalling up to 10,000,000 Options (**Placement Options**). Each Placement Option is exercisable at \$0.12 per Share on or before 1 June 2021.

The Directors of the Company intend to participate in the Placement. The issue of securities to Directors is subject to Shareholder approval in accordance with ASX Listing Rule 10.11. The Company will convene a general meeting of Shareholders

to seek Shareholder approval for the issue of Securities under the Placement following lodgement of this Prospectus.

The Placement Options will be issued pursuant to the Company's 15% placement capacity in accordance with Listing Rule 7.1.

The Company therefore offers up to approximately 10,000,000 free Options to investors under the Placement on the basis of one (1) free Option for every two (2) Shares subscribed for under the Placement (**Placement Options Offer**).

3.3 The Cleansing Offer

By this Prospectus, the Company invites investors identified by the Directors to apply for up to 11,765 Shares at an issue price of \$0.085 per Share, to raise up to \$1,000 (before expenses).

The Cleansing 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.

3.4 Eligibility

SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address was in Australia.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for one parcel of Shares with a value of up to \$15,000. The Company reserves the right to reject any application for Shares and Options under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

Placement Options Offer

The Placement Options Offer will only be extended to the Placement Subscribers. Placement Applications Forms will be provided by the Company to these parties.

Participation in the Placement Options Offer is optional and is subject to the terms and conditions set out in this Prospectus.

3.5 Minimum subscription

There is no minimum subscription for the Offers.

3.6 Oversubscriptions

The Company may accept oversubscriptions under the SPP Offer of up to a further \$300,000 worth of Shares above the full subscription of \$300,000.

3.7 Applications

SPP Offer

An application for the SPP Offer must be made on the Application Form accompanying this Prospectus. Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$15,000 worth of Shares. Eligible Shareholders may participate by selecting one of the following options (**SPP Application Amount**) to purchase Shares under the SPP Offer:

	Total amount payable	Number of Shares which may be purchased
Offer A	\$15,000	176,471
Offer B	\$10,000	117,647
Offer C	\$5,000	58,824
Offer D	\$2,500	29,412

Where the amount applied for results in a fraction of a Security the number of Shares issued will be rounded down to the nearest whole Security.

Any application monies received for more than an Applicant's final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded.

Eligible Shareholders may apply under the SPP Offer by completing the SPP Application Form accompanying this Prospectus in accordance with the instructions outlined on the SPP Application Form.

If you require assistance in completing a SPP Application Form, please contact the Company's share registry on (08) 9324 2099.

Placement Options Offer

Applications for the Placement Options Offer must be made using the relevant Placement Application Form provided by the Company.

Investors should note that by completing a Placement 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 Placement Application Form together with a complete and unaltered copy of the Prospectus.

Where the amount applied for results in a fraction of an Option, the number of Options issued will be rounded down to the nearest whole Option.

The Company reserves the right to close the Placement Options Offer early.

If you require assistance in completing a Placement Application Form, please contact the Company's share registry on (08) 9324 2099.

Cleansing Offer

Applications under the Cleansing 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.

3.8 Payment

3.8.1 By cheque/bank draft

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

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

3.8.2 By BPAY®

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

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

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.9 Lead Manager

Xcel Capital Pty Ltd (**Lead Manager**) has been appointed as Lead Manager to the Offers. The Company has appointed the Lead Manager to manage the Placement and to place any shortfall of Securities offered to Shareholders under the SPP. In consideration for its appointment, the Lead Manager (or its nominees) will receive:

- (a) a lead management fee of \$50,000 (plus GST); and
- (b) 6% of the total amount raised under the SPP and Placement.

3.10 Shortfall Offer

In the event that less than \$600,000 is applied for under the SPP Offer by Eligible Shareholders, the Directors will seek to place any Securities not taken up pursuant to the SPP Offer under the Shortfall Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.085 being the price at which Shares have been offered under the SPP Offer. One SPP Option will be issued for every two Shares issued under the Shortfall Offer.

The allocation of the Shortfall Securities will be at the absolute discretion of the Board. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

3.11 Not underwritten

The Offers under this Prospectus are not underwritten.

3.12 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2.1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

In the event that the Company receives sufficient applications to meet the requirements for quotation of a second class of securities under the ASX Listing Rules, application for Official Quotation of the SPP Options and the Placement Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the SPP Options and the Placement Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any SPP Options and the Placement Options and will repay all application monies for the SPP Options and the Placement Options within the time prescribed under the Corporations Act, without interest.

