

PRECIOUS METALS INVESTMENTS LIMITED

ACN 144 973 259

PROSPECTUS

PROSPECTUS FOR THE ISSUE OF 400,000 FULLY PAID ORDINARY SHARES AT AN ISSUE PRICE OF \$1.25 PER SHARE TO RAISE A MINIMUM \$500,000. OVER SUBSCRIPTIONS OF UP TO 16,000,000 NEW SHARES TO RAISE A FURTHER \$20,000,000 MAY BE ACCEPTED. THE OFFER IS NOT UNDERWRITTEN.

SPONSORING BROKERS: DAYTON WAY FINANCIAL PTY LTD

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 securities offered by this Prospectus are of a speculative nature.

CONTENTS

	Page Number
CORPORATE DIRECTORY	2
IMPORTANT INFORMATION	3
CHAIRMAN'S LETTER	6
Section Number	
1. INVESTMENT OVERVIEW	8
2. THE INVESTMENT OFFER	10
3. FURTHER DETAILS OF THE OFFER	13
4. COMPANY AND BUSINESS OVERVIEW	18
5. RELATED PARTY TRANSACTIONS	22
6. FINANCIAL INFORMATION	24
7. INDEPENDENT ACCOUNTANT'S REPORT	27
8. DIRECTORS AND CORPORATE GOVERNANCE	30
9. INVESTOR INFORMATION AND RISK FACTORS	40
10. THE NATIONAL STOCK EXCHANGE	45
11. ADDITIONAL INFORMATION	47
12. GLOSSARY	52
SHARE APPLICATION FORM	55

CORPORATE DIRECTORY

Directors

David Sutton - Executive Chairman
Charles Straw - Managing Director
Douglas Flinn - Non-Executive Director
James Merrillees – Non-Executive Director
Kevin Lynn - Finance Director
Todd McMurray - Non-Executive Director

Company Secretaries

Kevin Martin Lynn & Richard Charles Holstein

Australian Company Number

144 973 259

Registered Office

FKP House
Level 5, 17 – 19 Bridge Street
Sydney NSW 2000

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E-mail: info@preciousmetalsinv.com.au

Website: www.preciousmetalsinv.com.au

Sponsoring Broker

Dayton Way Financial Pty Limited
ACN 138 130 328
AFSL Number: 338943
Level 5, 17 – 19 Bridge Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Accountant

Graham Abbott Associates Chartered Accountants
10 Crown Street
Sydney
NSW 2011

Company's Solicitor

Macpherson + Kelley Lawyers (Sydney) Pty Limited
ACN 127 962 298
Level 11
56 Pitt Street
Sydney NSW 2000

NOMAD

Dayton Way Financial Pty Limited
ACN 138 130 328
AFSL Number: 338943
Level 5, 17 – 19 Bridge Street
Sydney NSW 2000

IMPORTANT INFORMATION

LODGEMENT

This Prospectus was lodged with ASIC on 1 September 2011 and is dated 1 September 2011. It will expire on 1 October 2012. Shares will be issued or allotted on the basis of the Prospectus after 15 November 2011. Neither NSX nor ASIC takes any responsibility for the contents of the Prospectus.

NOTE TO APPLICANTS

Before deciding to invest in the Shares offered for subscription under this Prospectus you should read the entire Prospectus and in particular consider the risk factors that could affect the financial performance of the Company, including those referred to in this Prospectus. You should carefully consider these risks in light of your personal circumstances (such as financial and taxation issues) and seek advice from your professional advisers before deciding whether or not to invest. An investment in the Shares should be considered speculative in nature. This document is important and should be read in its entirety. No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in the Prospectus. Any information that is not contained in the Prospectus may not be relied upon as having been authorised by the Company and its Directors. If you require an explanation of the contents of the Prospectus, you should consult a professional adviser.

EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an exposure period of 7 days from the date of lodgment with the ASIC. This period may be extended by ASIC for a further period of 7 days. This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination might result in the identification of deficiencies in the Prospectus. In such circumstances any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

This Prospectus has been prepared by the Company. In preparing this Prospectus, the Company has taken reasonable steps to ensure that the information contained in this Prospectus is not false or misleading. In doing so, the Company has had regard to the requirements of the Corporations Act.

LISTING

Application will be made, within seven (7) days of the date of this Prospectus for the listing of the Company's securities offered by this disclosure document by the NSX. The fact that the NSX may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed

securities. The NSX takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document. Please refer to Section 10 'The National Stock Exchange' for further information.

AUSTRALIAN FINANCIAL SERVICES LICENCE

The Company does not hold, and does not intend to hold, an Australian Financial Services License and the Directors have prudently decided that the Company will only issue Shares pursuant to this Prospectus under an arrangement of the type contemplated by section 911A(2)(b) of the Corporations Act made with the holder of an Australian Financial Services License. Offers under this Prospectus are made pursuant to an arrangement between the Company and Dayton Way Financial Pty Limited, an Australian Financial Services Licensee pursuant to section 911A(2)(b) of the Corporations Act. The Company will only authorise Dayton Way Financial Pty Limited and/or any other licensee to make offers to people to arrange for the issue of Shares by the Company under the Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted.

RISK FACTORS

An investment in the Company is speculative and involves a number of risks. No assurances can be given by the Company to its shareholders as to the success or otherwise of its business. Investors should consider the risk factors identified in this Prospectus, particularly those identified in Section 9 'Investor Information and Risk Factors', before applying for shares.

As the Company is an investment company, the Company's success will be largely determined by the skill of its Directors and the investment decisions they make on behalf of the Company. To this effect prospective investors should read the descriptions of the Directors' previous experience in assessing whether or not to invest in the Company.

FORWARD LOOKING STATEMENTS

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way or manner in which they are expressly or implicitly portrayed herein.

DEFINITIONS AND INTERPRETATIONS

A number of defined terms and expressions are used in the Prospectus and these terms and expressions are explained in Section 10. The Prospectus is available in

electronic format on the Internet at www.preciousmetalsinv.com.au and you should refer to Section 3.11 'Electronic Prospectus' of the Prospectus for further information.

CHAIRMANS LETTER

1 September 2011

Dear Investor,

As Chairman of Precious Metals Investments Limited ("Precious Metals" or "the Company") I am pleased to present this Prospectus on behalf of the Board and invite you to subscribe for Shares in our Company.

I encourage you to read this Prospectus carefully before making your investment decision as it contains detailed information about the Company and its investment philosophy.

The Company intends to identify and, if thought fit, invest in early stage mineral resource opportunities. By their very nature, investments of this type are speculative, but the Directors and the Company believe the opportunity exists to discover and invest in mining and exploration opportunities that may arise, in particular at a grass roots level that traditional funding sources are reluctant to consider. The Directors believe that mining prospectors and promoters have difficulty in attracting risk or seed capital at the early stages of a mineral exploration project and that there are projects at a more mature stage of exploration that require funding to take them to an IPO or require interim funding pending a new issue or round of funding. The Company intends to provide such capital and funding by way of investment in the promoter, project or other vehicle. The ability to analyse a project and effectively manage the risk involved can produce substantial rewards. The Directors believe they have the expertise and experience to identify investment opportunities in the mining and mineral exploration sector.

The Company's Board of Directors has extensive experience in investment, corporate finance, mineral exploration and project assessment in Australia and internationally and is well placed to implement the Company's investment strategy.

Under this Prospectus, Precious Metals is offering subscriptions of 400,000 Shares at an Application Price of \$1.25 per Share to raise \$500,000. The Company has the right to accept oversubscriptions of up to 16,000,000 Shares to raise an additional \$20,000,000. The minimum investment size is \$2,000.

The Company's existing Shareholders are not selling any of their Shares in this Issue, nor will they receive any proceeds from this Issue.

The Directors join me in offering you the opportunity to participate in the ownership of Precious Metals Investments Limited and we look forward to welcoming you as a shareholder.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'David Sutton', written in a cursive style.

Mr David Sutton
Chairman

1 INVESTMENT OVERVIEW

This Section is not intended to provide full or complete information for investors intending to apply for Shares. This Prospectus should be read and considered in its entirety.

Precious Metals Investments Limited ("Precious Metals" or "Company") was incorporated on 1 July 2010 with the objective of listing on the National Stock Exchange of Australia Limited ("NSX").

The NSX was originally established in 1937 and was incorporated as Stock Exchange of Newcastle Limited in 1972. It is one of only a handful of operating stock exchanges in Australia and has a national network of broker members.

The Company intends to position itself to take advantage of perceived investment opportunities within the mining and exploration sector by identifying and investing in listed and unlisted entities in Australia and overseas which are in various stages of their exploration project life cycle.

In recent times it is the Board's experience that prospectors and other entrepreneurs have found difficulty in obtaining seed capital contributions to undertake preliminary work in determining the viability of proceeding to further assessment of a mineral exploration project.

The Company intends to also look to secure access to mining or other resource based assets with a view to facilitating new listing opportunities. It is possible that these assets may be acquired from related parties. In such instances, although the extent of any direct investment by the Company is likely to vary on a case by case basis, it will generally be limited to providing funds to meet the costs associated with the preliminary evaluation of projects.

Where appropriate, and from time to time, the Company intends to also look to make investments in listed small cap mineral explorers under a defined investment criteria.

The Company's Board of Directors have extensive experience in investment, corporate finance, mineral exploration and project assessment in Australia and overseas and believe they are well placed to implement the Company's investment strategy. In addition the Company has access to a team of professionals which offer a range of services in relation to the evaluation and development of mining and resource projects.

