

METALS AUSTRALIA LTD

ACN 008 982 474

REPLACEMENT PROSPECTUS

For the offer up to 177,068,501 Options, comprising:

- (a) up to 50,568,501 Options to sophisticated and professional investors who participated in the placement announced by the Company on 23 September 2021 (**September Placement**), exercisable at \$0.06 each on or before 31 December 2023 (**September Placement Offer**);
- (b) up to 1,500,000 Options to Peak Asset Management Pty Ltd (or its nominee/s) for lead manager services provided under the September Placement, exercisable at \$0.06 each on or before 31 December 2023 (**September Lead Manager Offer**);
- (c) up to 25,000,000 Options to employees, consultants and service providers (or their nominee/s) of the Company, exercisable at \$0.05 on or before 10 February 2024 (**Employee Offer**); and
- (d) up to 100,000,000 Options to sophisticated and professional investors who participated in the placement announced by the Company on 7 March 2022 (**March Placement**), exercisable at \$0.05 on or before 10 February 2024 (**March Placement Offer**),

(together, the **Options Offers**).

This Prospectus also contains a cleansing offer of up to 1,000 Shares at an issue price of \$0.05 per Share to raise up to \$50 (before expenses) (**Cleansing Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

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

This is a Replacement Prospectus dated 7 March 2022. It replaces a prospectus dated 2 March 2022 relating to the securities of Metals Australia Ltd (ACN 008 982 474).

IMPORTANT NOTICE

This Prospectus is dated 7 March 2022 and replaces the prospectus dated 2 March 2022 (**Original Prospectus**). This Prospectus was lodged with the ASIC on 7 March 2022. The ASIC, 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 Securities may be issued on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

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

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

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

Changes from Original Prospectus

This Prospectus:

- (a) includes details of the placement of up to 100,000,000

Shares and up to 100,000,000 Options exercisable at \$0.05 on or before 10 February 2024 (**March Placement Options**) to sophisticated and professional investors;

- (b) includes an additional offer of the March Placement Options; and
- (c) confirms that the Company will apply for quotation of the March Placement Options and the Employee Options.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

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 the Company's management.

The Company cannot and does 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 the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

The Offers do not, and are 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.

The Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or Germany.

For further information on overseas Shareholders please refer to Section 3.8.

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 Securities.

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified

events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 7.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.metalsaustralia.com.au). By making an application under the Option Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.metalsaustralia.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9481 7833 during office hours or by emailing the Company at mmuhling@corporateresource.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.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do

not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

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

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised

terms have the meaning given in the Glossary in Section 9.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

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

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

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 8 9481 7833.

CORPORATE DIRECTORY

Directors

Michael Scivolo
Non-Executive Chairman

Gino D'Anna
Non-Executive Director

Basil Conti
Non-Executive Director

Company Secretary

Michael Muhling

Registered Office

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8 Parliament Place
WEST PERTH WA 6005

Telephone: +61 8 9481 7833

Email: mls@metalsaustralia.com.au
Website: www.metalsaustralia.com.au

Auditor*

Moore Australia Audit (WA)
Level 15, Exchange Tower
2 The Esplanade
PERTH WA 6000

Share Registry*

Advanced Share Registry Limited
110 Stirling Hwy
NEDLANDS WA 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 6370 4203

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

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

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2. KEY OFFER INFORMATION

2.1 Indicative Timetable*

| | |
|---|---------------|
| Lodgement of Original Prospectus with the ASIC and ASX | 2 March 2022 |
| Opening Date of September Placement Offer, September Lead Manager Offer, Employee Offer and Cleansing Offer | 2 March 2022 |
| Lodgement of Prospectus with the ASIC and ASX | 7 March 2022 |
| Lodgement of Appendix 3B | 7 March 2022 |
| Opening Date of March Placement Offer | 7 March 2022 |
| Issue of March Placement Shares | 11 March 2022 |
| Closing Date | 22 March 2022 |
| Issue of Securities | 23 March 2022 |
| Quotation of Options issued under Options Offers and Shares issued under the Cleansing Offer (if any) | 25 March 2022 |

* 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 Options are expected to commence trading on ASX may vary with any change in the Closing Date.

