

**Superior Lake Resources Limited**  
**ACN 139 522 553**

**PROSPECTUS**

For the offer of up to 1,000 Shares in the capital of the Company at an issue price of \$0.035 per Share to raise up to \$35 (before expenses).

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

**IMPORTANT NOTICE**

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

The Shares offered under this Prospectus should be considered highly speculative.

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# 1. Corporate Directory

## Directors

Grant Davey  
Executive Director

Keong Chan  
Non-Executive Director

Yunde Li  
Non-Executive Director

Peter Williams  
Non-Executive Director

## Chief Executive Officer

David Woodall

## Company Secretary

Keong Chan

## Registered Office

Suite 8  
1297 Hay Street  
West Perth WA 6005

Telephone: + 61 8 9322 6009

Facsimile: +61 8 9322 6128

Email: [info@superiorlake.com.au](mailto:info@superiorlake.com.au)

Website: [www.superiorlake.com.au](http://www.superiorlake.com.au)

## Auditors\*

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

## Share Registry\*

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Telephone: +61 8 9315 2333

Facsimile: +61 8 9315 2233

## ASX Code

SUP

## Lawyers

Bellanhouse Lawyers  
Level 19, Alluvion, 58 Mounts Bay Road  
Perth WA 6000

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

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## 2. Timetable and Important Notes

### 2.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	31 August 2018
Opening Date	31 August 2018
Closing Date*	5:00pm WST on 10 September 2018
Expected date of Official Quotation of the Shares	11 September 2018

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

### 2.2 Important Notes

This Prospectus is dated 31 August 2018 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

### 2.3 Investment Advice

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

### 2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect

the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

## **2.5 Applicants outside Australia**

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

## **2.6 Disclaimer**

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

## **2.7 Forward-looking statements**

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

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

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

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

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

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

## **2.8 Website**

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

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## 3. Details of the Offer

### 3.1 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.035 per Share to raise up to \$35 (before expenses).

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

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

### 3.2 Minimum subscription

There is no minimum subscription.

### 3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

### 3.4 Purpose of the Offer

As announced by the Company on 24 August 2018, the Company completed a placement (**Placement**) of 142,857,143 Shares at an issue price of \$0.035 per Share to raise \$5 million (before expenses) (**Placement Shares**). The Placement is being made to institutional and sophisticated investors. The funds raised pursuant to the Placement will be used to advance a feasibility study at the Company's Superior Lake Project and for general working capital.

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

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

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

### **3.5 Applications for Shares**

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

Payment for Shares must be made in full at the issue price of \$0.035 per Share.

Completed Application Forms and accompanying cheques, made payable to "*Superior Lake Resources Limited - Share Offer Account*" and crossed "*Not Negotiable*", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

The Company reserves the right to close the Offer early.

### **3.6 Not underwritten**

The Offer is not underwritten.

### **3.7 ASX listing**

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

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

### **3.8 Issue**

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

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

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

### **3.9 Defects in Applications**

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

### **3.10 Applicants outside Australia**

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

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

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

### **3.11 Enquiries**

Any questions concerning the Offer should be directed to Keong Chang, Company Secretary, on + 61 8 9322 6009.



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## 4. Purpose and Effect of the Offer

### 4.1 Purpose of the Offer

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

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

### 4.2 Effect of the Offer on capital structure

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

Shares <sup>1</sup>	Number
Shares currently on issue	722,594,349
Placement Shares <sup>2</sup>	134,285,715
Shares offered under this Prospectus <sup>3</sup>	1,000
Total Shares on issue on completion of the Offer <sup>3</sup>	856,881,064

**Notes:**

1. The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.
2. Total Shares to be issued under the Placement excluding the 8,571,428 Shares that are subject to Shareholder approval as these have been subscribed for by the Company's Executive Director, Mr Grant Davey.
3. This assumes the Offer is fully subscribed.

Options	Number
Options currently on issue <sup>1</sup>	72,000,000
Options offered under this Prospectus	Nil.
Total Options on issue on completion of the Offer	72,000,000

**Notes:**

1. These Options have the following terms:
  - (i) 20 million Incentive Options issued to Mr Peter Williams exercisable at \$0.03 on or before 23 February 2022 subject to relevant vesting conditions set out in Schedule 4 of the Company's Notice of General Meeting released 5 January 2018;
  - (ii) 25 million exercisable at \$0.03 on or before 9 April 2021 issued under the Company's Employee Share Option Plan adopted by Shareholders on 6 February 2018;

- (iii) 27 million exercisable at \$0.06 on or before 9 April 2021 issued under the Company's Employee Share Option Plan adopted by Shareholders on 6 February 2018.

### **4.3 Financial effect of the Offer**

After expenses of the Offer of approximately \$8,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$35) will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position, being receipt of funds of \$35 less costs of preparing the Prospectus of approximately \$8,000.