There are risks associated with an investment of this nature. Section 9 of this Prospectus should be read before proceeding to make an investment decision.

Financial information regarding the company is provided in Section 6 of this Prospectus. The Company will offer for subscription up to 16,000,000 Ordinary Shares of \$1.25 each. The minimum subscription for the Offer is \$500,000 representing the issue of 400,000 Ordinary Shares at \$1.25 each.

As the Company has limited operating experience the success of your investment will be linked to the experience of your Directors. Section 8 'Directors and Corporate Governance' of this Prospectus provides information regarding the Directors of the Company.

The Company has made or is in the process of making investments in the mining and exploration sector. Further information regarding the investments the Company has made can be found at Section 4 'Company and Business Overview'. Further funds received by the Company will be used to invest in opportunities identified by the Company in the mining and resource sector.

2 THE INVESTMENT OFFER

2.1 The Offer

The Company will offer for subscription 400,000 fully paid ordinary shares at an issue price of \$1.25 per share to raise \$500,000. Over subscriptions of up to 16,000,000 new shares to raise a further \$20,000,000 may be accepted. The Offer is not underwritten.

2.2 Minimum Subscription

The minimum subscription for the Offer is \$500,000 representing the issue of 400,000 Ordinary Shares at \$1.25 each.

No allotment of Shares will be made until the intended minimum subscription has been received and permission has been granted by the NSX for quotation of the Shares unconditionally or on terms acceptable to the Directors. It is expected that allotment of the Shares will take place by 31 October 2011.

If the minimum subscription is not reached within four months from the date of this Prospectus, the Directors will not allot any shares pursuant to this Offer and the Company will, within 14 days thereafter, refund all Application Moneys without interest.

2.3 NSX Listing and Minimum Subscription

Application will be made to the NSX within 7 days after the date of this Prospectus for the Company to be listed on the NSX and for quotation of the Shares to be issued pursuant to this Prospectus. Application will also be made for the listing of the 6,200,515 shares in the Company already issued.

The NSX and its officers take no responsibility for the contents of this Prospectus. The fact that the NSX may admit the Company to its official list is not to be taken in any way as indication of the merits of the Company or the securities offered pursuant to this Prospectus.

The Directors do not intend to allot any Shares unless and until NSX grants permission for the Shares to be listed for quotation unconditionally or on terms acceptable to the Directors. If permission is not granted for the Shares to be listed for quotation before the end of 6 months after the date of this Prospectus or such longer period permitted by the Corporations Act with the consent of ASIC, all Application Moneys received pursuant to the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

2.4 Application of funds

If the minimum subscription is reached funds will be applied as set out below.

Any excess subscription over five hundred thousand dollars (\$500,000) up to a maximum of the full amount sought in this Prospectus will be applied to the purposes set out in Section 1 'Investment Overview' and costs of issue.

	Minimum Subscription	Maximum Subscription
Purpose of the issue (section 1)	\$500,000	\$20,000,000
Costs of the issue (including brokerage)	\$80,000	\$1,800,000
Total	<u>\$420,000</u>	<u>\$18,200,000</u>

2.5 Capital Structure

The capital structure of the Company prior to the Offer and its capital structure assuming minimum subscription of \$500,000 and maximum subscription of \$20,000,000 upon completion of the Offer are set out below. The summary should be read in conjunction with the information detailed in Section 6 'Financial Information' and Section 9 'Investor Information and Risk Factors' of this Prospectus.

2.5.1 If the minimum subscription is reached

	No. of Shares
Founding Shares	2,000,000
Seed capital – Ordinary shares at \$0.40 each	1,100,000
Seed capital – Ordinary shares at \$1.00 each	3,100,515
Sub-total (existing capital)	<u>6,200,515</u>
Current Offer - New Shares @ \$1.25 each	400,000
Total	<u>6,600,515</u>

2.5.2 If the full subscription is reached

	No. of Shares
Founding Shares	2,000,000
Seed capital – Ordinary shares at \$0.40 each	1,100,000
Seed capital – Ordinary shares at \$1.00 each	3,100,515
Sub-total (existing capital)	<u>6,200,515</u>
Current Offer - New Shares @ \$1.25 each	16,000,000
Total	<u>22,200,515</u>

2.6 Indicative Dates

Prospectus lodged with ASIC

1 September 2011

Opening Date	11 September 2011
Dispatch of Prospectus	11 September 2011
Closing Date	28 October 2011
Expected date for dispatch of Statements	15 November 2011
Expected date for Listing on NSX	30 November 2011

The above dates are indicative only and the Directors expressly reserve the right to vary the Offer dates and to extend the Issue or to close it at an earlier date.

2.7 Financial Position

The Company's audited balance sheet for 30 June 2011 and the pro-forma balance sheets, assuming minimum and maximum subscriptions upon completion of the Offer, are summarised below. This summary should be read in conjunction with the detailed financial information set out in Section 6 'Financial Information' and the Independent Accountant's Report set out in Section 7 of this Prospectus:

	30 June 2011 audited \$	Pro-forma minimum subscription \$	Pro-forma maximum subscription \$
Assets			
Cash	356,545	820,474	18,565,474
Receivables	34,119	-	-
Other Assets	20,000	-	-
Total current assets	<u>410,664</u>	<u>820,474</u>	<u>18,565,474</u>
Non-current assets			
Other financial assets	2,353,106	2,743,426	2,743,426
Total non-financial assets	<u>2,353,106</u>	<u>2,743,426</u>	<u>2,743,426</u>
Total assets	<u>2,763,770</u>	<u>3,563,900</u>	<u>21,308,900</u>
Current Liabilities			
Payables	97,920	97,920	97,920
Total current liabilities	<u>97,920</u>	<u>97,920</u>	<u>97,920</u>
Net assets	<u>2,665,850</u>	<u>3,465,980</u>	<u>21,210,980</u>
Equity			
Issued Capital	3,079,727	3,783,712	21,528,712
Reserves	37,383	37,383	37,383
Retained earnings	(451,260)	(355,115)	(355,115)
Total equity	<u>2,665,850</u>	<u>3,465,980</u>	<u>21,210,980</u>

3 FURTHER DETAILS OF THE OFFER

The Offer is made to members of the public and institutional investors.

Under the Offer, members of the general public may apply for Shares pursuant to this Prospectus. The Company does not guarantee that an application for Shares pursuant to the Offer will be accepted in full or in part by the Company.

An application for Shares made pursuant to this Offer will only be accepted if it is made by way of the Application Form attached to this Prospectus.

3.1 Objective of the Offer

The objective of the Offer is to raise capital to fund the purpose of the offer as set out in section 1 'Investment Overview' and to meet the expenses associated with the offer.

3.2 Ranking of Shares

The Shares offered for subscription by this Prospectus will rank equally in all respects with all other shares on issue in the capital of the Company.

The rights and liabilities attached to all shares presently on issue, or to be issued under this Prospectus, are set out in detail in Section 11 'Additional Information' of this Prospectus.

3.3 Application for Shares

Attached to and forming part of this Prospectus is an Application Form for use by applicants under the Offer. Instructions for the completion and lodgment of an Application Form are set out on the Application Form.

Payment for the Shares must be made in full at the issue price of \$1.25 per share at the same time as the Application Form is submitted. Applications for Shares must be for a minimum of 1,600 Shares and thereafter in multiples of 400 Shares.

Completed Application Forms and accompanying cheques must be delivered at or before 5pm on 28 October 2011 to:

Dayton Way Financial Pty Limited
Level 5, 17 – 19 Bridge St, Sydney NSW 2000

OR

The Application Form can be faxed to Dayton Way Financial Pty Limited, on the following facsimile number: + 61 2 9252 0890 and funds transferred to Dayton Way Financial Pty Limited's share trust account which the details are as follows:

Dayton Way Financial Pty Limited
c/-National Australia Bank Limited
101 – 103 Pitt St., Sydney NSW 2000
BSB: 082 - 067
Account number: 160238851
Swift Code: NATAAU3302S

Completed Application Forms may be lodged at any time after the Opening Date, but no later than the Closing Date.

3.4 Payment for Shares

Application Moneys for the Shares the subject of the Offer are payable in full on application. Cheques must be made out in Australian currency.

Cheques in Australian currency forwarded to the Company in Australia must be made payable to "Dayton Way Financial Pty Limited" and crossed "Not Negotiable".

3.5 Opening and Closing of the Offer

The Offer will open on 11 September 2011 and, subject to the right of the Directors to close the Offer at an earlier date or to extend it, will close at 5.00pm (AEST) 28 October 2011 (the Closing Date).

The Directors expressly reserve the right to close the Offer at an earlier date or to extend the Closing Date.

3.6 Acceptance of Applications for Shares

If an Application Form is not completed properly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. The decision of the Company as to whether to treat an application for shares pursuant to this offer as valid or how to construe it will be final.

3.7 Allotments

In accordance with the provisions of the Corporations Act, all Application Moneys shall, pending allotment and issue of the Shares pursuant to this offer, be held by the Company in trust in a bank account established solely for the purpose of depositing Application Moneys received. Any interest earned on those moneys shall be to the Company's account. Transaction Confirmation Statements will be dispatched on or about 31 October 2011 unless the Closing Date is varied.

3.8 Application of Funds

The funds raised by the Issue will be applied, firstly, to pay the costs of the Offer, and thereafter, to meet ongoing corporate operating costs and to provide funds for the purpose set out in section 1 'Investment Overview'.

The cash costs of the Issue are estimated at \$80,000 (minimum subscription) and \$1,800,000 (maximum subscription).