2.2 Background to the Option Offers

2.2.1 September Placement

On 23 September 2021, the Company announced its intention to conduct a placement to sophisticated and professional investors to raise up to \$1,517,054 (before costs) through the issue of 1,011,369,312 Shares at an issue price of \$0.0115 per Share (each stated on a pre-Consolidation basis) (**September Placement**). The Shares under the September Placement were issued on 29 September 2021 pursuant to the Company's available placement capacity under Listing Rules 7.1 and 7.1A.

The Company also agreed, subject to obtaining Shareholder approval, to issue the participants in the September Placement (**September Placement Participants**) one Option for every Share subscribed for and issued, exercisable at \$0.003 each on or before 31 December 2023 (on a pre-Consolidation basis) (**September Placement Options**). Shareholder approval for the issue of the September Placement Options was obtained at the annual general meeting held on 27 January 2022 (**AGM**). The September Placement Options will be offered under this Prospectus.

Use of Funds

The funds raised under the September Placement are intended to be applied as set out in the table below.

| Item | Amount |
|---|-----------|
| Manindi Lithium and Zinc exploration, general | \$52,500 |
| Manindi Reverse circulation (RC) drilling, 3,000m | \$525,000 |
| Manindi Diamond drilling, 400m | \$120,000 |
| Lac Rainy Graphite Project, Studies and exploration | \$120,000 |

| Item | Amount |
|--|--------------------|
| West and East Eade, Canada, copper, gold exploration | \$30,000 |
| Lac de Marche, Canada, cobalt exploration | \$70,000 |
| Other exploration projects exploration | \$25,000 |
| Follow up resource drilling, key projects | \$331,826 |
| Lead manager fees | \$91,023 |
| Working capital and corporate administration | \$151,705 |
| TOTAL | \$1,517,054 |

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

Lead Manager

Peak Asset Management Pty Ltd (**Peak Asset Management**) was engaged to act as lead manager and corporate advisor to the September Placement pursuant to a lead manager mandate (**September Lead Manager Mandate**).

Pursuant to the September Lead Manager Mandate, the Company agreed to:

- (a) pay Peak Asset Management a commission 6% of the total funds raised under the September Placement plus GST; and
- (b) upon successful completion of the September Placement and subject to Shareholder approval, issue Peak Asset Management (or its nominee) 30,000,000 Options with an exercise price of \$0.003 and expiry date of 31 December 2023 (on a pre-Consolidation basis).

Further information in relation to the September Placement is set out in the ASX announcement released on 23 September 2021 and the notice of shareholder meeting released on 21 December 2021.

2.2.2 March Placement

On 7 March 2022, the Company announced that it has received firm commitments in respect of a placement to sophisticated and professional investors to raise \$7,800,000 (before costs) through the issue of 1,000,000 Shares at an issue price of \$0.078 per Share (**March Placement**). The Company also agreed to issue the participants in the Placement (**March Placement Participants**) one free-attaching Option for every one Share subscribed for and issued, exercisable at \$0.05 each on or before 10 February 2024 (**March Placement Options**).

The issue of the Shares under the March Placement (**March Placement Shares**) is anticipated to occur on 11 March 2022 in accordance with Shareholder approval obtained at the AGM. The March Placement Options were also approved at the AGM and are proposed to be offered under this Prospectus.

Use of Funds

The funds raised under the March Placement are intended to be applied as set out in the table below.

| Item | Amount |
|---|--------------------|
| Manindi Lithium and Zinc exploration incl. drilling | \$1,200,000 |
| Lac Rainy Graphite Project, studies and exploration | \$800,000 |
| Lac Rainy Graphite Project, bulk sample test work and pre-feasibility study | \$1,200,000 |
| West and East Eade, Canada, copper, gold exploration | \$300,000 |
| Lac du Marcheur, Canada, copper-cobalt exploration | \$300,000 |
| Other new projects exploration | \$1,000,000 |
| Follow up resource drilling and studies, key projects | \$1,610,000 |
| Lead manager fees | \$390,000 |
| Working capital and corporate administration | \$1,000,000 |
| TOTAL | \$7,800,000 |

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

Lead Manager

Copeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust> (ACN 632 277 144) (**Peak**) was engaged to act as lead manager and corporate advisor to the March Placement pursuant to a lead manager mandate (**March Lead Manager Mandate**).

