

AVIRA RESOURCES LIMITED
ACN 131 715 645

OFFER DOCUMENT

NON-RENOUNCEABLE RIGHTS ISSUE

For a non-renounceable pro rata entitlement issue to Shareholders of one (1) Share for every one (1) Share held by Eligible Shareholders registered at the Record Date at an issue price of \$0.003 per Share to raise up to approximately \$261,265 before costs (**Offer**).

This Offer opens on 12 December 2017 and closes at 5:00pm AEDT on 22 December 2017 (unless extended). Valid acceptances must be received before that time.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the Shares offered by this document.

This document and the accompanying Entitlement and Acceptance Form are important and require your immediate attention. They should be read in their entirety. If you do not understand their content or are in doubt as to the course you should follow or have any questions about the Shares being offered by this document, you should consult your stockbroker or other professional adviser.

The Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

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

1.1 This document is not a prospectus

This Offer Document is dated 5 December 2017, has been prepared by Avira Resources Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in Section 5. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. In general terms, section 708AA of the Corporations Act permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas shareholders

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 Offer Document.

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

New Zealand

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

The Offer is being made to less than 50 Shareholders who are resident in Hong Kong and is exempt from the prospectus registration requirement under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and restrictions under the Securities and Futures Ordinance.

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

1.5 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand or Hong Kong holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, 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 Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (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 Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Mr Jonathan Paul Back, Executive
Chairman

Mr Gary Kuo, Executive Director and
Managing Director

Mr David Deloub, Non-Executive
Director

Share Registry*

Computershare Investor Services
GPO Box 52
MELBOURNE VIC 3001

Telephone: 1300 552 270 (within
Australia)

Telephone: + 61 3 9415 4000 (outside
Australia)

Company Secretary

Mr Sonu Cheema

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth, WA 6000

Registered Office

Suite 4, Level 2
189-197 Kent Street
SYDNEY NSW 2000

Auditor*

Mazars Risk and Assurance Pty
Limited
Level 12, 90 Arthur Street
NORTH SYDNEY NSW 2060

ASX Code

AVW

Corporate Advisor and Lead Manager

Cicero Advisory Services Pty Ltd
Suite 9, 330 Churchill Avenue
SUBIACO WA 6008

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Company is making a non-renounceable pro rata entitlement offer to Shareholders of Shares at an issue price of \$0.003 each on the basis of one (1) Share for every one (1) Share held by Eligible Shareholders on the Record Date to raise up to \$261,265 before costs (the **Offer**).

As at the date of this Offer Document, the Company has on issue 87,088,295 Shares. On this basis, the Company expects that up to approximately 87,088,295 Shares will be issued under the Offer.

The Shares offered under this Offer Document will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

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

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of funds

In the event all Shares under the Offer are issued the Company will raise approximately \$261,265. In addition, the Company will, subject to Shareholder approval, complete the Placement at the same time as the issue of Shares under the Offer to raise an additional \$512,470 for a total amount of \$773,735.

The Company intends to apply the funds raised from the Offer and the Placement towards:

Items of Expenditure	Amount (\$)	Percentage (%)
Debt Repayment ¹	\$400,000	51.7%
Review of existing mineral assets	\$50,000	6.5%
Working capital ²	\$227,311	29.4%
Expenses of the Offer	\$96,424	12.4%
TOTAL	\$773,735	100%

Note:

1. Shareholder approval is being sought for the conversion of up to \$100,000 in debt owed by the Company at the same price as Shares offered under the Offer and the Placement (\$0.003 per Share) which would result in an additional 33,333,333 Shares being issued. In the event this portion of debt is converted the funds allocated to its repayment will instead be allocated to working capital.
2. Funds allocated to working capital will be used for administration expenses of the Company over the short term including administration fees, Director's remuneration and other administration and obligatory overheads.

In the event the Company raises less than the full subscription, funds allocated after expenses of the Offer will be reduced from working capital, then review of existing mineral assets and then debt repayment.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders 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 the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Timetable

Company Announces Rights Issue	Prior to the commencement of trading on 5 December 2017
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	Prior to the commencement of trading on 5 December 2017
Notice sent to Option holders	5 December 2017
Notice sent to Shareholders	6 December 2017
Ex date	7 December 2017
Record Date for determining Entitlements	8 December 2017
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	12 December 2017
Last day to extend the Closing Date	19 December 2017
Closing Date	22 December 2017
Shares quoted on a deferred settlement basis	27 December 2017
ASX notified of under subscriptions	29 December 2017
Issue date/Shares entered into Shareholders' security holdings	3 January 2018
Quotation of Shares issued under the Offer	4 January 2018

Subject to the Listing Rules and the Corporations Act, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the Shares offered under this Offer Document.