3.9 Minimum Subscription

The intended minimum subscription for the Offer is \$500,000 being receipt of valid Applications for not less than 400,000 Shares. If this minimum subscription is not received by the Company by the Closing Date of this Prospectus, the Company will repay, within seven days of the Closing Date, all Application Monies received without interest.

3.10 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction where, or to any person to whom, it would not be lawful to make such offer or to issue this Prospectus. 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 such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable law. No action has been taken, by or on behalf of the Company, to register or qualify these Shares or otherwise permit a public offering of the Shares the subject of this Prospectus in jurisdictions outside Australia.

Applicants outside Australia are responsible for obtaining all necessary approvals for the allotment and issue of Shares. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

3.11 Electronic Prospectus

If you have received this Prospectus in an electronic format, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company Secretary, Richard Holstein at:

Telephone: (02) 9253 0903

or

Facsimile: (02) 9253 0901

and you will be forwarded, free of cost, either a paper copy or a further electronic copy of the Prospectus as requested by you.

Notwithstanding that you may receive this Prospectus electronically there is no facility for applications to be accepted electronically. The Application Form in this Prospectus must not be circulated or handed on to prospective investors unless accompanied by a complete and unaltered copy of this Prospectus and any supplementary Prospectus which may hereafter be issued.

The Company reserves the right not to accept an Application Form from a person where it has reason to believe that, when that person was given access to the electronic Application Form, it was not provided to that person together with the an electronic copy of this Prospectus and any relevant supplementary or Prospectus or if any of those documents were provided in an incomplete or altered form. In such case, the Application Moneys received will be dealt with in accordance with Section 722 of the Corporations Act.

3.12 Chess

The Company will participate in the Clearing House Electronic Sub-register System ("CHESS"), in accordance with NSX Listing Rules and operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of shares.

Consequently, the Company will not issue certificates to security holders. Security holders will be provided with Transaction Confirmation Statements. At the end of the month of allotment, CHESS (acting on behalf of the Company) will provide security holders with a holding statement that will confirm the number of Shares then held.

A holding statement or Transaction Confirmation Statement (whether issued by CHESS or the Company) will also provide details of a Security holder's "Holder Identification Number" in the case of a holding on the CHESS sub-register or "Security Holder Reference" Number in the case of a holding in the issuer sponsored sub-register. Following distribution of these initial statements to all security holders, a holding statement will be provided to each security holder at the end of any subsequent month during which the balance of that security holder's holding of securities changes.

3.13 Rights and Liabilities Attaching to Shares

All Shares to be issued pursuant to this Prospectus are fully paid ordinary shares. The rights and obligations attaching to the Shares are set out in detail in the Constitution. The Constitution is available for inspection and respective applicants should read Section 11 for further information.

3.14 Taxation and Stamp Duty Implications

Applicants should seek their own independent advice in relation to matters relating to the operation of taxation laws in Australia and taxation and stamp duty laws in New Zealand.

The Company is unable to give advice on taxation matters generally, as each Applicant's position will relate to their own specific circumstances.

Applicants should satisfy themselves of possible taxation consequences of purchases and sales of securities by consulting their own professional tax advisers.

3.15 Enquiries

If you have any enquiries as to the terms of the Offer please contact the Company Secretary, Richard Holstein on – Telephone: (02) 9253 0903 Facsimile: (02) 9253 0901.

4 COMPANY AND BUSINESS OVERVIEW

4.1 Current Investments

The Company has made the following investments:

Artha Resources Corporation

Artha Resources Corporation (Artha) is a Canadian resource explorer listed on the TSX Venture Exchange. Precious Metals has been issued 581,821 fully paid and non-assessable common shares without par value in the capital of Artha. In addition, a subscription agreement allows for 581,821 warrants to purchase 581,821 fully paid and non-assessable common shares without par value in the capital of Artha on or before 17 September 2012 at an issue price of C\$0.25.

Messrs Straw and McMurray are directors and shareholders of both Artha and Precious Metals.

Davcha Resources International Limited

Davcha Resources International Limited (Davcha) is a Canadian based unlisted resources explorer and investment vehicle. Davcha's primary investment is 3.3 million fully paid and non-assessable common shares without par value in the capital of Artha Resources Corporation. Precious Metals has applied to Davcha for 714,285 voting common shares in Davcha at an issue price of C\$0.14 per share.

Messrs Sutton, Straw and McMurray are directors and shareholders of both Davcha and Precious Metals.

Metalstorm Resources Corporation

Metalstorm Resources Corporation (Metalstorm) is an unlisted Canadian based resource explorer. Precious Metals has irrevocably subscribed for 4.1 million common shares in Metalstorm. The issue price for the first 1,100,000 fully paid ordinary shares is C\$0.01 per share and the issue price for the next 3.0 million shares is C\$0.10 per share.

Messrs Straw and McMurray are directors and shareholders of both Metalstorm and Precious Metals.

New Competitive Drilling Pty Limited

New Competitive Drilling (NCD) is an Australian based drilling services provider. Precious Metals has been issued 270,000 fully paid ordinary shares in NCD.

In addition, Precious Metals has loaned NCD \$1.6 million to finalise the purchase of new drilling equipment. The terms of the loan provide an interest rate of 7.5% per annum. Precious Metals has taken a charge over the assets of NCD. NCD is currently sourcing debt finance to refund the debt finance provided by Precious Metals Investments.

Messrs Straw and Flinn are directors of both NCD and Precious Metals Investments. Mr Straw is a shareholder of NCD.

In relation to the above companies Mr Straw is and has been for some years a director of these companies. He has observed that they comply with Precious Metals investment process as described in 4.3.3 of this prospectus.

PT Minerals (Cayman) Limited

Precious Metals is in an advanced stage of negotiation with an early stage African copper project. Precious metals is currently undertaking due diligence and as part of the due diligence process has committed to a convertible note instrument in totaling 250 units (C\$250,000) whereby each unit consists of \$1,000 principal amount and 15% interest per annum Senior Convertible Redeemable Notes and 4,000 Common Share purchase Warrants.

Ming Gold Pty Limited

Ming Gold Pty Limited (Ming) is a gold and copper explorer in the Telfer region of northwest Western Australia. Precious Metals has applied to Ming for 1 million fully paid ordinary shares at an issue price of \$0.10 and 500,000 options. The options have an exercise price of \$0.20 and expire 20 December 2014.

4.2 The Investment Objective For The Funds To be Raised

The main objective of the Company is to create significant and long term shareholder value from investments in the mining and resources sector where the Directors believe there are good opportunities for the value of these investments to grow over a period of time.

This will primarily be achieved in investing in early stage mineral resource opportunities and taking an interest in what the Directors consider to be undervalued listed and unlisted exploration and mining companies.

4.2.1 Grass Roots Opportunities

The business of the Company is to identify and engage with the holders of exploration and mining tenements in Australia and elsewhere with a view to determining the potential viability of those projects and to providing seed capital and development capital to assist in determining the potential for further development and commercial exploitation. The Company's Board is experienced in identifying seed capital opportunities where future exploitation is possible if funding can be obtained.

4.2.2 High risk strategy

By making available seed or development capital to projects in a start up mode the returns can be substantial. That said, it must be noted that this strategy is very speculative and high risk and carries no guarantee of success. The Company recognises the high-risk nature of the strategy but believes its experienced Board has the ability to recognise and manage risk effectively in seed capital investments. Properly managed, the Board considers the opportunity exists to use its experience to identify and participate in a number of potentially worthwhile projects in the mineral exploration arena. Early participation may give the seed capital investors a higher reward opportunity commensurate with the risk.

4.3 Listed and Unlisted Investments

In order to achieve this objective the Company proposes to research and consider investing in listed and unlisted mining and resource securities. To minimise any potential adverse impact on the Company from any individual investment, the Company will work towards establishing and maintaining an investment portfolio incorporating a range of companies domiciled in diverse jurisdictions.

4.3.1 Investment Strategy

Precious Metals will seek to invest in securities of unlisted and listed mining and resource companies with projects that the Directors consider to have potential for mineral discovery and commercialisation and in instances where Directors consider that these companies may outperform others in the sector.

The Company will from time to time look to secure access to mining or other resource based assets with a view to facilitating new listing opportunities. It is possible that these assets may be acquired from related parties. In such instances, and although the extent of any direct investment by the Company is likely to vary on a case by case basis, it will be generally limited to providing funds to meet the costs associated with the preliminary evaluation of projects.

4.3.2 Minimising Risk

In order to minimise risk, when implementing its strategy, the Company intends to be led by the following parameters:

- Risk will be minimised and diversified by holding a number of investments in listed and unlisted companies operating in the mining and resources sector.
- The Directors will review the Company's portfolio on a regular basis by maintaining focus on the investee companies based on information provided by these companies.
- Companies where the Directors of Precious Metals have a key role in the management of the projects.

4.3.3 Identifying investment opportunities

Investment opportunities will be identified through a variety of methods. Many investment opportunities will come to the Directors notice because of the Directors diverse and extensive contact base. Other opportunities will be identified from discussions with brokers and other industry professionals involved in the mining and resource sector.

Where a significant investment is proposed to be made, the Company may seek to meet with management and conduct such due diligence as would be deemed appropriate to the scale of proposed investment. When appropriate, independent experts will be engaged to provide commentary or analysis.

A more detailed analysis of this process is as follows.

4.4 The Financials

The Company's financial information since its incorporation is set out in Section 6 'Financial Information' along with the 'Investigating Accountant's Report from Graham Abbott & Associates, Chartered Accountants in Section 7.