Pursuant to the March Lead Manager Mandate, the Company agreed to:

- (a) pay Peak a commission 5% of the total funds raised under the March Placement plus GST; and
- (b) upon successful completion of the March Placement and subject Shareholder approval, issue Peak (or its nominee/s) 4,000,000 Options with an exercise price of \$0.05 and expiry date of 10 February 2024 (**March Lead Manager Options**).

Further information in relation to the March Placement is set out in the ASX announcement released on 7 March 2022.

2.2.3 Annual General Meeting

At the AGM, the Company obtained shareholder approval, amongst other things to:

- (a) consolidate its issued capital on a 20:1 basis (**Consolidation**);
- (b) issue 1,011,369,312 Options, exercisable at \$0.003 each on or before 31 December 2023 (stated on a pre-Consolidation basis) (being the

September Placement Options) to the September Placement Participants (**September Placement**);

- (c) issue 30,000,000 Options, exercisable at \$0.003 each on or before 31 December 2023 (stated on a pre-Consolidation basis) to Peak Asset Management (or its nominee/s) in part consideration for services provided in connection with the September Placement);
- (d) issue 25,000,000 Options exercisable at \$0.05 on or before 10 February 2024 (stated on a post-Consolidation basis) (**Employee Options**) to employees, consultants and service providers (or their nominee/s) of the Company; and
- (e) issue 100,000,000 Options exercisable at \$0.05 on or before 10 February 2024 (stated on a post-Consolidation basis) (being the March Placement Options) to the March Placement Participants.

Further details in respect of these proposed security issues are set out in the notice of meeting released on 21 December 2021.

The September Placement Options, Lead Manager Options, Employee Options and March Placement Options are being offered pursuant to this Prospectus.

The Consolidation took effect on 10 February 2022. Unless otherwise stated, all references to Securities in this Prospectus are stated on a post-Consolidation basis.

3. DETAILS OF THE OFFERS

3.1 The Offers

3.1.1 September Placement Offer

The September Placement Offer is an offer of one Option for every Share subscribed for an issued under the September Placement. Based on the number of Shares issued under the Placement, 50,568,501 Options may be issued under the September Placement Offer. No funds will be raised from the issue of the Options.

The Options will be exercisable at \$0.06 each on or before 31 December 2023 and otherwise on the terms and conditions set out in Section 5.1.

Shares issued upon exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.3 for further information regarding the rights and liabilities attaching to the Shares.

3.1.2 September Lead Manager Offer

The September Lead Manager Offer is an offer of 1,500,000 Options to Peak Asset Management (or its nominee/s). No funds will be raised from the issue of the Options.

The Options will be exercisable at \$0.06 each on or before 31 December 2023 and otherwise on the terms and conditions set out in Section 5.1

Shares issued upon exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.3 for further information regarding the rights and liabilities attaching to the Shares.

3.1.3 Employee Offer

The Employee Offer is an offer of 25,000,000 Options at an issue price of \$0.0001 per Option to employees, consultants and service providers (or their nominee/s) identified by the Company (**Eligible Employees**).

The Options will be exercisable at \$0.05 each on or before 10 February 2024 and otherwise on the terms and conditions set out in Section 5.2.

The Company will raise a nominal amount of \$2,500 under the Employee Offer.

Shares issued upon exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.3 for further information regarding the rights and liabilities attaching to the Shares.

3.1.4 March Placement Offer

The March Placement Offer is an offer of one Option for every Share subscribed for an issued under the March Placement. Based on the number of Shares issued under the March Placement, 100,000,000 Options may be issued under the March Placement Offer. No funds will be raised from the issue of the Options.

The Options will be exercisable at \$0.05 each on or before 10 February 2024 and otherwise on the terms and conditions set out in Section 5.2.

Shares issued upon exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.3 for further information regarding the rights and liabilities attaching to the Shares.

3.1.5 The Cleansing Offer

The Cleansing Offer is an offer of up to 1,000 Shares in the capital of the Company at an issue price of \$0.05 per Share to raise up to \$50 (before expenses).

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus. Please refer to Section 5.3 for further information regarding the rights and liabilities attaching to the Shares.

3.2 Lead Manager

There is no lead manager to the Offers.

Peak Asset Management acted as lead manager to the September Placement and was paid fees of 6% of funds raised under the September Placement. In addition, the Company will offer Peak Asset Management (or its nominees) 1,500,000 Options under the September Lead Manager Offer. The Options will be exercisable at \$0.06 each on or before 31 December 2023 and otherwise on the terms and conditions set out in Section 5.1.