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

3.13 Issue

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

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 of the Offers.

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

Holding statements for Securities issued under the Offers will be mailed in accordance with the timetable set out at the commencement of this Prospectus.

3.14 Overseas shareholders

This Prospectus 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.

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

Shareholders resident in Australia holding Shares on behalf of persons who are resident overseas are responsible for ensuring that applying for Shares under the Offers does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.15 Commissions payable

The Company reserves the right to pay a commission of 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.16 Enquiries

Any questions concerning the Offers should be directed to Mauro Piccini, Company Secretary, contact@tandoresources.com.au.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the SPP and Placement

The primary purpose of the SPP is to raise up to \$600,000 (before costs and assuming full oversubscription). The primary purpose of the Placement is to raise \$1,700,000. No funds will be raised from the issue of the Placement Options as they are being issued free to subscribers under the Placement.

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

Proceeds of the SPP Offer and the Placement	Full Oversubscription (\$)	%
Development of Phase 1 of the SPD Vanadium Project (including upgrading the recently completed scoping study to a pre-feasibility study and advancing key offtake agreements)	\$450,000	19.56%
On ground costs (including bulk sampling works as required by customers, site establishment and community projects)	\$550,000	23.91%
Initial investigations into Phase 2 of the SPD Vanadium Project (including testwork relating to downstream processing)	\$200,000	8.70%
Administration and corporate costs	\$350,000	15.22%
Working Capital	\$540,445	23.50%
Expenses of the Offers ¹	\$209,555	9.11%
Total	\$2,300,000	100%

Notes:

1. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the SPP Offer and the Placement.

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

If there is a shortfall under the SPP Offer, the Directors have reserved the right to place the shortfall pursuant to the Shortfall Offer.

On completion of the SPP Offer and Placement, the Board believes the Company will have sufficient working capital to achieve the above objectives. However, to the extent the SPP Offer is not fully subscribed, the funds raised will be first applied towards the Development of Phase 1 of the SPD Vanadium Project and the on-ground costs. Working capital and the initial investigations into Phase 2 of the SPD Vanadium Project will be reduced or curtailed.

The Cleansing Offer is included 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 of the Cleansing Offer (including prior to the date of this Prospectus).

4.2 Purpose of the Cleansing Offer

This Prospectus has also been prepared to remove any trading restrictions that may have attached to Shares issued by the Company prior to the closing date of the Cleansing Offer (including prior to the date of this Prospectus).

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.

4.3 Effect of the Offers

The principal effect of the Offers and the Placement, assuming full oversubscription under the SPP Offer, will be to:

- (a) increase the cash reserves by \$2,091,445 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers; and
- (b) increase the number of Shares on issue from 194,725,091 as at the date of this Prospectus to 221,795,680.

4.4 Effect on capital structure

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

Shares

	Number
Shares currently on issue	194,725,091 ¹
Shares offered pursuant to the SPP (assuming full oversubscription)	7,058,824
Shares offered pursuant to the Placement	20,000,000
Shares offered pursuant to the Cleansing Offer	11,765
Total Shares on issue on completion of the Offers	221,795,680

Notes:

- 1,957,725 Shares are subject to escrow.

Options

	Number
Options currently on issue:	
Quoted Options exercisable at \$0.054 each on or before 8 December 2019	51,099,038
Unquoted Options exercisable at \$0.054 each on or before 19 December 2020 (subject to 24 months escrow from the date of quotation of TNO being 3 November 2017)	23,100,000
Unquoted Options exercisable at \$0.108 each on or before 26 September 2021	41,580,001
Sub-Total	115,779,039
Placement Options	10,000,000
SPP Options (assuming full oversubscription)	3,529,412
Total Options on issue on completion of the Offers	129,308,451

The capital structure on a fully diluted basis as at the date of this Prospectus would be 310,504,130 Shares and on completion of the Offers and the Placement (assuming full oversubscription under the SPP Offer) would be 351,104,131.

4.5 Pro-forma balance sheet

The reviewed balance sheet as at 31 December 2018 and the unreviewed pro-forma balance sheet as at 31 December 2018 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming the maximum number of Shares offered under this Prospectus are issued, no existing Options are exercised prior to the Record Date and including expenses of the Placement and the SPP Offer.