3.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4.

The Entitlement of Eligible Shareholders to participate in the Offer will be

determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document. You may accept for a lesser number of Shares should you wish to take up only part of your Entitlement.

You can also apply for additional Shortfall Shares under the Offer in addition to your Entitlement by completing a separate Shortfall Offer Application Form. The Directors reserve the right to issue Shortfall Shares at their absolute discretion. If you are issued a lesser number of Shortfall Shares than you apply for any surplus Application monies will be returned to you.

3.5 No rights trading

The rights to Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for Shares under the Offer to any other party. If you do not take up your Entitlement to Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.6 Capital Structure

The effect of the Offer and the Placement on the capital structure of the Company, assuming all Entitlements are accepted and the Placement is fully subscribed, is set out below.

Shares	Number
Shares currently on issue	87,088,295
Shares offered pursuant to the Offer	87,088,295
Shares offered pursuant to the Placement ¹	170,823,410
Total Shares on issue after completion of the Offer and the Placement²	345,000,000

Options	Number
Options currently on issue	7,272,728
Options offered pursuant to the Offer	NIL
Options offered pursuant to the Placement	NIL
Total Options on issue after completion of the Offer and Placement³	7,272,728

Notes:

1. Shareholder approval for the Placement is being sought at a general meeting of Shareholders scheduled for 22 December 2017. The Company intends to issue the Shares the subject of the Placement at the same time as Shares offered under this Offer Document.
2. Shareholder approval is also being sought for the conversion of up to \$100,000 in debt owed by the Company at the same price as Shares offered under the Offer and the Placement (\$0.003 per Share) which would result in an additional 33,333,333 Shares being issued.
3. Subject to Shareholder approval at the Shareholder meeting scheduled for 22 December 2017, the Company will issue 50,000,000 Options exercisable at \$0.01 each on or before 31 December 2019 at an issue price of \$0.0001 to Cicero (or its nominees).

The capital structure on a fully diluted basis as at the date of this Offer Document is 94,361,023 Shares and on completion of the Offer (assuming all Entitlements are accepted) would be 181,449,318 Shares on a fully diluted basis and on completion of the Placement (assuming fully subscribed) would be 352,272,728 Shares on a fully diluted basis.

3.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% in relation to the Offer and approximately 75% in relation to the Offer and the Placement (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

3.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%) ¹	Entitlement (Shares)	Entitlement (\$)
Mr Jonathan Back	6,532,973	7.5%	6,532,973	\$19,599
Mr Gary Kuo	1,791,800	2.06%	1,791,800	\$5,375
Mr David Deloub	Nil	Nil	Nil	Nil

Notes:

1. The voting power in the table is prior to settlement of the Offer.

Each of the Directors has agreed to take up their Entitlement in full. Directors are not entitled to subscribe for additional Shares under the Shortfall Offer.

3.9 Substantial Holders

The Company's substantial holders prior to the Offer and their Entitlement are set out in the table below.

Substantial Holder	Shares	Voting Power (%) ¹	Entitlement (Shares)	Entitlement (\$)
Armstrong Industries HK Limited	28,634,155	32.88%	28,634,155	\$85,902
Joseph Energy (Hong Kong) Limited	19,190,909	22.04%	19,190,909	\$57,573
Hong Kong Jingaofengda Business Co., Limited	11,760,000	13.50%	11,760,000	\$35,280
Jonathan Paul Back	6,532,973	7.50%	6,532,973	\$19,599

Notes:

1. The voting power in the table is prior to settlement of the Offer.

3.10 Control Implications

The potential effect that the issue of Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements for Shares, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer;
- (b) in the event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer will be diluted relative to those Eligible Shareholders who subscribe for some or all of their Entitlement of Shares. It is noted that the three largest substantial holders of the Company (Armstrong Industries HK Limited and associates, Joseph Energy (Hong Kong) Limited and Hong Kong Jinggaofengda Business Co Limited) will be limited in accepting their full Entitlement if to do so would result in a person increasing their voting power in the Company from a starting point above 20% (in the absence of any other exceptions in section 611 of the Corporations Act such as the 3% creep exception) or from below 20% to above 20% and therefore there will be no effect on the control of the Company as a result of the Rights Issue. However, this restriction in accepting their full entitlement will not occur where the Company issues a sufficient amount of the Shortfall or Shares under the Placement at the same time as the issue of Shares under the Offer.