5 RELATED PARTY TRANSACTIONS

5.1 David Sutton

As disclosed in Section 10.5 'Sponsoring Broker', Dayton Way is entitled to be paid a \$15,000 fee in relation to the proposed listing of the Company on NSX. Mr Sutton is a Director of Dayton Way and is also a director of the Company. The Board has engaged the services of Dayton Way to provide assistance for the listing of the Company on NSX. The Board considers the fee of \$15,000 reasonable and on arms length commercial terms for the provision of these services.

As disclosed in Section 10.6 'NOMAD', Dayton Way is entitled to be paid a fee of \$1,000 per month in relation to the proposed listing of the Company on NSX. Mr Sutton is a Director of Dayton Way and is also a director of the Company. The Board has engaged the services of Dayton Way to provide assistance for the listing of the Company on NSX. The Board considers the fee of \$12,000 reasonable and on arms length commercial terms for the provision of these services.

In addition, Dayton Way has received fees totaling \$154,670 in relation to equity raised by Dayton Way on behalf of the Company.

5.2 Founding Shareholders

The founding shareholders of the Company, and their respective interests in the Company, are as shown in the below table. Please note that the percentages of issued capital are as at the date of lodgment of this Prospectus.

Founding Shareholders	Shares	Options
David Sutton	400,000	2,000,000
Charles Straw	600,000	3,000,000
Kevin Lynn	200,000	1,000,000
Doug Flinn	200,000	1,000,000
Grant Duddle	200,000	1,000,000
Todd McMurray	200,000	1,000,000
James Merrillees	200,000	1,000,000
TOTAL	2,000,000	10,000,000

The funds received from the founding shareholders were used by the Company to establish the Company and identify other cornerstone investors and the initial identification of resource opportunities.

5.3 Voluntary Escrow Agreements

The founding shareholders of the Company have each entered into an escrow deed with the Company whereby they have each agreed not to dispose of, or agree to dispose of, or to create any security interest over or to so omit to do any act that would have the effect of transferring ownership or control of their Shares in the Company to any other party. The escrow arrangement will be supported by a holding lock on the shares the subject of the agreement. The escrow lasts 24 months after the Shares in the Company commence quotation on NSX. The agreement otherwise contains provisions standard for an agreement of this nature.

5.4 Management Agreement

The Company retains Centric Minerals Management Pty Limited ACN 143 894 786 to undertake all management aspects of the Company's business as and when they arise, including but not limited to the sub-leasing of office space. The fee payable under such a retainer is \$120,000 per annum.

Centric Minerals Management Pty Limited ACN 143 894 786 is related to the Company. Messrs Sutton, Straw and Lynn are directors and shareholders of both entities.

5.5 Current and Likely Investments

It is anticipated that, if consistent with the Company's investment strategy, the Company is likely to invest in businesses which are related to the Company and/or its founding shareholders.

The Company as at the date of this Prospectus has made investments in businesses which are related to the Company and/or its founding shareholders. Details regarding these investments are included in Section 4.1 'Current Investments', of this Prospectus.

6 FINANCIAL INFORMATION

6.1 Pro-Forma Statements of Financial Position

The Company's audited balance sheet for 30 June 2011 and the pro-forma balance sheets, assuming minimum and maximum subscriptions upon completion of the Offer, are summarised below. This summary should be read in conjunction with the detailed financial information set out in Section 6 and the Independent Accountant's Report set out in Section 7 of this Prospectus.

	*30 June 2011 audited \$	Pro-forma minimum subscription \$	Pro-forma maximum subscription \$
Assets			
Cash	356,545	820,474	18,565,474
Receivables	34,119	-	-
Other Assets	20,000	-	-
Total current assets	<u>410,664</u>	<u>820,474</u>	<u>18,565,474</u>
Non-current assets			
Other financial assets	<u>2,353,106</u>	<u>2,743,426</u>	<u>2,743,426</u>
Total non-financial assets	<u>2,353,106</u>	<u>2,743,426</u>	<u>2,743,426</u>
Total assets	<u>2,763,770</u>	<u>3,563,900</u>	<u>21,308,900</u>
Current Liabilities			
Payables	<u>97,920</u>	<u>97,920</u>	<u>97,920</u>
Total current liabilities	<u>97,920</u>	<u>97,920</u>	<u>97,920</u>
Net assets	<u>2,665,850</u>	<u>3,465,980</u>	<u>21,210,980</u>
Equity			
Issued Capital	3,079,727	3,783,712	21,528,712
Reserves	37,383	37,383	37,383
Retained earnings	(451,260)	(355,115)	(355,115)
Total equity	<u>2,665,850</u>	<u>3,465,980</u>	<u>21,210,980</u>

* Audited financial statements can be viewed at www.preciousmetalsinv.com.au or a copy will be provided on request.

6.2 Notes to Pro-Forma Statements of Financial Position

The pro forma historical financial information set out above illustrates the effects of the following transactions as if they occurred on July 2011:

- the offer to public subscribers by the Company based on the minimum of 400,000 new Shares at an Offer Price of \$1.25 each (net of issue costs of \$45,000) up to 16,000,000 new Shares at an Offer Price of \$1.25 (net of issue costs of \$1,800,000) each pursuant to this Prospectus; and
- the issue of 6,200,515 fully paid Shares and 11,547,758 options to Founders and Seed Investors as outlined in Section 2.5 'Capital Structure', of the Prospectus.

6.4 Balance Date

The balance date of the Company is 30 June in each year and the accounts will be prepared for the year as at that date.

6.5 Dividend Policy

The Company may pay dividends to shareholders from the earnings generated from its operating activities to the extent permitted by law and its Constitution and in accordance with prudent business practices. Such dividends will be franked to the extent that available imputation credits permit.

The Company does not presently intend to pay a dividend.

6.6 Securities on Issue

The Company has 6,200,515 ordinary shares and 11,550,258 Options on issue as at the date of this Prospectus. No other securities have been issued. The terms of the options are set out in Section 11.2.1 and Section 11.2.3.

6.7 Working Capital

The operating costs of the Company for the first twelve months following listing can be summarized as follows:

	\$
Directors' Fees	175,000
Nominated Advisor	12,000
Accounting & Audit Fees	20,000
Annual Listing & Share Registry Fees	15,000
Management, Office, Administration & Secretarial Costs	150,000
Total	<u>372,000</u>

6.8 Employees

As at the date of this Prospectus there are no persons employed by the Company.

6.9 Controlled Entities

At this time the Company has no controlled entities.

6.10 Contingent Liabilities

Except as set out in this Prospectus, the Directors are not aware of any contingent liabilities of the Company.

6.11 No Litigation

At the date of this Prospectus the Company is unaware of any actual or threatened litigation against the Company.

7 INDEPENDENT ACCOUNTANT'S REPORT



23 August 2011

Board of Directors
Precious Metals Investments Limited
Level 5
17-19 Bridge Street
Sydney NSW 2000

Dear Sirs,

Re: Investigating Accountant's Report on Historical and Pro forma Financial Information

We have prepared this Investigating Accountant's Report (report) at the request of the Directors of Precious Metals Investments Limited ("PMI" or the "Company") for inclusion in a Prospectus relating to the proposed issue by the Company of a minimum of 400,000 shares and up to 16,000,000 shares at an issue price of \$1.25 each to raise a minimum of \$500,000 and up to \$20,000,000 before the costs of the issue (the "Prospectus").

Expressions defined in the Prospectus have the same meaning in this report.

Basis of Preparation

This report has been prepared to provide investors with information on the Historical and Pro forma Financial Information as detailed in the Scope below. The Historical and Pro forma Financial Information is presented in an abbreviated form in this report and does not include all of the disclosures required by Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, nor the risk associated with the investment and has been prepared based on the Offer being achieved. Graham Abbott Associates has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so. Graham Abbott Associates accordingly takes no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this report.

Background

PMI was incorporated on 1 July 2010. The Company is focussed on the identification and investment in early stage mineral resource opportunities, taking advantage of what Directors consider to be undervalued listed and unlisted exploration and mining companies.



10 Crown Street Sydney NSW 2011 fax 9358 4046 e-Mail graham@grahamabbott.com tel 9357 1544

PMI had at the 30 June 2011 invested in Australian and overseas listed and unlisted mineral exploration companies, additionally in an Australian unlisted drilling services provider.

The intention of PMI's investment strategy is to identify and engage with holders of exploration and mining tenements in Australia and elsewhere with a view to determining the potential viability of those projects and to provide seed capital and development capital to assist in determining the potential for further development and commercial exploitation.

The minimum and maximum amounts to be raised by this Offer are \$500,000 and \$20,000,000. The purpose of the Offer is to provide the Company with sufficient funds to enable it to carry out its investment strategies.

Potential investors should read the Prospectus in full. We make no comments as to the value of the current and proposed activities of the Company.

Scope

You have requested Graham Abbott Associates to prepare an Investigating Accountant's Report covering the Audited Balance Sheet as at 30 June 2011 and Pro forma Balance Sheet as at that date adjusted for the effects of the Offer and material events occurring subsequent to 30 June 2011.

Scope of review of Historical and Pro forma Financial Information

The Historical and Pro forma Financial Information set out in this report has been extracted from the historical financial statements of the Company. The Pro forma information has not been subject to any form of audit or review.

The Directors are responsible for the preparation and presentation of the Historical and Pro forma Financial Information, including determination of the pro forma adjustments.