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

	Reviewed 31-Dec-18	Subsequent Events (f)	Placement (c)	Pro Forma Adjustments (a), (b), (d), (e)	Pro Forma After Issue
	\$	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	1,924,445	(1,085,000)	1,598,000	544,000	2,981,445
Trade and other receivables	125,677	-	-	-	125,677
TOTAL CURRENT ASSETS	2,050,122	(1,085,000)	1,598,000	544,000	3,107,122
NON-CURRENT ASSETS					
Exploration and evaluation assets	3,012,628	-	-	-	3,012,628
Investments accounted for using the equity method	7,826,361	-	-	-	7,826,361
Plant and equipment	8,253	-	-	-	8,253
TOTAL NON-CURRENT ASSETS	10,847,242	-	-	-	10,847,242
TOTAL ASSETS	12,897,364	(1,085,000)	1,598,000	544,000	13,954,364
CURRENT LIABILITIES					
Trade and other payables	222,593	-	-	-	222,593
Other payables	252,056	-	-	-	252,056
TOTAL CURRENT LIABILITIES	474,649	-	-	-	474,649
TOTAL LIABILITIES	474,649	-	-	-	474,649
NET ASSETS	12,422,715	(1,085,000)	1,598,000	544,000	13,479,715
EQUITY					
Issued capital	11,107,678	-	1,598,000	565,000	13,270,678
Reserves	6,116,608	-	-	-	6,116,608
Accumulated losses	(4,801,571)	(1,085,000)	-	(21,000)	(5,907,571)
TOTAL EQUITY	12,422,715	(1,085,000)	1,598,000	544,000	13,479,715

Notes:

1. Issue of 7,058,824 fully paid ordinary shares issued pursuant to the Share Purchase Plan raising a maximum of \$600,000 before costs (assuming full subscription);
2. Share issue costs of 6% of amount raised;
3. Issue of 20,000,000 fully paid ordinary shares at an issue price of \$0.085 per share raising \$1.7 million before costs (Placement May 2019). Share issue costs of 6% of amount raised;
4. Shares issued pursuant to the Cleansing Offer;
5. Expenses of the Offer include ASIC fees, legal fees etc are estimated to be \$21,000; and
6. Exploration costs/payments to suppliers of \$1.085 million.

5. RIGHTS ATTACHING TO SECURITIES

5.1 Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, 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).

(c) Dividend rights

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

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

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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.

(d) **Winding-up**

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

(e) **Shareholder liability**

As the 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.

(f) **Transfer of Shares**

Generally, Shares 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 or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to 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.

(h) **Alteration of 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. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and Conditions of Options

The terms and conditions of the Options are as follows:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.12 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 June 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable

to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

6. RISK FACTORS

6.1 Introduction

The Securities 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 securities 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 securities.

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

6.2 Specific Risks

(a) Restructure of VanRes Acquisition

Recent negotiations with the South African venture partners and original vendors of the SPD Vanadium Project (**Vendors**) have resulted in a restructure of ownerships arrangements under the acquisition agreements. Accordingly, there will be an acceleration of the maximum ownership permitted to the Company in the SPD Vanadium Project to 73.94%. The Company and the Vendors have waived the share milestones which will result in all outstanding shares and options being issued to the Vendors. The issue of these shares and options will be subject to Shareholder approval at a general meeting to be held prior to 31 July 2019. In the event that Shareholder approval is not obtained, all agreements related to the SPD Vanadium Project will be terminated and the Company will retain a 15% interest in the SPD Vanadium Project.

Additionally, in order to acquire more than 49.9% of the SPD Vanadium Project, the Company must obtain approval under section 11 of the South African Mineral and Petroleum Resources Development Act 2002. If the requisite approval is not forthcoming, the Company will be unable to acquire a 73.94% interest in the SPD Vanadium Project. In these circumstances, the Company and the Vendors have agreed that there will be a pro rata payment of any dividends or sale proceeds in respect of the shares that would have otherwise been acquired by the Company.

(b) 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 uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) Exploration success

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(d) **Reserve and Resource Estimates**

No assurance can be given that any mineral reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover and may ultimately result in a restatement of reserves.

