

METALICITY LIMITED
ACN 086 839 992

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of 0.6 cents per Share to raise up to \$936,634 (based on the number of Shares on issue as at the date of this Prospectus), together with 1 free attaching option for every five (5) Shares subscribed for and issued **(New Option) (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 stockbroker, accountant or other professional adviser.

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

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1. CORPORATE DIRECTORY

Directors

Mathew Longworth
Non-Executive Chairman

Jason Livingstone
Managing Director

Justin Barton
Executive Director

Andrew Daley
Non-Executive Director

Company Secretary

Neil Hackett

Share Registry*

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152 St Georges Terrace
PERTH WA 6000

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Solicitors

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

Auditor*

Stantons International
Level 1
1 Walker Avenue
WEST PERTH WA 6005

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	Monday, 2 September 2019
Lodgement of Prospectus & Appendix 3B with ASX	Monday, 2 September 2019
Notice sent to Optionholders	Tuesday, 3 September 2019
Notice sent to Shareholders	Tuesday, 3 September 2019
Ex date	Wednesday, 4 September 2019
Record Date for determining Entitlements	Thursday, 5 September 2019
Prospectus despatched to Shareholders & Company announces despatch has been completed	Tuesday, 10 September 2019
Closing Date*	Thursday, 19 September 2019
Securities quoted on a deferred settlement basis	Friday, 20 September 2019
ASX notified of under subscriptions	Tuesday, 24 September 2019
Quotation of Securities issued under the Offer*	Thursday, 26 September 2019

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This Prospectus is dated 2 September 2019 and was lodged with the ASIC on that date. The ASIC and its 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 this Prospectus.

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

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

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall 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 a prospectus for an initial public offer. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Investment Advice

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

3.2 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.3 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 7 of this Prospectus.

3.4 Website

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

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of 0.6 cents per Share, together with 1 free attaching New Option for every five (5) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised or Performance Rights vest prior to the Record Date) a maximum of 156,105,620 Shares and 31,221,124 New Options will be issued pursuant to this Offer to raise up to \$936,634. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 170,538,837 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 5.4 of this Prospectus for information on the exercise price and expiry date of the Options currently on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 of this Prospectus for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

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

You may participate in the Offer as follows:

- (a) accept your **full** Entitlement; or
- (b) accept **part** of your Entitlement; or
- (c) accept your **full** Entitlement and **apply** for any Shortfall; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

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

4.4 Payment

By cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **"Metalicity Limited – Entitlement Issue Account"** and crossed **"Not Negotiable"**.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

By BPAY®

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

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

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm WST on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

One (1) New Option with an exercise price of 1.5 cents, expiring on the date which is 12 months from the date of issue, will be issued for every five (5) Shares subscribed for and issued under the Offer.

4.5 Underwriting

The Offer is not underwritten.

4.6 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders assuming no New Options or other Options are exercised or Performance Rights vest is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	3.20%	5,000,000	20,000,000	2.56%
Shareholder 2	10,000,000	1.60%	2,500,000	10,000,000	1.28%
Shareholder 3	5,000,000	0.80%	1,250,000	5,000,000	0.64%
Shareholder 4	15,000,000	2.40%	3,750,000	15,000,000	1.92%
Shareholder 5	500,000	0.08%	125,000	500,000	0.06%
Total	624,422,477		156,105,620	624,422,477	

Notes:

1. Assuming no existing Options or Performance Rights are converted into Shares prior to the Record Date.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.7 Allocation Policy and Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer will be \$0.006, being the price at which Shares have been offered under the Offer.

Eligible Shareholders who wish to subscribe for Shortfall Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing a Shortfall Application Form and submitting their application by no later than 5:00 pm WST on the Closing Date. Please follow the instructions on the Application Form to apply for Shortfall.

The allocation of the Shortfall Securities will be at the absolute discretion of the Board.

Any application monies received for more than your final allocation of Shortfall Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 2 of this 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 Prospectus, or such period as varied by the ASIC, the Company will not issue any Securities and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

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

4.9 Issue

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the timetable set out at Section 2 of this Prospectus.