In respect of any Shortfall and the Placement, the Company will only issue Shares to an applicant where the Directors are satisfied, in their sole discretion, that the issue of the Shares will not result in a person's voting power increasing above 20%.

3.11 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 release of this Offer Document and the most recent dates of those sales were:

	Price	Date
Highest	2.2 cents	5 September 2017
Lowest	1.4 cents	2 October 2017
Last	1.5 cents	9 November 2017

3.12 Underwriting

The Offer is not underwritten.

3.13 Manager to the Offer

The Company has entered into a mandate letter with Cicero Advisory Services Pty Ltd (ACN 166 321 393) (**Cicero**), a corporate authorised representative of a licensed securities dealer (AFSL 482173), pursuant to which Cicero has agreed to act as corporate advisor and manager to the Offer and Placement (**Mandate**).

The Company has agreed to pay the following fees under the Mandate:

- (a) a corporate advisory fee, to Cicero, of \$50,000 (excluding GST) (**Corporate Advisory Fee**); and
- (b) a distribution fee, to Cicero, equal to 6% (excluding GST) of the total amount raised under the Offer and the Placement (**Distribution Fee**). The Distribution Fee includes any fees payable to third party brokers or advisors for which Cicero will be responsible.

Subject to Shareholder approval at the Shareholder meeting scheduled for 22 December 2017, the Company will also issue 50,000,000 Options exercisable at \$0.01 each on or before 31 December 2019 at an issue price of \$0.0001 to Cicero (or its nominees).

The Company will also reimburse Cicero's for all out of pocket expenses incurred in performing services under the Mandate subject to the prior consent of the Company for costs in excess of \$1,000.

3.14 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.003 being the price at which Shares have been offered under the Offer.

Eligible Shareholders and investors who are not Shareholders but are exempt from the disclosure requirements of Chapter 6D of the Act can apply for Shortfall Shares by completing a Shortfall Offer Application Form. The Directors, in consultation with Cicero, reserve the right to issue Shortfall Shares at their absolute discretion. Any application monies received for more than your final allocation of Shortfall Shares will be refunded. No interest will be paid on any application monies received or refunded.

3.15 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in this Offer Document.

Shares issued pursuant to the Shortfall Offer are intended to be issued at the same time as Shares issued under the Offer and the Placement. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Shares issued under this Offer Document will be mailed in accordance with the ASX Listing Rules and the timetable set out in this Offer

Document.

3.16 ASX listing

Application for official quotation by ASX of the Shares offered pursuant to this Offer Document will be made within 7 days after the date of this Offer Document. If approval is not obtained from ASX before the expiration of 3 months after the date of this Offer Document (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.

3.17 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

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

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.

3.18 Overseas shareholders

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 Offer Document.

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

New Zealand

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and

is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

The Offer is being made to less than 50 Shareholders who are resident in Hong Kong and is exempt from the prospectus registration requirement under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and restrictions under the Securities and Futures Ordinance.

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

3.19 Nominees and custodians

Shareholders resident in Australia or New Zealand or Hong Kong holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.20 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Offer Document.

3.21 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 5.

3.22 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document 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 information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. 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.

All announcements made by the Company are available from its website www.mgt.net.au or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

3.23 Governing Law

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.24 Rights Issue Notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other information, the effect of the Offer on the control of the Company. This notice may be reviewed on the websites of the Company and ASX.

