



NORTH STAWELL MINERALS LTD

ACN 633 461 453
ABN 84 633 461 453

Pre-Quotation Disclosure Notice

The following information is required to be provided to ASX Limited (**ASX**) for release to the market in connection with the admission to the official list of, and official quotation of, fully paid ordinary shares in North Stawell Minerals Ltd ACN 633 461 453 (**NSM** or the **Company**). Unless otherwise defined, capitalised terms used in this notice have the meaning given to them in the prospectus lodged by the Company with ASIC on 29 July 2020 (**Prospectus**).

1. Close of Offer and receipt of funds

The Company confirms that the Offer made by the Company pursuant to the Prospectus closed on 28 August 2020 and the Company has issued, on 15 September 2020, 40,000,000 fully paid Shares at an issue price of \$0.50 per share.

The Company confirms it has received cleared funds for the complete amount of the issue price of every share issued, and allotted shares to successful applicants.

2. Restricted securities

The Company confirms that:

- (a) 80,000,000 Shares have been classified as restricted securities by ASX and will be subject to restrictions for a period of 24 months from the date of official quotation of the Shares.
- (b) 1,180,000 Performance Rights have been classified as restricted securities by ASX and will be subject to restrictions for a period of 24 months from the date of official quotation of the Shares.

3. Capital structure

The Company's current capital structure is as follows:

Securities	Number
Shares	120,000,000
Performance Rights	1,942,000

4. Commitments

Under Listing Rule 1.3.2(b), NSM must either have:

- (a) less than half of the Company's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash; or
- (b) if half or more of the Company's total tangible assets (after raising any funds) are cash or in a form readily convertible to cash, the Company must have commitments consistent with its business objectives to spend at least half of its cash and assets in a form readily convertible to cash.

At the completion of the Offer, at least half of the assets of the Company will be cash and cash equivalents (plus trade, other receivables and prepayments), in the amount of approximately \$17,868,460, before costs of the



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Offer. Therefore, in order to satisfy ASX Listing Rule 1.3.2, the Company must establish that there are commitments to spend at least \$9,998,230, being $(\$17,868,460 + \$2,128,000 / 2)$.

The Company confirms that for the purposes of ASX Listing Rule 1.3.2 and based on granted tenements (ie excluding ELA 7324 and ELA 7325, which have not yet been granted), it intends to apply the funds raised from the Offer over the first two years following admission of NSM to the Official List as follows:

Use of Funds for 2 years		
Item	Amount	
Total Cash and Cash Equivalents at Prospectus Date*	\$17,868,460	
Total Offer Proceeds	\$20,000,000	
Costs of the Offer	\$2,128,000	16.32%
Exploration ¹	\$7,617,774	58.43%
Operating expenses – exploration expenditure ²	\$631,000	4.84%
Operating expenses – general administration	\$1,176,000	8.88%
Working capital	\$1,503,000	11.53%
TOTAL Funds Allocated	\$13,055,744	100.00%

* includes Offer Proceeds

Notes:

- The Company notes that the Prospectus refers to proposed expenditure on ELA 7324 and ELA 7325 (**Tenement Applications**). The proposed budgets for each tenement (including the Tenement Applications) are specified on page 85 of the Prospectus. For the purposes of complying with Listing Rule 1.3.2, the amounts committed to the Tenement Applications have been excluded due to the fact that these Tenement Applications have not yet been granted. Further, the Company has reviewed its proposed expenditure commitments and has determined to re-allocate \$1,000,000 previously committed to the Tenement Applications and instead commit this expenditure to EL 5443 (which is a tenement held by the Company and is a high priority target within the Company's exploration program). This re-allocation represents a decrease of \$250,000 per year across each of the Tenement Applications (each proposed expenditure item for those Tenement Applications are to be reduced on a pro rata basis). As such, the Company's revised two-year proposed exploration budget will be as set out below:

Licence	Name	Year 1	Year 2	Total*
RL 7051	WILDWOOD	\$912,200	\$1,760,674	\$2,672,874
EL 5443	BARRABOOL	\$2,528,950	\$2,528,950	\$5,057,900
EL 6156	GLENORCHY	\$250,000	\$250,000	\$500,000
ELA 7324	DEEP LEAD	\$944,334	\$944,334	\$1,888,668
ELA 7325	GERMANIA	\$2,536,779	\$2,536,779	\$5,073,558
TOTAL*		\$7,172,263	\$8,020,737	\$15,193,000

* some figures have been rounded.

- These are operating expenses that are non-administrative in nature and are directly linked to the Company's proposed exploration programme. These are items such as vehicles, field equipment (including computers and software), and core yard equipment.

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As set out above, in accordance with Section 2.4 on Page 27 of the Prospectus, the Company's objectives are as follows:

- (a) fund NSM's expenditure commitments and operating costs in relation to exploration costs on its tenements;
- (b) meet NSM's general working capital requirements, including potential new acquisitions;
- (c) meet NSM's corporate overhead and administrative costs; and
- (d) pay the costs of the Offer.

The above table (and accompanying notes) is a statement of the Company's current intentions. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

5. Tenements

The Company confirms:

- (a) that there are no legal, regulatory, statutory or contractual impediments to NSM entering RL 7051, EL 5443, EL 6156 (and, subject to their grant, ELA 7324 and ELA 7325) and carrying out exploration activities such that NSM will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b).
- (b) all conditions precedent to the Glenorchy Agreement have been satisfied.

The Company notes that ELA 7324 and ELA 7325 have not yet been granted (and there is no guarantee that they will be granted). Accordingly, NSM is not currently able to enter these application areas to carry out exploration activities or spend its cash on these applications until such time as the tenements are granted.

6. ASX Waiver

The Company has received from ASX a waiver from Listing Rule 1.1 Condition 12 to the extent necessary to permit NSM to have on issues 1,942,000 performance rights with a nil exercise price on condition that the material terms and conditions of the performance rights are clearly disclosed in the Prospectus.