Shortfall Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and the timetable set out at Section 2 of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this 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 Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these Securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

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

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.11 Enquiries

Any questions concerning the Offer should be directed to Neil Hackett, Company Secretary, on +61 8 9324 1053.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$936,634. No funds will be raised from the issue of the New Options.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Exploration & Drilling	\$655,634	70%
3.	Expenses of the Offer ¹	\$53,000	6%
4.	Working capital	\$228,000	24%
	Total	\$936,634	100%

Notes:

1. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including without limitation exploration success or failure) 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.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised or Performance Rights vest prior to the Record Date, will be to:

- (a) increase the cash reserves by \$883,634 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 624,422,477 as at the date of this Prospectus to 780,528,097 Shares following completion of the Offer; and
- (c) increase the number of Options on issue from 170,538,837 as at the date of this Prospectus to 201,759,961 Options following completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2019 and the unaudited pro-forma balance sheet as at 31 May 2019 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 Entitlements are accepted, no Options are exercised and no Performance Rights vest prior to the Record Date and including expenses of the Offer.

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 May 2019	PROFORMA 31 May 2019
CURRENT ASSETS		
Cash ¹	\$737,874	\$1,621,508
Other current assets	\$9,578,652	\$9,578,652
TOTAL CURRENT ASSETS	\$10,316,526	\$11,200,160
NON-CURRENT ASSETS		
Exploration ¹	\$63,223	\$63,223
Other non-current assets	\$1,191	\$1,191
TOTAL NON-CURRENT ASSETS	\$64,414	\$64,414
TOTAL ASSETS	\$10,380,940	\$11,264,574
CURRENT LIABILITIES		
Creditors and borrowings	\$1,819,677	\$1,819,677
TOTAL CURRENT LIABILITIES	\$1,819,677	\$1,819,677
NON-CURRENT LIABILITIES		
Deferred income	\$7,053,180	\$7,053,180
TOTAL NON- CURRENT LIABILITIES	\$7,053,180	\$7,053,180
TOTAL LIABILITIES	\$8,872,857	\$ 8,872,857
NET ASSETS (LIABILITIES)	\$1,508,083	\$2,391,717
EQUITY		
Share capital	\$46,883,051	\$47,766,685
Other Reserves	\$4,326,250	\$4,326,250
Retained loss	\$49,701,218	\$49,701,218
TOTAL EQUITY	\$1,508,083	\$2,391,717

Notes:

1. Refer to Section 8.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised or Performance Rights vest prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	624,422,477
Shares offered pursuant to the Offer	156,105,620
Total Shares on issue after completion of the Offer	780,528,097

Options

	Number
Unquoted Options currently on issue:	
Exercisable at \$0.04 expiring on 31/12/19	1,500,000
Exercisable at \$0.08 expiring on 31/12/19	3,000,000
Exercisable at \$0.10 expiring on 31/12/19	1,000,000
Exercisable at \$0.12 expiring on 31/12/19	3,000,000
Exercisable at \$0.025 expiring on 23/7/20	9,500,000
Exercisable at \$0.03 expiring on 23/7/20	8,100,000
Exercisable at \$0.04 expiring on 23/7/20	11,500,000
Exercisable at \$0.03 expiring on 10/12/20	8,050,000
Exercisable at \$0.04 expiring on 10/12/20	8,050,000
Exercisable at \$0.05 expiring on 10/12/20	8,050,000
Exercisable at \$0.06 expiring on 31/12/19	13,000,000
Exercisable at \$0.08 expiring on 31/12/19	13,000,000
Exercisable at \$0.10 expiring on 31/12/19	13,000,000
Exercisable at \$0.12 expiring on 31/12/19	2,000,000
Exercisable at \$0.08 expiring on 18/8/20	12,766,670
Exercisable at \$0.08 expiring on 14/2/23	26,265,023
Exercisable at \$0.06 expiring on 12/3/21	3,000,000
Exercisable at \$0.08 expiring on 12/3/21	3,000,000
Exercisable at \$0.06 expiring on 26/8/21	2,500,000
Exercisable at \$0.08 expiring on 26/8/21	2,500,000
Exercisable at \$0.10 expiring on 26/8/21	2,500,000
Exercisable at \$0.025 expiring on 14/1/22	2,000,000
Exercisable at \$0.035 expiring on 14/1/22	2,000,000
Exercisable at \$0.02 expiring on 31/5/22	11,257,144
Total on issue as at the date of this Prospectus	170,538,837
New Options offered pursuant to the Offer	31,221,124
Total Options on issue after completion of the Offer	201,759,961