Peak is acting as lead manager and corporate advisor to the March Placement and will be paid a commission 5% of the funds raised under the March Placement. In addition, the Company will offer Peak (or its nominees) 4,000,000 Options, subject to obtaining Shareholder approval. The Options will be exercisable at \$0.05 each on or before 10 February 2024.

3.3 Application for Offers

Option Offer (other than the Employee Offer)

The Options Offers (other than the Employee Offer) will only be extended to the September Placement Participants, Peak Asset Management, the March Placement Participants and Peak (or their nominee/s). Application Forms will only be provided to these participants on invitation by the Directors.

No subscription monies are payable for the Options offered under these offers as the Options are being issued on the basis of one Option for every Share subscribed for and issued under the September Placement and March Placement or, in relation to the September Lead Manager Offer, as a fee for acting as lead manager of the September Placement.

Employee Offer

The Employee Offer will only be extended to the Eligible Employees. Application Forms will only be provided to these participants on invitation by the Directors.

Payment for the Employee Options must be made in full at the issue price of \$0.0001 per Employee Option. All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Metals Australia Ltd" and crossed "Not Negotiable".

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (WST) on the Closing Date.

Cleansing Offer

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

Payment for Shares must be made in full at the issue price of \$0.05 per Share. All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Metals Australia Ltd" and crossed "Not Negotiable".

Completed Application Forms and cheques must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (WST) on the Closing Date.

3.4 Implications of an acceptance

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by no later than 5.00pm (WST) on the Closing Date, which is currently scheduled to occur on 22 March 2022.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 8 9389 8033 or the Company on +61 8 9481 7833.

3.5 Minimum subscription

There is no minimum subscription to the Offers.

3.6 ASX listing

Application for Official Quotation of the Options offered under the Options Offers (the **Quoted Options**) will be made within 7 days of the date of the Original Prospectus. If ASX does not grant Official Quotation of the Quoted Options before the expiration of three months after the date of issue of the Original Prospectus, (or such period as varied by the ASIC), the Company will not issue any Quoted Options.

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of the Original Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Original 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 Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Issue

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 2.1.

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

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities.

3.8 Overseas shareholders

These Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, would not be lawful to make such offers or to issue this Prospectus.

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

Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the Options or any underlying shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Options in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

If you (or any person for whom you are acquiring the Options) are in Germany, you (and any such person) are a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union).

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

Options Offers

The Options Offers are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Options Offers (other than the Employee Offer and funds raised if the Options are subsequently exercised) as the Options are being issued on the basis of one Option for every Share subscribed for and issued under the September Placement and the March Placement or, in relation to the September Lead Manager Offer, as a fee for acting as lead manager of the September Placement.

All funds raised from the Employee Offer will be applied towards the expenses of the Offers.

Cleansing Offers

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. All funds raised from the Cleansing Offer will be applied towards the expenses of the Offers.

4.2 Effect of the September and March Placements and the Offers

The principal effect of the Offers (assuming that that all Options are issued and no other Securities are issued or exercised or converted) will be to:

- (a) increase the number of Options on issue from 139,233,066 as at the date of this Prospectus to 316,301,567 Options;
- (b) 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); and
- (c) remove any trading restrictions attaching to Shares issued on exercise of the Options issued under this Prospectus.

4.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

| | Number |
|---|--------------------|
| Shares currently on issue ^{1,2} | 261,928,095 |
| Shares to be issued under the Placement | 100,000,000 |
| Shares to be issued under the Prospectus ¹ | Nil |
| Total Shares on issue after completion of the Placement and the Offers^{1,2} | 361,928,095 |

Notes:

1. Assumes that no Shares are issued under the Cleansing Offer.

Options

| | Number |
|--|--------------------|
| Options currently on issue: | |
| Quoted Options exercisable at \$0.07 each on or before 1 June 2022 | 136,733,066 |
| Unquoted Options exercisable at \$0.07 each on or before 1 January 2023 | 2,500,000 |
| Options to be issued pursuant to the September Placement Offer | 50,568,501 |
| Options to be issued under the September Lead Manager Offer | 1,500,000 |
| Options to be issued under the Employee Offer | 25,000,000 |
| Options to be issued under the March Placement Offer | 100,000,000 |
| Total Options on issue after completion of the Placement and the Offers¹ | 316,301,567 |