3.25 Enquiries concerning Offer Document

Enquiries concerning the Entitlement and Acceptance Form or this Offer Document should be directed to the Company Secretary, Mr Sonu Cheema by telephone on + 61 8 6489 1600.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) make payment by BPAY® in accordance with Section 4.4 and the instructions on the Entitlement and Acceptance Form for the amount indicated on your Entitlement and Acceptance Form; or
 - (ii) complete the accompanying Entitlement and Acceptance Form, filling in the details in the spaces provided and in accordance with Section 4.3 attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate Application monies (at \$0.003 per Share); or
- (b) if you only wish to accept part of your Entitlement:
 - (i) make payment by BPAY® in accordance with Section 4.4 and the instructions on the Entitlement and Acceptance Form for the amount of your Entitlement being accepted. You will be deemed to have taken up that part of your Entitlement (rounded down to the nearest whole Share) which is covered in full by your application monies; or
 - (ii) complete the accompanying Entitlement and Acceptance Form, filling in the details in the spaces provided for the amount of your Entitlement being accepted and in accordance with Section 4.3 attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate Application monies (at \$0.003 per Share). You will be deemed to have taken up that part of your Entitlement (rounded down to the nearest whole Share) which is covered in full by your application monies; or
- (c) if you wish to accept your full Entitlement **and** apply for additional Shortfall Shares:
 - (i) refer to Section 4.1(a) in respect of applying for your full Entitlement; and
 - (ii) complete the Shortfall Offer Application Form for the number of Shortfall Shares you wish to apply for and provide the Company with payment for those Shortfall Shares in accordance with the instructions on the Shortfall Offer Application Form; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

Please read the instructions on the Entitlement and Acceptance Form carefully.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form with the applicable application monies will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned with the applicable application monies the Application may not be varied or withdrawn except as required by law.

4.3 Payment by cheque/bank draft/money order

For payment by cheque, bank draft or money order please follow the instructions on your Entitlement and Acceptance Form. The Company shall not be responsible for any delivery delays in the receipt of your cheque and completed Entitlement and Acceptance Form.

4.4 Payment by BPAY®

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

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

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the unique customer reference number (**CRN**) specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00 pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. The Company shall not be responsible for any delays in the receipt of the BPAY® payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

5. RISK FACTORS

5.1 Introduction

An investment in the Company is not risk free and prospective investors should consider the risk factors described below, together with information contained elsewhere in this Offer Document, 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.

5.2 Key investment risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

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 Offer Document.

(a) Going concern risk

The Company's annual financial report for the year ended 30 June 2017 includes a "going concern" note. However, the Directors believe that upon the successful completion of the Offer and the Placement, the Company will have sufficient funds to repay the Company's debt in full as well as meet the Company's short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium term operating costs of the Company.

In the event that the Offer and the Placement are not completed successfully, there is significant uncertainty as to whether the Company can continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

(b) Additional requirements for capital

As noted above, it is highly likely that further funding will be required to meet the medium term operating costs of the Company, including costs associated with taking advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its work programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) Exploration risks

Some of the tenements held by the Company's 89.48% owned subsidiary, MGT Mining Limited, are in the early stages of exploration and investors should understand that exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the cost Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **Corporate structure**

The Company conducts its operations through MGT Mining Limited in which the Company holds 89.48% of the issued capital. In addition, the key assets of the Company are held by MGT Mining Limited. Accordingly, the Company is dependent on the successful operation of MGT Mining Limited notwithstanding that MGT Mining Limited is not wholly owned by the Company. Should MGT Mining Limited encounter adverse financial failure, cancellation of tenements or operational failure, the Company may suffer significant financial loss.

(e) **Third party risks**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and customers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect itself against all such risks.

(f) **Reliance on key personnel**

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors.

The Company has a small team and the loss of the services of any such personnel could have an adverse effect on the Company at this stage of its development.

(g) **Liquidity and volatility**

The Company is a small company in terms of market capitalisation. An investment in Shares should be regarded as speculative. The Company also has a narrow Shareholder base. As a consequence there is a risk, particularly in times of share market turbulence or negative investor sentiment, that there will not be a highly liquid market for Shares or that the price of Shares may decrease considerably. There may be relatively few buyers or sellers of securities on ASX at any given time and the market price may be highly volatile. This may result in Shareholders wishing to sell

their Shares at such a time receiving a market price for their Shares that is considerably less than the price paid under the Offer.

(h) **Operational and technical risks**

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

(i) **Commodity price fluctuations**

In the event of exploration and development success, any future revenue derived through any future sales of valuable minerals exposes the potential income of the Company to commodity price risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

(j) **Exchange rate fluctuations**

International prices of most commodities are denominated in United States dollars, whereas the expenditure of the Company, whilst operating on Australian projects, will be 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, subject to any currency hedging the Company may undertake.