Performance Rights

	Number
Performance Rights currently on issue: Vesting at \$0.06 expiring on 15/3/21	2,274,713
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	2,274,713

The capital structure on a fully diluted basis as at the date of this Prospectus would be 797,236,027 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised or Performance Rights vest prior to the Record Date) would be 984,562,771 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

5.5 Details of substantial holders

Based on publicly available information as at 2 September 2019, no person (together with their associates) has a relevant interest in 5% or more of the Shares on issue.

In the event all Entitlements are accepted no person will become a substantial holder of the Company on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

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

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

(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.

6.2 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 \$0.015 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 12 months from the date of issue (**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 (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.

(ii) 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.

(iii) 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.

(iv) Transferability

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

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Potential for significant dilution

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised or Performance Rights vest prior to the Record Date the number of Shares in the Company will increase from 624,422,477 currently on issue to 780,528,097. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to this Prospectus being lodged of \$0.006 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(b) Exploration, development, mining and processing risks

The tenements of the Company are at various stages of exploration, and potential investors should understand that exploration and developments are high-risk undertakings.

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 deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its 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 base reserves of the Company and possible relinquishment of the tenements.

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.

(c) **Additional Requirements for Capital**

The capital requirements of the Company depend on a number of factors. Depending on the ability of the Company to generate income from its operations, the Company may require additional financing in the future. 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. It is likely that the Company will need to raise additional funds in the near future, which may be dilutive to Shareholders depending on the terms of the capital raising.

(d) **Tenement applications and license renewal**

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. The Company has yet to receive regulatory and environmental approval to convert its exploration licences into production concessions. There is a risk that these approvals may not be obtained.

(e) **Mine development**

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.

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 and treatment of ore.

(f) **Insurance risks**

There are significant exploration and operating risks associated with exploring for copper, gold, nickel, zinc and lead, 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 the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

(g) **Kimberley Mining Limited**

The Company is the largest shareholder in Canadian company Kimberley Mining Limited (**KML**) (with an 81.1% interest). KML holds the Admiral Bay Zinc Project and incidental zinc assets. KML's strategy has been to list on the TSXV. Capital markets in North America and in particular Canada have been exceptionally difficult leading to the deferral of the listing on several occasions. KML is undertaking a strategic review, with a view to raise interim capital and consider the most supportive exchange for the revised direction. However, KML holds significant debts which may result in a significant decrease in its value or a potential restructure. The Company has no direct exposure to the debts held by KML but would be adversely affected by a poor commercial outcome, divestment of projects held by KML or a decrease in value of KML.

(h) **Office of State Revenue**

The Company is currently negotiating the amount of duty payable to the Office of State Revenue (**OSR**) incurred as a result of a difference in valuation of the dutiable property. The Company incurred, and paid, stamp duty totalling \$581,015 to the OSR on the acquisition of the Admiral Bay Project. This duty amount was based on a valuation of \$11.4 million. Subsequent to the payment of the duty, the OSR communicated to the Company that a compromise assessment be issued, and that duty of the transaction be assessed in the amount of \$695,715 (based on a dutiable value of \$13.4 million plus costs), being a difference of approximately \$114,000. These discussions remain ongoing. There is a risk that a higher amount may be required by the OSR should potential penalties be applied. If this were to occur, it would represent a significant cost for the Company.

7.3 Mining industry specific

(a) **Commodity Price Volatility and Exchange Rate Risks**

The revenue the Company will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include

supply and demand fluctuations for various commodities, technological advancements, forward selling activities and other macro-economic factors.