The Pro forma Balance Sheet incorporates:

- (i) the Audited Balance Sheet of PMI at 30 June 2011;
- (ii) the proceeds of this Offer and related costs;
- (iii) payments for the acquisition of Investment Assets;

We have conducted our review of the Pro forma Financial Information in accordance with Australian Auditing and Assurance Standard ASRE 2405 "Review of Historical Financial Information Other than a Financial Report".

We made such enquiries and performed such procedures as we, in our professional judgement considered reasonable in the circumstances including:

- Enquiry of Directors, management and others;
- Review of the assumptions used to compile the pro forma Balance Sheet;
- Review of available financial information; and
- Review of work papers, accounting records and other documents.



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GRAHAM
ABBOTT
ASSOCIATES
Chartered Accountants

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement on historical information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro forma Financial Information, as set out in this report:

(a) does not fairly represent the Pro forma Consolidated Balance Sheet adjusted for the effects of the Offer and material events occurring subsequent to 30 June 2011;

(b) has not been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in the Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Subsequent events

Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

Independence

Graham Abbott Associates does not have any interest in the outcome of this issue other than in its capacity as Investigating Accountant for which normal professional fees will be received. Graham Abbott Associates does not hold nor have any interest in the ordinary shares of the Company.

Graham Abbott Associates was not involved in the preparation of any other part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Graham Abbott Associates consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully,
GRAHAM ABBOTT ASSOCIATES



G B ABBOTT
Principal



10 Crown Street Sydney NSW 2011 fax 9358 4046 e-Mail graham@grahamabbott.com tel 9357 1544

8 DIRECTORS AND CORPORATE GOVERNANCE

8.1 Current Directors and Key Personnel

The Details of directors and key personnel engaged in the operation of the Company and the business are as follows:

Directors

- David Sutton - Executive Chairman
- Charles Straw - Managing Director
- Douglas Flinn - Non-Executive Director
- James Merrillees – Non-Executive Director
- Kevin Lynn - Finance Director
- Todd McMurray - Non-Executive Director

8.2 Directors' Experience

The Company's Board of Directors has extensive experience in the investment, and mining industry in Australia, USA, Europe and Asia and is well placed to implement the Company's strategies and achieve the Company's financial objectives. Additionally, the Directors have a broad overall skill base in relation to acquisitions, mergers and investments which they will apply in assessing direct and indirect investment activities which the Company may undertake.

The Directors global network of contacts should provide further opportunities to develop the Company's investment portfolio.

In relation to investment activities, the investment process the Company will undertake will be that investment proposals may be put to the Board by any Director, together with a memorandum of reasons for investment. All proposals for investment will be reviewed by all Directors. The Directors propose that before any investment be proceeded with, they will carry out or cause to be carried out any applicable and appropriate due diligence on the proposed investment. At that time the Board will make a decision whether or not to invest. This process may, in certain circumstances be protracted, and in others, comparatively short.

All Directors will be involved in the investment process and will provide such time as reasonably necessary to enable adequate review of operations generally and investment decisions in particular.

8.3 Directors' Skills

The blend of skills which the Directors present is considered by them to be appropriate for the establishment, operation and development of its proposed

business. The knowledge of the Directors, either individually or collectively, that is relevant to the affairs of the Company encompasses the following areas:

- **Mineral Projects:** project evaluation, mineral exploration program design and management, joint venture management and other activities related to mineral exploration and mining.
- **Accounting:** preparation and maintenance of prime books of account and other records; preparation of balance sheets, profit and loss and other financial statements; arranging preparation of taxation returns; understanding of tax issues relevant to a company.
- **Corporations Act:** statutory and other Directors' duties, membership issues (issues of shares, member's rights, maintenance of capital, etc); relevant interests in shares; requirements for disclosure of substantial shareholdings.
- **General Business:** establishment of banking facilities; employment of staff; acquisition of office premises; purchase of office needs; negotiations with suppliers and service providers; retaining advisers (e.g. lawyers, accountants, etc).
- **Restructuring:** the refinancing and/or restructuring of the financial affairs of corporations.
- **Investment Analysis:** ability to read and understand financial statements and statutory reports (annual/half-yearly, etc.); use of financial ratios to determine financial health of a particular company; comparative analysis between competing companies in a particular field; ability to make judgments about the impact of macro economic factors and general conditions on the business or operations of a company; yield analysis; investment valuation using different methods (e.g. capitalised interest or net-tangible asset valuations).
- **Listing Requirements:** the ongoing obligations to which listed issuers are subject under the Listing Rules of NSX.

The above list is a summary only and is not an exhaustive list of the skills and experience of the Directors that is relevant to the affairs of the Company. The experience and knowledge of the Directors has been gained over an extended period of time through a combination of their business activities and their educational activities.

8.4 Directors' Profiles

Mr David Sutton - Executive Chairman

Mr. David Sutton has many years experience in stockbroking and investment banking. He was Executive Chairman from 2002 to 2010 of Martin Place Securities Pty Limited, a boutique investment firm, where his responsibilities included management of corporate finance, advisory, and sharebroking activities within the firm. Mr. Sutton currently owns and manages Dayton Way Financial Pty Ltd, a boutique financial services company focusing on the resources sector.

He became a member of the Stock Exchange of Melbourne and subsequently, Australian Stock Exchange Limited. Prior to his current role Mr. Sutton was a partner and Director of several stock exchange member firms including Clarke & Co and Macnab Clarke.

His past experience in Directorships of public companies includes several listed industrial and resource companies. He is currently Chairman of Silver Mines Ltd and Sinovus Mining Ltd and Director of Empire Energy Group, a company producing oil and natural gas in the United States.

Mr Charles Straw – Managing Director

Mr. Straw is an economic geologist with almost 20 years in the mining industry globally. His experience is multi-faceted, ranging from executive management of public and private mineral explorers– including mineral exploration, joint ventures, project evaluation and acquisition, project development and corporate finance as well as geospatial technology applications. He holds an Honours Degree in Applied Geology from UNSW in Sydney and Graduate Certificate in Applied Finance and Investment from SIA. Mr. Straw is a member of the CIM and AUSIMM.

Mr. Straw has lead the successful exploration and evaluation of precious and base metals projects in Australia, South America and China and has an international network of technical and financial relationships providing both project flow and project finance globally. He is currently a Director and CEO of ASX and London PLUS listed Silver Mines Limited and is a Director and CEO of TSX.V listed Artha Resources Corporation. He has run his private consultancy for 15 years and has current Board positions on a number of private and unlisted public companies specialising in corporate finance, minerals industry consulting, drilling and mineral exploration.

Mr Douglas Flinn - Non-Executive Director

Mr Flinn studied geology at ANU in Canberra and subsequently worked in the iron ore industry in the Pilbara from 1966 to 1971. From 1972 to 1985 was a partner in Walpett Engineering Pty Ltd, a steel fabrication business and then became Managing Director and owner to the present. He has been an investor in exploration and mining companies since 1966 with a broad range of international investments across most commodities.

Mr James Merrillees – Non-Executive Director

Mr James Merrillees is an economic geologist with more than 15 years applied minerals exploration experience. He has led teams and worked on minerals exploration projects throughout Australia, Europe, South America, Asia and Africa. His experience includes all aspects of project generation, project management, resource evaluation, strategy setting and commercial deal making across a range of commodities and deposit styles.

Following over 10 years with BHP Billiton's Minerals Exploration Group in increasingly senior technical and leadership roles, Mr Merrillees worked as an independent consultant for a range of junior and mid-tier explorers and producers.

Mr Merrillees is currently Exploration Manager of Aura Energy Ltd and Technical Director of Drake Resources, both ASX-listed companies. He holds Bachelor of Science (Geology) and Bachelor of Commerce (Accounting and Finance) degrees from the University of New South Wales and a Graduate Certificate in Applied Finance from Kaplan Professional.

Mr Kevin Lynn - Finance Director

Mr Lynn is a Chartered Accountant, with a master's degree in Finance. He has had over 20 years experience in the resources sector, as Chief Financial Officer with project finance, fund raising and project generation experience. Kevin is currently acting as Company Secretary or Director of a number of public and listed public companies including Burleson Energy Ltd, Silver Mines Ltd, Hill End Gold Ltd, Ignite Energy Ltd, Granite Power Ltd and Resource Base Ltd.

Mr Todd Mc Murray - Non-Executive Director

Mr McMurray has over 23 years' experience financing and promoting the interests of public and private companies, including 16 years as a senior officer to Canadian listed mining companies. He has helped raise more than \$100 million for mineral exploration and development and was recently part of the team that developed, then sold St Jude Resources in a deal valued at \$120 million.

Mr. McMurray is currently a Director and President of Metalstorm Resources Corporation and Artha Resources Corporation, a TSX:V listed mineral explorer.

Mr. McMurray currently resides in Vancouver.

Full details of Directors remuneration and the remuneration of any companies associated with Directors are disclosed on Sections 4.1 and 8.9 of this Prospectus and details of Directors' interest in securities of the company are contained within Section 8.10 'Directors' Interests in Securities of the Company', of this Prospectus.

8.5 Management

In view of the present level of operations of the Company and its state of affairs it has been determined that the investment activities of the Company will be managed by the Executive Directors, namely Mr Sutton and Mr Straw. The Company does not propose to retain the services of any executives or employees in the foreseeable future.

8.6 Remuneration of Directors

The Directors and the Company Secretary are currently entitled to be remunerated as set out below:

The total remuneration of non-executive and executive Directors may not exceed in aggregate in any financial year the amount of \$175,000 (inclusive of Superannuation).