(e) **Operational risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(f) **Exploration risks**

Mining exploration and development is a high risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost

estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(g) **Environmental**

The operations and proposed activities of the Company are subject to 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.

(h) **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 its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(i) **Black Economic Empowerment and Social Development**

The Company must comply and remain compliant with all relevant legislation and regulation including the Mineral and Petroleum Resources Development Act (**MPRDA**), the South African Mining Charter (**Charter**), the Mining Codes and the black economic empowerment participation requirements and the approved social and labour plan (noting that the relevant legislation and regulation is currently the subject of proposed change) in order to acquire, develop or maintain exploration and production rights in respect of its shale gas application in South Africa. Any failure to satisfy and to continue to satisfy the black economic empowerment requirements of the MPRDA, the Charter, the approved social and labour plan, all relevant legislation and regulation and/or the Mining Codes (and any variation thereto) could jeopardise any rights held and impede the Company's ability to acquire, develop or maintain any additional exploration and production rights in South Africa.

(j) **Insurance risks**

There are significant exploration and operating risks associated with exploring for graphite and lithium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

6.3 **General risks**

(a) **Trading Price of Securities**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the securities. In addition, the price of securities is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the securities.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) **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.

(c) **Economic Risks**

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

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

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the lithium sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(d) **Regulatory risks**

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 depends substantially on its senior management and its key personnel. There can be no assurance

given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(e) **Force Majeure**

The Company, 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, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(f) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

6.4 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 materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

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

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

7. ADDITIONAL INFORMATION

7.1 Litigation

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

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
13/05/19	Reinstatement to Official Quotation
13/05/19	Capital Raising Complete
10/05/19	Voluntary Suspension Extension
03/05/19	Suspension from Official Quotation
02/05/19	Scoping Study highlights strong Phase 1 at SPD Project
01/05/19	Trading Halt
30/04/19	Quarterly Activities Report
30/04/19	Quarterly Cashflow Report
16/04/19	Resource Upgrade confirms SPD Vanadium as largest above 1%
12/04/19	Trading Halt
08/04/19	Appendix 3B
27/03/19	Further Outstanding High Grade Vanadium Results
18/03/19	Exceptional testwork confirms world class SPD Vanadium
15/03/19	Half Yearly Report and Accounts
04/03/19	Initial Director's Interest Notice
04/03/19	Experienced Industry Professional Appointed to Board
18/02/19	New Area of High-Grade Vanadium Mineralisation
15/02/19	Appendix 3B
14/02/19	Further Outstanding High Grade Vanadium Results from Surface
04/02/19	TNO Indaba Presentation Feb 2019
31/01/19	Quarterly Activities Report
31/01/19	Quarterly Cashflow Report
29/01/19	Further Outstanding Magnetic Concentrate Assays

16/01/19	High Grade Assay Results Continue at SPD Vanadium Project
14/01/19	Outstanding Magnetic Concentrate Assay Results SPD Project
19/12/18	Change of Director's Interest Notice
18/12/18	Massive Maiden High Grade Resource
28/11/18	Strong final assays pave way for JORC Resource at SPD
23/11/18	4th Drilling Rig Mobilised at SPD Vanadium Project
19/11/18	Mt Sydney Tenement Granted
15/11/18	Results of Meeting
12/11/18	Investor Presentation November 2018
30/10/18	Quarterly Cashflow Report
30/10/18	Quarterly Activities Report
26/10/18	Appendix 3B
25/10/18	More Shallow High Grade Assays at SPD Vanadium Project
18/10/18	SPD Project Update - Phase One Drilling Program Completed
12/10/18	High Grade Results from SPD Vanadium Project
11/10/18	Notice of Annual General Meeting/Proxy Form
11/10/18	Release from Escrow
27/09/18	Tando completes acquisition of SPD Vanadium Project
27/09/18	Appendix 3B

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.tandoresources.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 sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.115	18 March 2019
Lowest	0.076	16 May 2019
Last	0.08	17 May 2019

7.4 Substantial Shareholders

Based on substantial Shareholder notices lodged prior to 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:

Shareholder	Shares	%
Nil	Nil	Nil

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 Offers; or
- (c) the Offers,

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 Offers.