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

(b) Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(c) Tenure and access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. 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.

(d) Operating Risks

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

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.

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

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

(f) **Government policy changes**

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

(g) **Regulatory Risks**

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

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

(h) **Aboriginal Heritage sites**

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**). The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons. The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

The existence of Aboriginal heritage sites within the Company's projects may lead to restrictions on the areas that the Company will be able to explore and mine.

(i) **Native Title**

In relation to tenements which the Company has an interest in or may in the future acquire an interest in, there may be areas over which legitimate common law native title rights of Aboriginal Australians 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.

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

(j) **Equipment and availability**

The Company's ability to undertake mining and exploration activities is dependent upon its ability to source and acquire appropriate mining equipment. Equipment is not always available and the market for mining equipment experiences fluctuations in supply and demand. If the Company is unable to source appropriate equipment economically or at all then this would have a material adverse effect on the Company's financial and/or trading position.

(k) **Environmental**

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

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

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

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

7.4 General risks

(a) Competition Risk

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

(b) Economic

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.

(c) Market conditions

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

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

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

(d) 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 in addition to amounts raised under the Offer. 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.

(e) **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.

(f) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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 Shares under this Prospectus.

(g) **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.

7.5 Speculative investment

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

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

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

8. ADDITIONAL INFORMATION

8.1 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.

8.2 Continuous disclosure obligations

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

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on 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.

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 3 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.

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
02/09/2019	Further Kookynie and Yundamindra Gold Tenements
02/09/2019	Appendix 3B
27/08/2019	Tenement Acquisition
27/08/2019	Placement and Rights Issue Presentation
27/08/2019	Rights Issue and Share Placement
27/08/2019	Reinstatement to Official Quotation
26/08/2019	Extension of Voluntary Suspension
22/08/2019	Suspension from Official Quotation
21/08/2019	Trading Halt
16/08/2019	AMEC Investor Presentation
08/08/2019	Managing Director Video Update
31/07/2019	Metalicity Confirms Mineralisation
31/07/2019	Trading Halt
31/07/2019	Pause in Trading
29/07/2019	Quarterly Activities Report
29/07/2019	Quarterly Cashflow Report
16/07/2019	Drilling Update
01/07/2019	Initial Director's Interest Notice
26/06/2019	Metalicity Investor Video Update
26/06/2019	NME: Drilling commences Kookynie
26/06/2019	Drilling Commences at Kookynie Gold Project
11/06/2019	Replacement Appendix 3B
11/06/2019	Cleanse Statement
11/06/2019	Appendix 3B
06/06/2019	AMEC Convention Presentation

Date	Description of Announcement
02/09/2019	Further Kookynie and Yundamindra Gold Tenements
02/09/2019	Appendix 3B
31/05/2019	Reinstatement to Official Quotation
31/05/2019	Completion of Placement
30/05/2019	Extension of Voluntary Suspension
28/05/2019	Voluntary Suspension
24/05/2019	Trading Halt
23/05/2019	Kookynie Exploration Target Demonstrates Gold Potential
22/05/2019	Appointment of Managing Director and Executive Changes
21/05/2019	Exploration Underway at Kookynie and Yundamindra
13/05/2019	Change of Director's Interest Notice
13/05/2019	Change of Director's Interest Notice
09/05/2019	RIU Sydney Investor Presentation
06/05/2019	Metalicity Farms Into Eastern Goldfields Gold Projects
06/05/2019	NME: Farm in Agreement with Metalicity Ltd
03/05/2019	Potential Copper Nickel Mineralisation at Fraser Range North
26/04/2019	Quarterly Activities Report
26/04/2019	Quarterly Cashflow Report
12/04/2019	Cleansing Statement
12/04/2019	Appendix 3B
22/03/2019	Technical Advancements at Admiral Bay
14/03/2019	Half Year Accounts
13/03/2019	VRX: Update on Biranup Project Option
28/02/2019	Investor Presentation
28/02/2019	Admiral Bay TSX-V IPO Update
28/02/2019	Acquisition of 2 Projects in North Fraser Range
26/02/2019	Three Additional Project Applications in Paterson Belt
26/02/2019	Tenement Schedule at 31 December 2018
12/02/2019	Review of Paterson Province Geology
30/01/2019	Quarterly Activities Report
30/01/2019	Quarterly Cashflow Report
24/01/2019	Appointment of GM Exploration
21/01/2019	Final Director's Interest Notice
10/01/2019	Leadership Succession Plan Implemented
21/12/2018	Clarification of West Australian Article 21 December 2018