If a Director undertakes any work additional to that usually required of Directors of a Company similar to this Company, the Directors may award such special remuneration and fix the amount hereof at any time during or after the rendering of such special service or the undertaking of such additional work. Directors are also entitled to travelling expenses for or in connection with any journeys undertaken by them on the Company's business.

8.7 Director's Retirement Benefits

There are no Directors' retirement benefits under any contracts or plan entered into between the Company and any Director and no such agreements are presently contemplated to be entered into.

8.8 Number of Directors and Tenure

The number of Directors must not be less than three and, unless otherwise determined by the Company in general meeting, no more than ten. At every Annual General Meeting of the Company, one-third of the Directors (excluding the Managing Director) must retire from office. Directors may be appointed or removed by resolution of the Company in general meeting. In addition, the Directors themselves may appoint additional Directors provided that any such

Directors must retire from office at the next Annual General Meeting. Directors who retire at an Annual General Meeting may offer themselves for re-election.

8.9 Qualification Shares

Under the provisions of the Constitution, a Director is not required to hold any securities in the Company in order to qualify them to hold office as a Director.

8.10 Directors' Interests in Securities of the Company

The relevant interests of the Directors and their related parties as defined in Accounting Standard AASB 1017, in securities of the Company, as will exist immediately prior to the issue of Shares pursuant to the Offer are as follows:

Director	Shares	Options
David Sutton	400,000	2,000,000
Charles Straw	600,000	3,000,000
Kevin Lynn	200,000	1,000,000
Doug Flinn	300,000	1,000,000
Todd McMurray	200,000	1,000,000
James Merrillees	200,000	1,000,000

Details of the terms of the Options are set out in Section 11.3.1.

8.11 Other Interests of Directors

Except as otherwise set out herein, no Director named herein now has or during the last year has had any interest in the promotion of the Company, or any property proposed to be acquired by the Company in connection with its formation or promotion or the Offer. Furthermore, except as otherwise disclosed herein, no sums have been paid, or have been agreed to be paid, to a Director in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company or the offer.

8.12 Corporate Governance

The Directors are responsible for the strategic direction of the Company, the identification and implementation of corporate policies and goals, and monitoring of the business and affairs of the Company on behalf of its members. The Company is cognisant of the Principles of Good Corporate Governance and Best Practice Recommendations as published by ASX Corporate Governance Council and acknowledges that the principles set out therein are fundamental to good corporate governance. The Company will include a statement in its annual return disclosing the extent to which those best practice recommendations are followed in any reporting period and to identify any recommendations not followed and provide reasons for their not being followed.

Given that the Company is small, with limited activities and limited resources, it has not established a series of committees to address specific areas of corporate governance such as risk management, strategic review and operations and remuneration. These issues will be dealt with by the Board acting as a committee in relation to the various areas or issues required to be considered with any interested Directors abstaining or being absent as required either by law or as necessary to avoid conflict or possible breach of their fiduciary duties. The Board has, however, established one committee: namely the Audit and Compliance Committee, details of which are set out below.

8.12.4 Audit and Compliance Committee

Each of the Directors are members of this committee.

The Audit and Compliance Committee is a committee established by the Board to give additional assurance regarding the quality and reliability of financial information used by the Board and financial information provided by the Company pursuant to its statutory reporting requirements.

The Board believes that having raised funds from the public, it has a responsibility to ensure independent accountability exists. The focus of the activities of this Committee is to increase confidence in the credibility and reliability of financial statements and other financial information released to the public.

8.12.5 Objectives of the Committee

- Provide enhanced public confidence in the credibility and objectivity of financial information released to the public.
- Demonstration of the Board's intention to exercise due care in reviewing financial information and in fulfilling legal responsibilities.
- Improved quality of financial reporting.
- Augment non Executive Directors' knowledge and understanding of financial information.
- Increase focus on the corporate risk profile of the Company including the level of authority delegated to management by the Board.
- Provide an insight to the Directors of the Company in respect to the accounting and control systems that exist within the Company and management action to maintain and improve them.
- Assist the Financial Controller/Company Secretary by providing a forum in which to raise issues of concern.
- Increase Directors' understanding of the nature and scope of the statutory audit and where applicable, internal audit.

- Provide a framework within which the external Auditors can assert their independence in the event of a dispute with management.
- Strengthen the position of the internal audit function, by providing a greater degree of independence from management.
- Provide improved communication between the external Auditor and the Board.

8.12.6 Responsibilities of the Committee

The Committee shall consider any matters relating to the financial affairs of the Company, compliance with statutory requirements, NSX Listing Rules and issues relating to internal and external Audit. In addition, the Committee shall examine any other matters referred to it by the Board.

The duties of the Committee are as follows:

- reviewing financial statements and other financial information distributed externally and determine whether or not to recommend their acceptance by the Board;
- monitoring corporate risk assessment and internal controls instituted and implementing internal controls to manage those risks;
- monitoring the establishment of an appropriate internal control framework, including information systems and considering enhancements;
- reviewing internal and external audit reports to ensure that where major deficiencies or breakdowns in controls or procedures have been identified, appropriate and prompt remedial action is taken by management;
- reviewing the nomination and performance of any external Auditors;
- liaising with any external Auditors and ensuring that the annual and half-year statutory audits are conducted in an effective manner;
- monitoring procedures in place to ensure that the Company is in compliance with the Act, the NSX Listing Rules, its Constitution and other legislative and reporting requirements. This includes implementing a reporting system that meets formulated standards for public announcements made by the Company to ensure that shareholders and financial markets are adequately and properly informed in order to meet the continuous reporting requirements of the Act and the NSX Listing Rules;
- reviewing reports on any major defalcations, frauds and thefts from the Company;
- reviewing the declaration from the Company Secretary on compliance with statutory responsibilities;

- ensuring that a corporate Code of Ethics is established and periodically reviewed;
- initiating and supervising special investigations;
- reviewing risk management practices;
- reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the Company and members of management;
- reviewing related party transactions and considering the adequacy of disclosure of those transactions in the financial statements;
- reviewing reports on certain aspects of the Company's superannuation plan and compliance with relevant laws and regulations;
- reviewing reports on the adequacy of insurance coverage;
- formulating, reviewing and monitoring compliance with and investigating allegations of a breach of appropriate internal controls and reporting standards, mechanisms and procedures to ensure that the Board is informed at all times of all material corporate governance matters effecting the Company; and
- formulating and updating, from time to time, for submission to the Board for its approval, a statement of corporate governance principals and other associated documents dealing with, amongst other matters:
 - the structure and responsibilities of the Board;
 - the proper relationship between the Board and management including the proper relationship between the Board and the Managing Director;
 - the responsibilities of management;
 - the proper relationships between the Company and its shareholders, suppliers and customers and employees;
 - business dealings, in particular related party transactions, by Directors, management and any employees giving rise to actual or potential conflicts of interest and their appropriate disclosure of such dealings;
 - ethical and other matters considered by the Committee to be relevant to good corporate governance practice;
- monitoring compliance with and reviewing or investigating allegations of a breach of good corporate governance practice and to report to the Board in respect of such compliance, reviews and investigations at least annually, or more frequently if circumstances require;
- facilitating the implementation of appropriate procedures to enable individual Directors to have access to independent professional advice, as considered necessary, in respect of corporate governance matters; and

- acting as a resource for individual Directors and the Company as a whole on questions of corporate governance and corporate ethics, including providing decisions and/or advice on such matters as are referred to the Committee by the Chairman of the Board or any Managing Director.

Clearly, in the event of an acquisition, the composition of the Audit and Compliance Committee and the Company's corporate governance procedures will change. Subsequent to any acquisition being made, the Company will reconsider corporate governance procedures in a manner determined upon by the Board of the Company as it may exist after any such acquisition is completed.

9 INVESTOR INFORMATION AND RISK FACTORS

9.1 Risk Factors - General

The operating and financial performance of the Company may be affected by a range of risk factors. While certain risks to which a company is normally subject can be mitigated by the company's plans and actions, many are beyond the control of any company.

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Reliance on Key Personnel

The Company relies on a number of key members. There is a risk that the Company may fail to attract, retain or develop key personnel, which could have an impact on the development of the Company. Success also largely depends on the core competencies of Company Directors and their familiarisation with and ability to operate in the financial resources sector. The loss of one or more of the Directors, or other key persons, could have material adverse effects on the Company's business, financial position and results from operations.

9.3 General Risks

The Company, in common with other companies, is affected by general economic conditions.

- Changes in legislation and government policy (including taxation and monetary policies and corporation laws) could materially affect the operating results of the Company.
- Changes in short term and long term interest rates, exchange rates, commodity prices, the strength of the equity markets or the general economic climate (both in Australia and internationally) could materially affect the operating results of the Company.
- The value of investments acquired by the Company can fall as well as rise, due to any number of circumstances that may be beyond the control of the Company, including market conditions, and such investments may not generate the returns or capital growth expected.
- The markets for small cap companies are historically more volatile with greater or lesser degrees of liquidity depending on the nature of the investment and the period of the investment cycle in which the investment is acquired or sold.

- The success of the Company may be affected by the ability of the Company to raise adequate, debt or equity capital to meet its commitments in respect of its investment activities.
- There is no guarantee that an active market will develop in the Shares.
- The ability of the Company to pay dividends to its shareholders will in part depend upon the ability of the Directors to make profits through the acquisition and realisation of investments. It is not possible to predict at what point in time profits will be generated or at what point in time the Company will generate sufficient earnings to cover its operating expenses.
- Once the existing investments held by the Company are developed and/or realised the success and profitability will depend on the ability of the Directors to identify other opportunities to acquire investments and then realise such investments to generate profits for the Company. Any such investments may not generate the expected returns or capital growth.