Notes:

1. The Company has also agreed, subject to obtaining Shareholder approval, to issue Peak (or its nominee/s) 4,000,000 Options with an exercise price of \$0.05 and expiry date of 10 February 2024 in part consideration for acting as lead manager to the March Placement.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 401,161,161 Shares and on completion of the Offers and the Placement (assuming 100,000,000 Shares are issued under the Placement, all Options offered under this Prospectus are issued and no Shares are issued under the Cleansing Offer) would be 678,229,662 Shares.

4.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2021 and the unaudited pro-forma balance sheet as at 31 December 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Securities offered under this Prospectus are issued and including expenses of the Offers.

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

| | UNAUDITED 31 December 2021 | PROFORMA 31 December 2021 |
|--------------------------------------|-------------------------------|------------------------------|
| | \$ | \$ |
| CURRENT ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 1,787,039 | 9,199,539 ^{1,2} |
| Other current assets | 380,181 | 380,181 |
| TOTAL CURRENT ASSETS | 2,167,220 | 9,579,720 |
| | | |
| NON-CURRENT ASSETS | | |
| Plant and equipment | - | - |
| Intangibles | 8,392,603 | 8,392,603 |
| TOTAL NON-CURRENT ASSETS | 8,392,603 | 8,392,603 |
| | | |
| TOTAL ASSETS | 10,559,823 | 17,972,323 |
| | | |
| CURRENT LIABILITIES | | |
| Creditors and borrowings | 144,280 | 194,280 ³ |
| TOTAL CURRENT LIABILITIES | 144,280 | 194,280 |
| | | |
| TOTAL LIABILITIES | 144,280 | 194,280 |
| | | |
| NET ASSETS (LIABILITIES) | 10,415,543 | 17,778,043 |
| | | |
| EQUITY | | |
| Share capital | 37,577,848 | 44,987,848 ¹ |
| Options Reserve | 151,079 | 153,579 ² |
| Foreign Currency Translation Reserve | 124,759 | 124,759 |
| Non-controlling interest | (75,917) | (75,917) |
| Retained loss | (27,362,226) | (27,412,226) ³ |
| TOTAL EQUITY | 10,415,543 | 17,778,043 |

Notes:

1. The September Placement Options issued as free-attaching options. The September Placement Options and September Lead Manager Options are issued without value in the accounts of the Company.
2. The Company will raise \$7,410,000 (net of costs) through the issue of 100,000,000 Shares at an issue price of \$0.078 per Share under the March Placement. The March Placement Options are issued without value in the accounts of the Company. The accounts do not consider the March Lead Manager Options which remain subject to Shareholder approval.
3. The Company will raise the amount of \$2,500 through the issue of the Employee Options (refer to Section 3.1.3).
4. The cost of issuing the Options is \$50,000 (refer to Section 7.7).
5. As the pro-forma is prepared as at 31 December 2021, it incorporates the funds raised under the September Placement, which settled on 29 September 2021.

4.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, there are no persons who (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 September Placement Options and September Lead Manager Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

5.2 **Employee Options and March Placement Options**

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 10 February 2024 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under Section 4.2(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the

Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

5.3 Shares

The following is a summary of the more significant rights and liabilities attaching to the 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.

(a) **General meetings**

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

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

(b) **Voting rights**

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

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

(c) **Dividend rights**

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

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

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

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, 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.

(e) **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.

(f) **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.

(g) **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.

(h) **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.

(i) **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.

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company specific

| Risk Category | Risk |
|--|---|
| Additional requirements for capital | The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing. 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. |
| Going concern risk | <p>The Company's annual report for the financial year ended 30 June 2021 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The Financial Report was prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.</p> <p>During the year, the Group has reported a net loss of \$472,829 (2020 loss: \$1,515,663) and a net cash outflow from operating</p> |