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## **5. Rights and Liabilities Attaching to Shares**

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

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

### **5.1 General meetings**

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

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

### **5.2 Voting rights**

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

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

### **5.3 Dividend rights**

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

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

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

#### **5.4 Winding-up**

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

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

#### **5.5 Shareholder liability**

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

#### **5.6 Transfer of shares**

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

#### **5.7 Future increase in capital**

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

#### **5.8 Variation of rights**

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

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

## **5.9 Alteration of constitution**

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

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## **6. Risk Factors**

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Shares of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

Set out below are specific risks that the Company is exposed to.

The risks and uncertainties described below are not intended to be exhaustive and this Prospectus does not take into account the personal circumstances, financial position or investment requirements of any particular person. There may be additional risks and uncertainties that the Company is unaware of or that the Company currently considers to be immaterial, which may affect the Company. Based on the information available, a non-exhaustive list of risk factors for the Company is as follows:

### **6.1 Company specific**

#### **(a) Tenure, access and grant of applications**

The Claims are subject to the applicable mining acts and regulations in Ontario, Canada. The renewal of the term of a granted Claims is also subject to the discretion of the relevant Canadian mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Claims comprising the Project. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Ontario, Canada and the ongoing expenditure budgeted for by the Company.

However the consequence of forfeiture or involuntary surrender of the Claims for reasons beyond the control of the Company could be significant.

### **6.2 Industry specific**

#### **(a) Exploration**

The Claims which the Company holds are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Claims, or any other claims that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its claims and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Claims, a reduction in the case reserves of the Company and possible relinquishment of the Claims.

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

**(b) Zinc Market**

Changes in the market price of zinc, which in the past have fluctuated widely, will affect the profitability of the Company's operations and its financial condition in the future, if and when the Company enters production. The Company's revenues, profitability and viability would depend on the market price of zinc produced from the Project. The market price of zinc is set in the world market and is affected by numerous industry factors beyond the Company's control including the demand, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for industrial products containing metals, zinc production levels, inventories, cost of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and procedures of zinc and other metals in response to any of the above factors, and global and regional political and economic factors.

Should the Company eventually enter a production phase, a decline in the market price of zinc below the Company's production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of the Project and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the Company to finance the exploration and development of its existing and future mineral projects.

**(c) Failure to satisfy Expenditure Commitments**

Interests in tenements in Western Australia and claims in Ontario, Canada are governed by the mining acts and regulations that are current in those states and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Claims and existing tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(d) **Resource Estimates**

A JORC Code compliant mineral resources has been defined in respect of the Claims in which the Company holds however this is an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Mine development**

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

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

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

(f) **Environmental**

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

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



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

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

**(g) Native title and Aboriginal Heritage**

In relation to tenements/claims which the Company has an interest in or will in the future acquire such an interest, that are subject to common law native title rights of Indigenous Australians and Indigenous Canadians exist. In Australia if native title rights do exist and in Canada where native title rights do exist, the ability of the Company to gain access to tenements/ claims (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

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

### **6.3 General risks**

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

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

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

**(b) Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

**(c) Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may

have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

**(d) Force Majeure**

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

**(e) Government policy changes**

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

**(f) Litigation Risks**

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

**(g) Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

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

**(h) Market conditions**

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

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

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

Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

**(i) Additional requirements for capital**

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

**(j) Reliance on key personnel**

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

**(k) Agents and Contractors**

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

## **6.4 Speculative investment**

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

performance of the Company and the value of the Shares offered under this Prospectus.

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## **7. Additional Information**

### **7.1 Litigation**

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

### **7.2 Continuous disclosure obligations**

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

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

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

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

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

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

of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

<b>Date</b>	<b>Description of Announcement</b>
24/08/2018	\$5m Equity Placement & Tribeca US\$60m Project Finance
22/08/2018	Trading Halt - Re-Released
22/08/2018	Trading Halt
07/08/2018	Investors Presentation - Diggers & Dealers
31/07/2018	Quarterly Cashflow Report
31/07/2018	Quarterly Activities Report
12/07/2018	Fast Tracking the Superior Lake Project Re-start Plan
03/07/2018	Maiden High Grade JORC (2012) Compliant Resource
12/06/2018	Change of Director's Interest Notice
07/06/2018	Response to ASX Query
06/06/2018	Request for Trading Halt
06/06/2018	Trading Halt
30/05/2018	Appendix 3Y - Mr Grant Davey
25/05/2018	Results of Meeting
22/05/2018	Investor Roadshow Presentation
10/05/2018	Commencement of Engineering Study - Superior Lake Project
01/05/2018	Outstanding Historical Drill Results
01/05/2018	Quarterly Cashflow Report
01/05/2018	Quarterly Activities Report
26/04/2018	Notice of Annual general Meeting/Proxy Form
17/04/2018	Investor Presentation

Date	Description of Announcement
17/04/2018	SUP initiates Preliminary Project Activities
12/04/2018	Appendix 4G - Corporate Governance
12/04/2018	Appendix 3B - ESOP Options
09/04/2018	Appointment of CEO - Mr David Woodall
29/03/2018	Annual Report

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

### 7.3 Market price of Shares

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

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

	Price	Date
Highest	\$0.054	3 July 2018
Lowest	\$0.029	17 August 2018
Last	\$0.047	30 August 2018

### 7.4 Substantial Shareholders

Based on substantial shareholder notices lodged prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue pre-completion of the Placement and Offer are set out below:

Shareholder	Shares	%
RZJ Capital Management LLC	127,377,513	17.63%
Kitara Investments Pty Ltd	78,386,108	10.85%
Yunde Li <sup>1</sup>	73,151,291	10.12%
Grant Davey <sup>2</sup>	60,902,694	8.43%
Kingslane Pty Ltd	41,113,381	5.69%

**Notes:**

- 63,151,291 Shares are held by Shandong Ishine Mining Industry Co Ltd, of which Mr Li is a director and shareholder. 10,000,000 Shares are held directly by Mr Li.