9.4 Tax Issues

There may be tax implications arising from the acquisition of Shares, any possible receipt of dividends (both franked and un-franked) and the disposal of Shares. All prospective investors should carefully consider these tax implications and if uncertain as to the relevant taxation issues, obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and the Company will not be responsible for any tax or related penalties incurred by investors.

9.5 Investment Company Specific Risks

As the Company is an investment company the success and profitability of the company in part will depend upon the ability of the Directors to invest in well managed companies which have the ability to increase in value over time.

Further, the future earnings of the Company and the value of the investments of the Company (operating results) may be materially effected by the general economic climate and other factors beyond the control of the Company including, but not limited to, variations in:

- a. legislation and government policies;
- b. the taxation laws of Australia;
- c. exchange rates i.e currency movements;
- d. short and long term interest rates;
- e. commodity prices.

9.6 Stock Market fluctuations

This Offer represents the first offering of shares in the Company to the public and therefore shares in the Company have no prior trading market or history. If listed, the market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

There are risks associated with any investment in a company listed on the NSX. The value of the company's shares may rise above or below the current price depending on the financial and operating performance of the company and external factors over which the Company's Directors have no control. These external factors include:

- economic conditions in Australia and overseas, which may have a negative impact on equity capital markets;
- changing investor sentiment in the local and international stock markets;
- changes in domestic or international fiscal, monetary, regulatory and other government policies;
- developments and general conditions in the markets in which the company proposes to operate and which may impact on the future value and pricing of shares; and
- the success and viability of the NSX.

9.7 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its investments, the Company may require further financing in addition to amounts raised in this Offer. Any additional equity financing will dilute share holdings, 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 business plans.

9.8 Uncertainty of Future Profitability and Competition

The Company's ability to operate profitably in the future will depend on its ability to identify and exploit new opportunities successfully. The availability of projects is uncertain and no guarantee can be given that the Company or its directors will be able to source opportunities that will yield a profit.

Other factors that will determine the Company's profitability are its ability to manage costs, to execute its development and growth strategies, economic conditions in the markets in which the Company operates, competitive factors, and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted.

9.9 Competition

The Company will be competing with other companies in its activities, many of which may have access to greater resources than the Company and may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

9.10 Legislation

There can be no assurance that current and future legislation will not impose further regulation that may adversely affect the business or financial condition of the Company, its ability to trade or the quality of investment opportunities available to it.

9.11 Exploration, Development, Mining And Processing Risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities, and therefore the Company's investments, is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable ore reserves;
- successful conclusions to bankable feasibility studies;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- securing and maintaining title to tenements;
- obtaining consents and approvals necessary for the conduct of exploration and mining; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from the Company's direct or indirect investments projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including

operating risks, costs, licences and other regulations, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

9.12 Native Title

The Native Title Act 1993(Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's interest in other entities.

9.13 Other Considerations

Applicants are advised to read this Prospectus in full and consult a qualified adviser if they do not understand the contents or the terms of the Offer. Prior to applying for shares all prospective investors should consider whether the Shares to be issued are a suitable investment and be aware that there are risks associated with an investment in the Company. Some of these risks are summarised in this Section.

The Directors intend to use prudent management techniques to minimise the risks to Shareholders but no assurance can be given by the Directors as to the likely success or otherwise of the activities of the Company.

An investment in Shares in the Company should be regarded as highly speculative.

9.14 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. 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.

10 THE NATIONAL STOCK EXCHANGE

10.1 Information about The NSX

The NSX was originally established in 1937 and was incorporated as Stock Exchange of Newcastle Limited in 1972. It is one of only a handful operating stock exchanges in Australia and has a national network of broker members.

The NSX is approved as a stock exchange under the Corporations Act and is a fully operational main board stock exchange regulated by ASIC.

The NSX operates its own trader workstation terminal as well as electronic feeds for those wishing to use their own terminals or for information vendors. The service is called NETS (NSX Electronic Trading System) and is based on one of the most technologically advanced trading platforms in the world. NSX sources its technology from OMX which is a provider of exchange trading software for over 50 exchanges worldwide.

NETS compares buying and selling orders entered into the system and automatically executes trades in strict time/price priority whenever two orders match. Orders are entered on NETS trader workstations in stockbrokers' offices which may be located anywhere, and are then routed to network processors in the NSX's data centre. All trades are settled in the ASTC CHESS system where approved by NSX.

Market trading hours are between 9.00am and 4.30pm Australian Eastern Standard Time ("AEST"), Monday to Friday excluding public holidays. Further information about the NSX can be obtained from the NSX website at www.newsx.com.au.

10.2 NSX Listing

Within seven days of the date on which this Prospectus is lodged with ASIC the Company will make application to be admitted to the Official List of the NSX and for quotation of the Shares for trading on the NSX market. If the application is approved, quotation will commence as soon as practicable after the allotment of the Shares to successful applicants.

If the Company is not admitted to the Official List of the NSX and the Shares are not granted quotation on the NSX market within six months after the date of this Prospectus, none of the Shares offered under this Prospectus will be allotted and all monies paid by Applicants hereunder will be refunded without interest within the time prescribed by the Corporations Act.

10.3 Restricted Securities

The NSX may, as a condition of admitting the Company to the Official List of NSX and granting quotation of the Shares, classify certain of the securities of the Company as restricted securities. If so, prior to quotation of the Shares being granted, the holders of any such restricted securities will be required to enter into restriction agreements. The terms of such agreements will be determined by the NSX in accordance with the Listing Rules of the NSX. Any such restriction agreements will prohibit the transfer of effective ownership or control of the securities subject to those restrictions for such period as NSX may determine unless the written consent of NSX is obtained prior to any such transfer of effective ownership or control.

10.4 Chess and Issuer Sponsored Holdings

The Company will apply to be admitted to participate in CHESS. On admission to CHESS, the Company will operate an electronic issuer sponsored sub register and an electronic CHESS sub register. The two sub registers combined will comprise the Register of Members that the Company is required to maintain pursuant to the provisions of the Corporations Act.

Transaction Confirmation Statements will be issued to all shareholders setting out the number of Shares in respect of which the shareholder has been allotted under this Prospectus.

Following the distribution of Transaction Confirmation Statements to Shareholders a holding statement will also be provided to a Shareholder at the end of any month during which the balance of Shares held by that Shareholder has increased or decreased.

10.5 Sponsoring Broker

The Listing Rules of the NSX require that an application by an entity to be admitted to the Official List of the NSX must be sponsored by a member broker of the NSX. Dayton Way Financial Pty Ltd has agreed to act as Sponsoring Broker for a fee of \$15,000. Dayton Way Financial Pty Ltd is a company associated with Mr David Sutton, a Director of the Company.

10.6 Nominated Adviser

The Listing Rules of the NSX require that an entity admitted to the Official List of the NSX appoint a nominated adviser ("NOMAD") to assist the Company to comply with the Listing Rules. Dayton Way Financial Pty Ltd has agreed to act as the "NOMAD" to the Company for a fee of \$12,000. Dayton Way Financial Pty Ltd is a company associated with Mr David Sutton, a Director of the Company.

11 ADDITIONAL INFORMATION

11.1 Constitution

The Constitution governs the Company.

Copies of the Constitution are available for inspection free of charge between 9:00 am and 5:00 pm at the Company's registered office.

11.2 Material Agreements

It is considered that each of the documents described below is a contract that is material to the operations and affairs of the Company and which prospective investors and their advisers would reasonably expect to be disclosed in this Prospectus to enable an informed decision to be made regarding the offer. The information supplied is only a summary of the terms of each contract and to gain a complete understanding of a particular contract it is necessary to read it. Any party that wishes to receive a free copy of any of the material contracts listed below should contact the company.

11.2.1 Sponsoring Broker agreement

A letter dated 30 August 2011 records the terms and conditions upon which Dayton Way Financial Pty Ltd has agreed to act as the Sponsoring Broker and NOMAD. The Company has agreed to pay a Sponsoring Broker and NOMAD fee to Dayton Way (a party related to the Company) of \$15,000 and \$12,000 respectively (plus applicable GST).

11.2.2 Voluntary Escrow Agreements

The founding shareholders of the Company, have entered into an escrow deed with the Company whereby they have each agreed not to dispose of, or agree to dispose of, or to create any security interest over or to so omit to do any act that would have the effect of transferring ownership or control of their Shares in the Company to any other party. The escrow arrangement will be supported by a holding lock on the shares the subject of the agreement. The escrow lasts 24 months after the Shares in the Company commence quotation on NSX. The agreement otherwise contains provisions standard for an agreement of this nature.

11.3 Options

11.3.1 Founders options

On 1 May 2010 Options were granted to the founding shareholders as set out in Section 6.7 'Securities on issue'. The terms and conditions of those options are as follows:

- (a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$0.75 subsequent to satisfaction of the restriction on exercise set out in (e) below.
- (b) The Options will lapse at 5.00pm (AEST) on 20 June 2016 ("Expiry Date").
- (c) The Options are transferable.
- (d) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
- (e) In the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be reorganised as required by the relevant Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (f) The Options shall be exercisable at any time during the period ending on or before the Expiry Date ("Exercise Period") by the delivery to the registered office of the Company of a notice in writing ("Notice") stating the intention of the Option holder to exercise all or a specified number of Options held by the Option holder accompanied by an Option Certificate or holding statement and a cheque made payable to the Company for the subscription moneys for the Shares to be issued on exercise of the Options the subject of the Notice. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
- (g) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 Business Days of exercise of the options.
- (h) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

The Options will not be listed.