Date	Description of Announcement
02/09/2019	Further Kookynie and Yundamindra Gold Tenements
02/09/2019	Appendix 3B
21/12/2018	Pause in Trade
20/12/2018	Investor Presentation
20/12/2018	\$1.5M Cash Injection for Paterson Copper Exploration
13/12/2018	High Priority Targets at Paterson Copper Project
05/12/2018	Paterson Copper Exploration Team Appointed
23/11/2018	Results of Meeting
23/11/2018	AGM Investor Presentation
23/11/2018	Chairman's Address to Shareholders
21/11/2018	Change of Director's Interest Notice
16/11/2018	Nickel Exploration Projects Secured in Fraser Range
15/11/2018	VRX: Option over Biranup Project and Farm-in JV
15/11/2018	Nickel Exploration Projects Secured in Fraser Range
13/11/2018	Copper Projects Secured in Pilbara
13/11/2018	Allotment to FMG
31/10/2018	Quarterly Activities Report
31/10/2018	Quarterly Cashflow Report
25/10/2018	Notice of Annual General Meeting/Proxy Form
24/10/2018	Change of Director's Interest Notice
16/10/2018	Kimberley Mining TSX-V Listing Update
27/09/2018	Appendix 4G and Corporate Governance Statement 2018
27/09/2018	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.metalicity.com.au**.

8.3 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:

Highest	\$0.0150	31 Jul 2019
Lowest	\$0.0060	18, 25 and 28 June, 2 July, 29 and 30 August 2019
Last	\$0.0060	30 August 2019

8.4 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 Offer; or
- (c) the Offer,

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

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

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Mathew Longworth ¹	634,167	10,200,000	158,542	\$951.25
Jason Livingstone ²	Nil	4,000,000	Nil	Nil
Justin Barton ³	777,778	6,000,000	194,445	\$1,166.67
Andrew Daley ⁴	3,655,737	12,750,000	913,935	\$5,483.61

Notes:

1. Mr Longworth's relevant interest in Securities comprises an indirect interest (held by Matt Mining Pty Ltd <The Longworth Super Fund A/C>, an entity associated with Mr Longworth) in 634,167 Shares and 10,200,000 unlisted options, comprising of:
 - a. 2,000,000 Options exercisable at \$0.025 each on or before 23 July 2020;
 - b. 2,000,000 Options exercisable at \$0.03 each on or before 23 July 2020;
 - c. 2,000,000 Options exercisable at \$0.04 each on or before 23 July 2020;

- d. 1,400,000 Options exercisable at \$0.03 each on or before 10 December 2020;
 - e. 1,400,000 Options exercisable at \$0.04 each on or before 10 December 2020;
and
 - f. 1,400,000 Options exercisable at \$0.05 each on or before 10 December 2020.
2. Mr Livingstone's relevant interest in Securities comprises a direct interest in 2,000,000 unlisted options exercisable at \$0.025 expiring on 14 January 2022 and 2,000,000 unlisted options exercisable at \$0.035 expiring on 14 January 2022.
 3. Mr Barton's relevant interest in Securities comprises an indirect interest (held by Coventina Holdings Pty Ltd ATF <Coventina Family Trust>, an entity associated with Mr Barton) in 777,778 Shares, 2,000,000 unlisted options exercisable at \$0.06 expiring on 31 December 2019, 2,000,000 unlisted options exercisable at \$0.08 expiring on 31 December 2019 and 2,000,000 unlisted options exercisable at \$0.10 expiring on 31 December 2019.
 4. Mr Daley's relevant interest in Securities comprises an indirect interest (held by Mr Andrew and Mrs Ineke Daley <Motherlode Super Fund Account>, an entity associated with Mr Daley) in 3,655,737 Shares and 12,750,000 unlisted options.
 - a. 2,500,000 Options exercisable at \$0.025 each on or before 23 July 2020;
 - b. 2,500,000 Options exercisable at \$0.03 each on or before 23 July 2020;
 - c. 2,500,000 Options exercisable at \$0.04 each on or before 23 July 2020;
 - d. 1,750,000 Options exercisable at \$0.03 each on or before 10 December 2020;
 - e. 1,750,000 Options exercisable at \$0.04 each on or before 10 December 2020;
and
 - f. 1,750,000 Options exercisable at \$0.05 each on or before 10 December 2020.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