| Risk Category | Risk |
|--|--|
| | <p>activities of \$440,814 (2020 inflows: \$188,479) and net cash outflow from investing activities of \$764,796 (2020 outflow: \$601,545). The Group's net current asset position at 30 June 2021 was \$1,253,074 (2020: \$521,714).</p> <p>During the year the Group raised \$1,688,954 after costs for issuing shares and at 30 June 2021 had \$983,974 cash on hand.</p> <p>The Financial Report noted that the ability of the Group to pay its trade creditors, continue its planned activities and maintain its going concern status is dependent on the Group being able to raise additional funds as required.</p> <p>As at the date of the Financial Report, the Directors were satisfied that there were reasonable grounds to believe the Group will be able to operate as a going concern by raising further funds as required. In forming this view, the Directors considered the ability of the Company to raise funds by way of a capital raising.</p> <p>Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short-term working capital requirements. On 29 September 2021, the Company completed a placement to sophisticated and professional investors to raise \$1,517,054 (before costs) through the issue of 1,011,369,312 Shares at an issue price of \$0.0115 per Share, together with one Option for every Share issued, under the September Placement (all stated on a pre-Consolidation basis). The Company has also received firm commitments from a placement to sophisticated and professional investors to raise \$7,800,000 (before costs) through the issue of 100,000,000 Shares at an issue price of \$0.078 per Share, together with one Option for every Share issued, under the March Placement. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> |
| <p>Acquisition and divestment of projects</p> | <p>The Company has to date and will continue to actively pursue and assess other new business opportunities. This may involve the divestment of non-core assets, the acquisition of other projects or assets or other new business opportunities such as joint ventures, farm-ins, or direct equity participation.</p> <p>The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.</p> <p>If a non-core asset is divested or an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects or assets, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.</p> <p>Furthermore, if a new investment or acquisition by the Company is completed, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the ASX Listing Rules as if the Company were a new listing. There would be costs associated in re-complying with the admission requirements. The Company may</p> |

| Risk Category | Risk |
|------------------------------|--|
| | <p>be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.</p> <p>If a new investment or acquisition is not completed, then the Company may not be in a position to comply with the ongoing ASX Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given the nature of resource exploration, this may also occur if the Company abandons and/or relinquishes a project which is no longer considered viable. Any divestment of non-core assets or new project or business acquisition may change the risk profile of the Company, particularly if any new project acquired is located in another jurisdiction, involving a new commodity and/or changes to the Company's capital/funding requirements. Should the Company propose or complete a divestment of non-core assets or the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the Company's changed circumstances.</p> |
| Contractual risk | <p>The Company is subject to the risk that changes in the status of any of the Company's joint ventures (including changes caused by financial failure or default by a participant in the joint venture) may adversely affect the operations and performance of the Company.</p> <p>Specifically, the Company has a joint venture agreement with Sabre Resources Limited in respect of the Nepean South Nickel Project. Additionally, the Company holds an 80% interest in the Manindi Project, through its shareholding of Karrilea Holdings Pty Ltd (Karrilea), with Pan Pacific Mining Pty Ltd holding the remaining 20% interest in Karrilea. Where a joint venture partner or minority shareholder does not act in the best commercial interest of the joint venture or the company (as applicable) or otherwise fails to comply with its contractual obligations, it could have a material adverse effect on the interests of the Company.</p> |
| Tenement renewal risk | <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. 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. Currently, 25 of the claims relating to the Company's Lac Marcheur Project are subject to a renewal process.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and Quebec and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p> |
| Mineral estimates | <p>Resources</p> <p>Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. The Company has a currently reported Mineral Resource and Exploration Target in respect of its Lac Rainy Project. 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</p> |

| Risk Category | Risk |
|-----------------------|---|
| | 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. |
| Sovereign risk | The Company's key projects are located in Quebec, Canada and Australia. Possible sovereign risks associated with operating in Canada include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares. |

6.3 Industry specific

| Risk Category | Risk |
|--------------------------|--|
| Exploration | <p>The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of these tenements, or any other tenements 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.</p> <p>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.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements 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 Tenements, a reduction in the case reserves of the Company and possible relinquishment of the Tenements.</p> <p>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.</p> |
| Operational risks | <p>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, insufficient or unreliable infrastructure such as power, water and transport, 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.</p> <p>In the event that any of these potential risks eventuate, the Company's operational and financial performance may be</p> |

| Risk Category | Risk |
|--------------------------------|---|
| | <p>adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p> |
| <p>Mine development</p> | <p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.</p> <p>The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p> |
| <p>Environmental</p> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>In this regard, the Department of Mines, Industry Regulation and Safety in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or</p> |