2. 24,016,854 Shares are held by Davey Holdings (Aus) Pty Ltd <Burnaford A/C> of which Mr Davey is a Director, 8,005,618 Shares are held by Davey Management (Aus) Pty Ltd <Davey Family Super Fund A/C> of which Mr Davey is a Director and 28,680,222 Shares are held by Grant Lawrence Burnaford Davey & Evan Alexander George Cranston <Superior Mining A/C> of which Mr Davey is a Joint Trustee. 200,000 Shares are held directly by Mr Davey. Following completion of the Placement, and assuming Shareholders approve Mr Davey's participation in the Placement for the issue of 8,571,428 Shares, Mr Davey's interest in the Company is anticipated to be 8.03%.

## 7.5 Interest of Directors

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

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

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

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

### ***Security holdings***

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

<b>Director</b>	<b>Shares</b>	<b>Options</b>
Yunde Li	73,151,291 <sup>1</sup>	Nil
Grant Davey	60,902,694 <sup>2</sup>	Nil
Peter Williams	Nil	20,000,000 <sup>3</sup>
Keong Chan	Nil	Nil

### **Notes:**

1. See note 1 to the table in Section 7.4.



2. See note 1 to the table in Section 7.4.
3. 20,000,000 Incentive Options are held by Torr Family Pty Ltd as trustee for Torr Trust.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

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

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed remuneration for financial year 2018.

<b>Director</b>	<b>2018 Remuneration</b>	<b>2017 Remuneration</b>
Yunde Li	\$36,000	\$36,000
Grant Davey	\$120,000	N/A
Peter Williams	\$36,000	N/A
Keong Chan	\$84,000	\$84,000

## **7.6 Interests of Experts and Advisers**

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

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company;

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

(c) the formation or promotion of the Company;

(d) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(e) the Offer,

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

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

(g) the Offer.

Bellanhouse has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Bellanhouse \$3,000 (excluding GST and disbursements) for these services.

## **7.7 Consents**

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

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

## **7.8 Expenses of Offer**

The total expenses of the Offer are estimated to be approximately \$8,000 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

## **7.9 Electronic Prospectus**

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at [www.superiorlake.com.au](http://www.superiorlake.com.au).

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

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

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

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

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

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

## **7.11 Privacy Act**

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

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

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

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

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## 8. Directors' Authorisation

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

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

A handwritten signature in purple ink, consisting of a stylized 'K' followed by a horizontal line and a vertical line crossing it.

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**Keong Chan**  
**Non-Executive Director**  
**For and on behalf of**  
**SUPERIOR LAKE RESOURCES LIMITED**

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## 9. Definitions

**\$** means Australian dollars.

**Applicant** means an investor who applies for Shares pursuant to the Offer.

**Application Form** means an application form either attached to or accompanying this Prospectus.

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

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

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

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

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

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

**Claims** means each individual exploration claim which together comprise the Pick Lake Project and Winston Lake Project.

**Closing Date** means the date specified in the timetable in Section 2.1 of this Prospectus (unless extended or brought forward).

**Company** means Superior Lake Resources Limited (ACN 139 522 553).

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

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

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

**Incentive Options** means the Options to proposed Director Mr Peter Williams, on the terms and conditions set out in the Company's Notice of General Meeting release on 5 January 2018.

**Offer** means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

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

**Opening Date** means the opening date of the Offer as specified in the timetable set out in Section 2.1 of this Prospectus (unless varied).

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

**Pick Lake Project** means the zinc and copper prospective "Pick Lake Project", located in Ontario, Canada. Full details of the Project are set out in the Company's Notice of General Meeting released on 5 January 2018.

**Placement** means the placement of 142,857,143 Shares at an issue price of \$0.035 per Share to raise up to \$5 million (before costs), as announced to ASX on 24 August 2018.

**Placement Shares** means those Shares to be issued under the Placement.

**Prospectus** means this prospectus.

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

**Shareholder** means a shareholder of the Company.

**Share Registry** means Security Transfer Australia Pty Ltd (ACN 008 894 488).

**Superior** means Superior Mining Pty Ltd (ACN 623 056 566).

**Winston Lake Project** means the zinc and copper prospective "Winston Lake Project", located in Ontario, Canada. Further details of the Winston Lake Project are set out in the Company's announcement date 21 February 2018.

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