

METALS AUSTRALIA LTD
ACN 008 982 474

PROSPECTUS

This is a Prospectus for an offer of 83,333,333 Shares at an issue price of C\$0.0369 (A\$0.042) per Share to raise up to C\$3,076,500 (A\$3,500,000) (**Offer**).

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

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

IMPORTANT INFORMATION

This Prospectus is dated 22 February 2024 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 8 Parliament Place, West Perth WA 6005 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.3).

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or other eligible jurisdictions.

This Prospectus is a transaction specific prospectus for an offer of Shares over continuously quoted securities (as defined in the Corporations Act). It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact 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 advisors whom potential investors may consult.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not consider the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each

Applicant should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

Applications for Shares under the Offer will only be accepted on an Application Form that is attached to, or provided by the Company, with a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer 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 the Offer.

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.

Permitted Jurisdictions

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia and Canada.

Unless permitted under securities legislation, an Investor resident in Canada must not trade the Shares before the day that is four months and one day from the date which the Company becomes a reporting issuer in a Canadian jurisdiction, which has not occurred as of the date of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the securities in any

jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Forward looking statements

This Prospectus includes forward looking statements which have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions which could cause those acts, events and circumstances to differ materially from the expectations described in the forward-looking statements.

Definitions of certain terms used in this Prospectus are detailed in Section 7. All references to "\$" or "A\$" are references to Australian dollars and all references to "C\$" are references to Canadian dollars. All references to time are to AWST, unless otherwise indicated.

Risk Factors

There are a number of risks associated with investing in the Company and in the share market generally. The business, assets and operations of the Company are subject to certain risk factors having the potential to influence the operating and financial performance of the Company in the future. These risks can affect the value of an investment in the Company.

An investment in the Company is speculative in nature and investors should be aware they may lose some or all of their investment. Prospective investors should read this Prospectus in its entirety, and in particular, consider the risk factors detailed in Section 4.

CORPORATE DIRECTORY

Directors

Michael Scivolo

Non-Executive Chairman

Rachelle Domansky

Non-Executive Director

Basil Conti

Non-Executive Director

Alexander Biggs

Non-Executive Director

Chief Executive Officer

Paul Ferguson

Company Secretary and Chief Financial Officer

Michael Muhling

Registered Office

First Floor
8 Parliament Place
WEST PERTH WA 6005

Telephone: +61 8 9481 7833

Email: info@metalsaustralia.com.au

Website: www.metalsaustralia.com.au

ASX Code: MLS

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

Auditor

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

Share Registry*

Advanced Share Registry Limited
110 Stirling Highway
NEDLANDS WA 6009

Telephone: +61 8 9389 8033

Facsimile: +61 8 6370 4203

Legal Advisers to the Offer

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

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1. KEY INFORMATION WITH RESPECT TO THE OFFER

1.1 Proposed Timetable

Event	Date*
Lodgement of Prospectus with ASIC and ASX	22 February 2024
Opening Date of the Offer	22 February 2024
Closing Date of the Offer	26 February 2024
Issue of Shares pursuant to the Offer	26 February 2024

* These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

1.2 Key statistics of the Offer

	Shares
Offer Price per Share	C\$0.0369 (A\$0.042)
Shares on issue at the date of this Prospectus	624,036,191
Shares to be issued pursuant to the Offer	83,333,333
Total Shares on issue on completion of the Offer	707,369,524

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. 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 set out in Section 4.

The predominant risks relating to the Company and the Offer are summarised below:

Risk	Description
Flow-through placement risk	The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Income Tax Act (Canada) (Act). If the Company and the investors comply with the rules under the Act, the investors will be entitled to deduct the amount equal to the "Qualifying Expenditures" (as that term is defined in the Subscription Agreement) renounced in computing income for Canadian income tax purposes and receive additional Federal tax credits for expenditures targeting critical minerals. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares accrues only to the initial subscriber of the Shares and is not transferable.