| Risk Category | Risk |
|---|---|
| | whether the outcome of such a review would be detrimental to the funding needs of the Company. |
| Access | The Company's access to the tenements may be affected by landholder and pastoralist approvals, native title rights and/or the terms of native title agreements. While the Company intends to do those things necessary to minimise these risks, it cannot guarantee that the access it has to tenements in which it has an interest will remain unfettered in the future. |
| Commodity price risk | <p>Changes in commodity prices of base and precious metals, 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 base and precious metals produced from the Company's projects. The market prices of base and precious metals 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 base and precious metals and industrial products containing metals, base and precious metals 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 base and precious metals in response to any of the above factors, and global and regional political and economic factors.</p> <p>Should the Company eventually enter a production phase, a decline in the market price of base and precious metals 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 Company's projects 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. A decline in the market price of base and precious metals may also require the Company to write-down its material reserves which would have a material adverse effect on the value of the Company's securities. Further, if future revenue from any future base and precious metal sales decline, the Company may experience liquidity difficulties. The Company will also have to assess the economic impact of any sustained lower prices on recoverability and therefore, on cut-off grades and the level of any future mineral reserves and resources.</p> |
| Native title and Aboriginal Heritage | In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of indigenous people exist. If native title rights do exist, the ability of the Company to gain access to tenements (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. |
| Insurance risks | There are significant exploration and operating risks associated with exploring for graphite and lithium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in |

| Risk Category | Risk |
|---------------|---|
| | the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive. |

6.4 General risks

| Risk Category | Risk |
|---------------------|---|
| Climate risk | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p> |
| Coronavirus | <p>The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to issues, delays or restrictions in product processing and packaging and the Company's ability to deliver products to customers, which may result in cost increases or adverse impacts on sales. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders or the COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse</p> |

| Risk Category | Risk |
|---------------------------------|--|
| | <p>impact on the Company. If any of these impacts appear material prior to close of the Offers, the Company will notify investors under a supplementary prospectus.</p> |
| <p>Ukraine Conflict</p> | <p>The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p> |
| <p>Economic</p> | <p>General economic conditions, 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.</p> |
| <p>Market conditions</p> | <p>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:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>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.</p> <p>In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.</p> |
| <p>Litigation risks</p> | <p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations,</p> |

| Risk Category | Risk |
|----------------------------------|---|
| | financial performance and financial position. The Company is not currently engaged in any litigation. |
| Force Majeure | The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions. |
| Dividends | Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. |
| Taxation | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Options under this Prospectus.</p> |
| 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. |

6.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

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

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

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

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

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

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

| Date | Description of Announcement |
|----------|--|
| 07/03/22 | Proposed issue of securities - MLS |
| 07/03/22 | Proposed issue of securities - MLS |
| 07/03/22 | Metals Raises \$7.M to Accelerate Key Projects |
| 03/03/22 | Trading Halt |

| Date | Description of Announcement |
|-------------|--|
| 02/03/22 | Outstanding Lithium & Rubidium Results for Manindi Project |
| 28/02/22 | Outstanding 96.8% Flake Graphite Concentrate for Lac Rainy |
| 16/02/22 | Change of Director's Interest Notice - G D'Anna |
| 16/02/22 | Completion of Consolidation of Capital |
| 16/02/22 | Drilling Commenced at Manindi Lithium Pegmatite Project |
| 14/02/22 | Update on Consolidation of Capital |
| 11/02/22 | Change of Director's Interest Notice - G D'Anna |
| 9/02/22 | Update Regarding the Issue of Quoted Options |
| 7/02/22 | Lithium Pegmatite Drilling to Commence at Manindi Project |
| 1/02/22 | Proposed issue of securities - MLS |
| 31/01/22 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 27/01/22 | Results of Annual General Meeting |
| 24/01/22 | Final Director's Interest Notice - Rob Collins |
| 21/01/22 | Initial Director's Interest Notice |
| 21/01/22 | Passing of Director and New Director Appointment |
| 21/12/21 | Letter to Shareholders |
| 21/12/21 | Proposed Consolidation of Capital |
| 21/12/21 | Notice of Annual General Meeting/Proxy Form |
| 21/12/21 | Consolidation/Split - MLS |
| 21/12/21 | Proposed issue of securities - MLS |
| 21/12/21 | Proposed issue of securities - MLS |
| 13/12/21 | MLS: Binding Agreement to Farm-out Nepean South Nickel Project |
| 13/12/21 | Agreements to Acquire Three Nickel Sulphide Projects in WA |
| 3/12/21 | Annual General Meeting Notification |
| 29/11/21 | Response to ASX Volume Query |
| 10/11/21 | High Grade Lithium-Tantalum Results from Manindi Pegmatite |
| 1/11/21 | Quarterly Activities and Cash Flow Report |
| 29/10/21 | Appendix 4G |
| 29/10/21 | Corporate Governance Statement |
| 29/10/21 | Annual Report to shareholders |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.metalsaustralia.com.au.