(k) **Environmental risks**

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 proposed activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements.

The Company will attempt to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, there is always a risk of environmental damage arising from the Company's operations, including through accident, which may give rise to liabilities and costs for the Company, including through the imposition of fines and the potential for operations to be delayed, suspended or shut down. There is also a risk that environmental issues

already exist in the areas where the Company is exploring or operating that may give rise to liability for the Company.

(l) **Tenure and native title risks**

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, the Company could lose title to, or its interest in, its mining tenements if licence conditions are not met or if expenditure commitments are not met.

All of the tenements in which the Company or MGT Mining Limited has or may acquire an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement is usually at the discretion of the relevant government authority and there are no guarantees that MGT Mining Limited's tenements will be renewed however, the Company and MGT Mining Limited are not aware of any reason why the tenements would not be renewed. If a tenement is not renewed or granted, the Company and MGT Mining Limited may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in respect of land and waters, according to their traditional laws and customs. It is possible that, in relation to mining tenements in which the Company has an interest or may acquire such an interest, there may be areas over which legitimate common law or statutory native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

In addition, for mining tenements to be validly granted (or renewed) after 23 December 1996 the "future act regime" established by the *Native Title Act 1993* (Cth) must be followed. This may involve complying with the potentially lengthy and expensive "right to negotiate" process under that Act. Therefore, native title considerations may impact on the Company's operations and future plans.

It is possible that there will exist on the Company's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) or the *Aboriginal Cultural Heritage Act 2003* (Qld) or areas subject to the *Native Title Act 1993* (Cth). As a result land within the Company's mining tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title. In Queensland, the *Aboriginal Cultural Heritage Act 2003* (Qld) imposes a statutory Aboriginal cultural heritage duty of care. Failure to comply with that duty can result in significant penalties.

The Directors will closely monitor the potential effect of native title claims involving tenements that MGT Mining Limited has or may have an interest in.

5.3 General Risks

(a) Climate change

Mining of mineral resources is relatively energy intensive and depends on fossil fuels. Increased regulation of and government policy designed to mitigate, abate or adapt to climate change may adversely affect the Company's cost of operations and reduce profitability.

The increased regulation and policy in Australia to promote reductions in greenhouse gas emissions, impose emission reduction targets and promote improvements in energy efficiency. This includes the *National Greenhouse and Energy Reporting Act 2007* (Cth) and the *Renewable Energy (Electricity) Act 2000* (Cth).

(b) Competition

The Company competes with other companies, including major mining companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, 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.

(c) Joint venture partners and contractors

The Company may rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Company may also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

(d) General economic conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(e) Equity market conditions

Securities listed on the stock market, and in particular securities of mining and exploration companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(f) Change in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(g) Insurance

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by the Company under an insurance policy.

(h) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

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

6. DEFINED TERMS

AEDT means Australian Eastern Daylight Savings Time.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Cicero means Cicero Advisory Services Pty Ltd (ACN 166 321 393), a corporate authorised representative of a licensed securities dealer (AFSL 482173).

Closing Date means as set out in Section 3.3.

Company means Avira Resources Limited (ACN 131 715 645).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia, New Zealand, or Hong Kong.

Entitlement means the entitlement to subscribe for one (1) Share for every one (1) Share held by an Eligible Shareholder on the Record Date and **Entitlements** has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in a jurisdiction other than Australia, New Zealand, or Hong Kong.

Listing Rules means the Listing Rules of the ASX.

Offer means the non-renounceable pro rata offer of Shares at an issue price of \$0.003 each on the basis of one (1) Share for every one (1) Shares held on the Record Date pursuant to this Offer Document.

Offer Document means this Offer Document dated 5 December 2017.

Opening Date means as set out in Section 3.3.

Placement means the proposed placement to be undertaken by the Company, subject to Shareholder approval to raise up to \$512,470 via the issue of 170,823,410 Shares at \$0.003 per Share.

Record Date means as set out in Section 3.3.

Section means a section of this Offer Document.

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

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 3.14.

Shortfall Offer Application Form means the application form in relation to the Shortfall Offer.