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 \$500,000 per annum.

A Director may be paid fees or other amounts (ie 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	FY2018	FY2019	FY2020
Mathew Longworth	\$67,500	\$196,897.91	\$75,000
Jason Livingstone	Nil	\$67,732.11	\$230,000

Justin Barton	\$194,448	\$ 182,648.40	\$200,000
Andrew Daley	\$90,000	\$99,424.59	\$50,000

Notes:

1. Mr Livingstone was appointed as Managing Director on 1 July 2019. Mr. Livingstone commenced employment with Metalicity Limited on 18 February 2019.
2. Mr. Longworth was appointed Non-Executive Chairman on 1 July 2019.
3. Mr Barton was appointed as an Executive Director on 1 January 2018.
4. Mr. Daley was appointed Non-Executive Director on 1 July 2019.

The Company notes Mathew Longworth was previously a director of Affinis Pty Ltd (**Affinis**). Affinis was a subsidiary of Echo Resources Limited (**Echo**) of which Mr Longworth was chairman. By extension of Mr Longworth's position as chairman, he was also a director of the wholly owned subsidiary. In late 2014 Echo sought to call in its loan to Affinis and subsequently appoint liquidators to Affinis. As a result, Affinis was liquidated during the course of 2015 by Bentley's Corporate Restructuring. The Directors (other than Mathew Longworth) have considered the above circumstances surrounding Mr Longworth's involvement in the above company and are of the view that Mr Longworth's involvement in this company in no way adversely impacts on his appointment and contribution as a Director of the Company.

The Company notes Andrew Daley was previously a director of Bulong Nickel Pty Ltd and Bulong Operations Pty Ltd (together, the **Bulong Companies**). The Bulong Companies were the subsidiaries of Preston Resources Ltd (**Preston**), which went into Administration in 2002. Barclays Bank was Preston's major creditor and continued to support the Bulong nickel mine operations after the boards of the two Bulong Companies were restructured. Mr Daley was employed by Barclays Capital London and was appointed as the Barclays director on the boards of the Bulong Companies. After approximately a year, continued high operating costs forced the closure of the mine and receivers were appointed for each of the Bulong Companies. The Directors (other than Andrew Daley) have considered the above circumstances surrounding Mr Daley's involvement in the above companies and are of the view that Mr Daley's involvement in these companies in no way adversely impacts on his appointment and contribution as a Director of the Company.

8.5 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) 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 2 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 Offer; or
 - (iii) the Offer,

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

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$31,359 (excluding GST and disbursements) for legal services provided to the Company.

8.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any persons named in this Prospectus with their consent as proposed directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this 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; and
- (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.

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

8.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$53,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

\$

ASIC fees	3,206
ASX fees	\$15,000
Legal fees	\$15,000
Printing and distribution	\$15,000
Miscellaneous	\$4,794
Total	\$53,000

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 8 9324 1053 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at **www.metalicity.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.

8.9 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.

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

The Company will not be issuing share or option certificates. The Company is a participant 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. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this 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.

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.

8.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application,

service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

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

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

9. 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.

Mathew Longworth
Non-Executive Chairman
For and on behalf of
Metalicity Limited

10. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer as the context requires.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Metalicity Limited (ACN 086 839 992).

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.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

New Option means an Option issued on the terms set out in Section 6.2 of this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means a Share or Option or Performance Right.

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

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.7 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

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