11.3.2 Employee Options

The Company intends to approve an Employee Share Option Scheme as a means of rewarding Employees for performance. No options under the Scheme have been approved.

11.3.3 Other Options

During the Company's last seed capital raising Options were granted to shareholders as set out in Section 6.7 'Securities on Issue'. The terms and conditions of those options are as follows:

- (a) Each Option entitles the holder to subscribe for one ordinary share in the Company upon the payment of \$1.00 subsequent to satisfaction of the restriction on exercise set out in (e) below.
- (b) The Options will lapse at 5.00pm (AEST) on 20 June 2012 ("Expiry Date").
- (c) The Options are transferable.
- (d) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the option.
- (e) In the event of any reorganisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be reorganised as required by the relevant Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (f) The Options shall be exercisable at any time during the period ending on or before the Expiry Date ("Exercise Period") by the delivery to the registered office of the Company of a notice in writing ("Notice") stating the intention of the Option holder to exercise all or a specified number of Options held by the Option holder accompanied by an Option Certificate or holding statement and a cheque made payable to the Company for the subscription moneys for the Shares to be issued on exercise of the Options the subject of the Notice. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by him.
- (g) The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 5 Business Days of exercise of the options.
- (h) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

The Options will not be listed.

11.4 Legal Proceedings

The Company is not and has not been, since its incorporation in July 2010, involved in any legal or arbitration proceedings. As far as the Directors are aware, no such proceedings are threatened against the Company.

11.5 Interests of Advisors and Experts

Except as set out below or otherwise disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company with which any of those persons is or was

associated, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- the Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

- (a) In accordance with the terms of their engagement, Macpherson + Kelley Lawyers (Sydney) Pty Limited will be paid \$20,000 (plus applicable GST) by the Company for services relating to the preparation of this Prospectus associated due diligence and in relation to the various material agreements and contracts set out herein.
- (b) In accordance with the terms of their engagement, as the Independent Accountant Graham Abbott Associates (Chartered Accountants) have been paid an amount \$5,000 (plus applicable GST) in relation to provision of the Independent Accountants' Report set out in Section 7.
- (c) In accordance with the terms of their engagement, Dayton Way Financial Pty Limited, will be paid \$15,000 (plus applicable GST) by the Company in relation to the provision of their services as Sponsoring Brokers to the issue.
- (d) In accordance with the terms of their engagement, Dayton Way Financial Pty Limited, will be paid \$1,000 per month (plus applicable GST) (the first such payment falling due one month after listing) by the Company on an ongoing basis in relation to the provision of their services as Nominated Advisors.

11.6 Consents

11.6.1 Graham Abbott Associates

Graham Abbott Associates have given and not withdrawn their written consent to be named herein as Auditor, in the form and context in which they are so named. In addition, they have given and not withdrawn their written consent to the dispatch of this Prospectus with reference to their report in relation to the Financial Statements of the Company as at 30 June 2011. Graham Abbott Associates have had no involvement in the preparation of this Prospectus other than the inclusion of such report and such references and have not given any professional or other advice in respect of any other part of this Prospectus. Graham Abbott Associates do not accept any liability to any person in respect of any false or misleading statement in, or omission from, any other part of this Prospectus.

11.6.2 Boardroom Limited

Boardroom Limited has given and not withdrawn its written consent to be named herein as the share registry to the Company in the form and context in which it is so named. In addition, it has given and not withdrawn its written consent to the dispatch of this Prospectus. Boardroom Limited has had no involvement in the preparation of this Prospectus and has not given any professional or other advice in respect of any other part of this Prospectus. Registries Limited do not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

11.6.3 Macpherson + Kelley Lawyers (Sydney) Pty Limited

Macpherson + Kelley Lawyers (Sydney) Pty Limited has given and not withdrawn its written consent to be named herein as the Solicitor to the Company in the form and context in which they are so named. In addition, Macpherson + Kelley Lawyers (Sydney) Pty Limited has given and not withdrawn its written consent to the dispatch of this Prospectus with all references to it in such capacity being included in this Prospectus in the form and context in which it is so included. Macpherson + Kelley Lawyers (Sydney) Pty Limited does not accept any liability to any person for any false or misleading statement in, or omission from any part of this Prospectus.

11.6.4 Dayton Way Financial Pty Ltd

Dayton Way Financial Pty Ltd has given and not withdrawn its written consent to be named herein as Sponsoring Broker and NOMAD to the Company in the form and context in which it is so named. In addition, Dayton Way Financial Pty Ltd has given and not withdrawn its written consent to the dispatch of this Prospectus with all references to it in such capacity being included in this Prospectus in the form and context in which it is so included. Dayton Way Financial Pty Ltd does not accept any liability to any person for any false or misleading statement in, or omission from any part of this Prospectus.

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings, unless the context indicates otherwise:

\$ means an Australian dollar.

Application means an application under this Offer made on an Application Form.

Application Form refers to the Application Form annexed to and forming part of this Prospectus.

Application Moneys means all and any moneys received from prospective investors pursuant to any Application.

ASIC means Australian Securities & Investments Commission.

AEST means Australian Eastern Summer Time, Sydney, New South Wales.

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

Business Day means a weekday when trading banks are ordinarily open for business in Sydney, New South Wales, Melbourne, Victoria and Brisbane, Queensland.

Closing Date means the closing date for receipt of Application Forms under this Prospectus, being 5.00 pm (AEST) on 28 October 2011 (unless this Offer is extended or closed early).

Constitution refers to the Constitution of the Company as at the date of this Prospectus.

Company means Precious Metals Investments Limited ACN 144 973 259.

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

Dayton Way Financial Pty Ltd means Dayton Way Financial Pty Ltd ACN 138 130 328.

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

Exposure Period means the period of 7 days after the date of lodgment of this Prospectus, which period extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

GST has the meaning given to it in the GST Act.

GST Act means A New Tax System (Goods and Services Tax) Act 1999 and any regulations thereto, or such other act or regulations of equivalent effect.

Issue means the issue of Shares pursuant to this Offer.

NSX means National Stock Exchange of Australia Limited ACN 000 902 063.

NSX Listing Rules means the official Listing Rules of the NSX.

Offer means the invitation to investors to apply for Shares pursuant to this Prospectus at an issue price of \$1.25 per Share as detailed in this Prospectus

Official List means the official list of NSX.

Option means an option to acquire a Share.

Precious Metals refers to Precious Metals Investments Limited ACN 144 973 259.

Prospectus means this Prospectus.

Section means a section of this Prospectus (unless otherwise indicated).

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

Shareholders means a holder of Shares in the Company.

Share Registry means Boardroom Limited.

TSX means the Toronto Stock Exchange.

Transaction Confirmation Statements refers to statements issued by the Company's register of shares which set out the number of shares in the Company issued to an applicant pursuant to this Prospectus.

DIRECTORS' STATEMENT, AUTHORISATION AND CONSENT

The Directors state that:


- (a) They have made all reasonable inquiries and on that basis have reasonable grounds to believe that any statements made by them in this Prospectus are not misleading or deceptive.
- (b) In relation to any statements made in this Prospectus other than by them they have made reasonable enquiries and on that basis have reasonable grounds to believe that any person, persons or party making any of those statements were competent to make such statements and that those persons have given their consent to the statements being included in this Prospectus in the form and context of their inclusion and have not withdrawn their consent prior to the lodgment of this Prospectus.
- (c) In accordance with Sections 716 and 720 of the Corporations Act, each Director by his execution of this statement has consented to the lodgment of this Prospectus with ASIC and the inclusion of any statements in the Prospectus attributable to them, none of those consents have been withdrawn.
- (d) This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.
- (e) This Prospectus has been signed by each of the Directors in accordance with the resolution of the Directors.

In accordance with Sections 716 and 720 of the Corporations Act, each Director has consented in writing to the lodgment of this Prospectus with the ASIC and the inclusion of any statements in the Prospectus attributable to them.

Dated: 1 September 2011



David Sutton



Charles Straw

SHARE APPLICATION FORM

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the **number** of Shares for which you wish to subscribe at Item **A** (not less than **1,600** and then in multiples of **400**. Multiply by **\$1.25** AUD to calculate the total for Shares and enter the **\$amount** at B.
- C. Write your **full name**. Initials are not acceptable for first names.
- D. Enter your **postal address** for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
NB: your registration details provided must match your CHESS account exactly.
- F. Enter your Australian **tax file number** ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- G. Complete **cheque details** as requested. Make your cheque payable to **Dayton Way Financial Pty Ltd**, cross it and mark it **"Not negotiable"**. Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your **contact details** so we may contact you regarding your Application Form or Application Monies.
- I. Enter your **email address** so we may contact you regarding your Application Form or Application Monies or other correspondence.

Correct Forms of Registrable Title

Note that ONLY legal entities can hold the Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

Lodgement

Mail your completed Application Form with cheque(s) attached to the following address:

Mailing address:

Dayton Way Financial Pty Limited
GPO Box 3932
SYDNEY NSW 2001

Delivery address:

Dayton Way Financial Pty Limited
Level 5, 17 – 19 Bridge St.,
SYDNEY NSW 2000

It is not necessary to sign or otherwise execute the Application Form.

If you have any questions as to how to complete the Application Form, please contact the Company Secretary, Richard Holstein on +61 2 9253 0930.

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (http://www.boardroomlimited.com.au/help/share_privacy.html).