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	Options
Mr William Oliver	240,000 ¹	9,240,000 ²
Mr Jeremy King	300,000 ³	6,930,000 ⁴
Mr Patrick Burke	150,000 ⁵	6,930,000 ⁵
Mr Luigi Matteucci	Nil	Nil

Notes:

1. 240,000 Shares held indirectly by William Alan Oliver and Bryony Nicolle Norman Oliver <Bandb S/F A/C>.
2. 9,240,000 unlisted options held indirectly by William Alan Oliver and Bryony Nicolle Norman Oliver <Maximillian Investment A/C>.

3. 300,000 Shares held indirectly by Bushwood Nominees Pty Ltd, an entity controlled by Mr Jeremy King.
4. 6,930,000 unlisted options held directly by Mr Jeremy King.
5. 150,000 Shares and 6,930,000 unlisted options held indirectly by Rowan Hall Pty Ltd <Rowan Hall Investment A/C>.

The Directors intend to participate in the Placement. The issue of Securities to Directors will be subject to Shareholder approval in accordance with ASX Listing Rule 10.11.

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.

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 inclusive of superannuation for the past financial year and the proposed annual remuneration for the financial year ended 30 June 2019.

	Financial year ended 30 June 2018	Financial year ended 30 June 2019
Mr William Oliver	\$125,000	\$240,500
Mr Jeremy King	\$36,000	\$60,000
Mr Patrick Burke	\$36,000	\$120,000
Mr Luigi Matteucci ¹	Nil	\$60,000

Notes:

1. Luigi Matteucci was appointed on 4 March 2019.

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 Offers; or
- (f) the Offers,

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 Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers and associated due diligence process. The Company estimates it will pay Steinepreis Paganin \$7,500 (excluding GST and disbursements) for these services.

Xcel Capital Pty Ltd (or its nominees) will be paid a management fee of approximately \$50,000 and 6% of the amount raised under the Placement and SPP. During the 24 months preceding lodgement of this Prospectus with the ASIC, Xcel Capital Pty Ltd has been paid fees totalling \$971,833.75 (including GST) by the Company. This amount includes all capital raising fees paid including in respect of the Company's initial public offer. These fees are inclusive of amounts paid by Xcel Capital Pty Ltd to other brokers or third parties in connection with capital raisings undertaken by the Company.

7.7 Consents

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) 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.

Xcel Capital Pty Ltd has given its written consent to being named in this Prospectus as Lead Manager of the Placement and SPP. Xcel Capital Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.8 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$209,555 (excluding GST) and are expected to be applied towards the items set out in the table below:

	Full Subscription \$	Full Oversubscription \$
ASIC fees	3,206	3,206
ASX fees	2,966	4,349
Legal fees	7,500	7,500
Share registry	3,500	3,500
Lead Manager fees	170,000	188,000
Printing, distribution and other expenses	3,328	3,000
Total	190,500	209,555

7.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application 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 this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.tandoresources.com.au.

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

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

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

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 securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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.

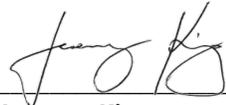
You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

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 securities, 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.



Jeremy King
Director
For and on behalf of
TANDO RESOURCES LIMITED

9. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Listed Options under the Offers using an Application Form pursuant to this Prospectus.

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

ASIC means Australian Securities & Investments Commission.

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

ASX Listing Rules means the official listing rules of ASX.

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

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

Cleansing Offer means the offer of up to 11,765 Shares at an issue price of \$0.085 per Share to raise up to \$1,000 under this Prospectus.

Closing Date means the closing date of the Offers 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 Offers early).

Company means Tando Resources Limited (ACN 003 043 570).

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.

Lead Manager or **Xcel Capital** means Xcel Capital Pty Ltd (ACN 617 047 319).

Option means an Option with an exercise price of \$0.12 expiring on or before 1 June 2021 on the terms and conditions set out in Section 5.2 of this Prospectus.

Offers means the Placement Options Offer, the SPP Offer, the Shortfall Offer and the Cleansing Offer.

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

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

Option means an option to acquire a Share.

Placement means the placement proposed to be undertaken by the Company, details of which are set out in the Company's announcement dated 13 May 2019.

Placement Options Offer means the offer of Options referred to in Section 3.2.

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.

Shortfall means the Shares not applied for under the SPP Offer (if any).

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 3.9 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall Offer.

SPP Offer means the offer of Shares and Options referred to in Section 3.1.

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