7.3 Market price of Shares

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

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

| | (\$) | Date |
|---------|---------|---|
| Highest | \$0.093 | 2 March 2022 |
| Lowest | \$0.02 | 10, 21, 22 and 30 December 2021, 7 January 2022 |
| Last | \$0.08 | 7 March 2022 |

7.4 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus is set out below.

| Director | Shares | Options |
|-----------------|------------------------|---------|
| Michael Scivolo | Nil | Nil |
| Gino D'Anna | 2,445,000 ¹ | Nil |

| Director | Shares | Options |
|-------------|--------|---------|
| Basil Conti | Nil | Nil |

Notes:

1. Held indirectly by Rachel D'Anna, Mr D'Anna's wife.

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 initially set by the Constitution and subsequent variation is 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. The current amount has been set at an amount not to exceed \$200,000 per annum.

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 total (and proposed) annual remuneration paid to both executive and non-executive Directors.

| Director | Remuneration financial year ended 30 June 2020 | Remuneration financial year ended 30 June 2021 | Proposed remuneration for financial year ending 30 June 2022 |
|--------------------------|--|--|--|
| Michael Scivolo | \$13,140 | \$13,140 | \$13,200 |
| Gino D'Anna | \$127,848 | \$102,804 | \$67,522 |
| Basil Conti ¹ | - | - | \$5,822 |

Notes:

1. Appointed 21 January 2022.

7.5 Interests of experts and advisers

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

- 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;
- promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

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

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services.

7.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

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;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

7.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$50,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|---------------------------|---------------|
| ASIC fees | 4,008 |
| ASX fees ¹ | 27,325 |
| Legal fees ² | 16,500 |
| Printing and distribution | 2,167 |
| Total | 50,000 |

Notes:

1. Assumes that no Shares are issued under the Cleansing Offer.
2. Includes foreign legal fees.

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.



Mr Michael Scivolo
Non-Executive Chairman
METALS AUSTRALIA LTD

9. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means the 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.

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.

Cleansing Offer means the offer of up to 1,000 Shares in the capital of the Company at an issue price of \$0.05 per Share to raise up to \$50 (before expenses).

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Metals Australia Ltd (ACN 008 982 474).

Consolidation means the consolidation of the Company's issued capital on the basis that every twenty Shares be consolidated into one Share and that every twenty Options be consolidated into one Option.

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.

Employee Offer means the offer of up to 25,000,000 Options exercisable at \$0.05 each on or before 10 February 2024 to employees, consultants and service providers (or their nominee/s) of the Company pursuant to this Prospectus.

Exploration Target has the meaning given to that term in the JORC Code.

JORC Code means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

March Placement Offer means the offer of up to 100,000,000 Options exercisable at \$0.05 each on or before 10 February 2024 to participants in the March Placement pursuant to this Prospectus.

Mineral Resource has the meaning given to that term in the JORC Code.

Official Quotation means official quotation on ASX.

Option means an Option to acquire a Share.

Optionholder means a holder of an Option.

Original Prospectus means the prospectus which was lodged by the Company with the ASIC on 2 March 2022.

Prospectus means this replacement prospectus, which replaces the Original Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

September Lead Manager Offer means the offer of up to 1,500,000 Options exercisable at \$0.06 each on or before 31 December 2023 to Peak Asset Management (or its nominee/s) pursuant to this Prospectus.

September Placement Offer means the offer of up to 50,568,501 Options exercisable at \$0.06 each on or before 31 December 2023 to participants in the September Placement pursuant to this Prospectus.

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

Shareholder means a holder of a Share.

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