Risk	Description
	The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to investors, are not described in this Prospectus. For further information with respect to this risk, refer to Section 4.1(h).
Foreign jurisdiction risk – Canadian government regulation	Adverse changes in Canadian 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 Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. For further information with respect to this risk, refer to Section 4.1(i).
Foreign Exchange Risk	The basis of the Offer has been estimated on an AUD to CAD foreign exchange rate of A\$1.00 = C\$0.88. Estimates of final monies obtained from the Offer are subject to finalisation of the foreign exchange rate used in the transfer of funds between Canada and Australia and may result in final sums higher or lower than as outlined in this Prospectus.
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.

2. DETAILS OF THE OFFER

2.1 The Offer

On 21 February 2024, the Company announced it executed the Subscription Agreement pursuant to which Wealth Creation Preservation & Donation Inc. (**WCPD**), as agent for certain investors (**Investors**), agreed to subscribe for an aggregate of 83,333,333 Shares at an issue price of C\$0.0369 (A\$0.042¹) per Share to raise approximately C\$3,076,500 (A\$3,500,000) (before costs).

This Prospectus invites WCPD or the Investors (or other persons invited by the Company) to apply for up to 83,333,333 Shares, at an issue price of C\$0.0369 per Share to raise approximately C\$3,076,500 (before associated costs) (**Offer**).

The Shares issued pursuant to this Prospectus will qualify as “flow-through shares” as defined in the Income Tax Act (Canada). If the Company and the Investors comply with the rules under the Act, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals. The tax benefits associated with the Shares are available only to the Investors (who are Canadian residents) and not to any other person who acquires the Shares through the on-sale or transfer of those Shares. Refer to Section 4.1(h) for the risks associated with the “flow-through shares”.

The Shares issued pursuant to the Offer will rank equally with the existing Shares on issue. Refer to Section 5.1 for details of the rights and liabilities attaching to Shares. The Company is only extending the Offer to specific Applicants and the Company will only provide Application Forms to these persons.

2.2 Opening and Closing Dates

The Company will accept Application Forms in respect of the Offer from Applicants from the Opening Date until the applicable Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend a Closing Date without prior notice. If a Closing Date is varied, subsequent dates may also be varied accordingly.

2.3 Minimum subscription

There is no minimum subscription in relation to the Offer.

2.4 Oversubscriptions

The Company will not accept any oversubscriptions in relation to the Offer.

2.5 Effect on control

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

¹ Using an exchange rate of A\$1.00 = C\$0.88

- (a) from 20% or below to more than 20% of issued capital of the Company;
or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

2.6 Not underwritten

The Offer is not underwritten.

2.7 Applications

The Company will separately advise Applicants of the application procedures for the Offer. Application Forms in respect of the Offer will only be provided by the Company to these parties.

2.8 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus.

If ASX does not grant Official Quotation of the Shares within three months after the date of this Prospectus (or such period as the ASX allows), no Shares will be issued.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

2.9 Allotment

The Directors will determine the eligible recipients of all the Shares under the Offer. The Company's decision on the number of Shares to be issued to an Applicant under the Offer will be final.

2.10 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) (if any) in accordance with the Corporations Act.

2.11 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities 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 or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.12 Risks of the Offer

An investment in Securities of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 4.

2.13 Taxation Implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.

2.14 Major Activities and Financial Information

A summary of the activities and financial information relating to the Company for the financial year ended 30 June 2023 is in the Annual Report which was lodged with ASX on 28 September 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 5.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

2.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's or Group's agents, contractors and third-party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Acceptance.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.16 Enquiries

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on + 61 8 9481 7833.

3. EFFECT OF THE OFFER

3.1 Effect on the Capital Structure

The effect of the Offer on the capital structure on the Company, assuming the Securities are issued, is as follows:

Class	Shares	Options ¹
Securities on issue at the date of this Prospectus	624,036,191	8,000,000 ²
Securities to be issued pursuant to the Offer	83,333,333	Nil
Total on completion of the Offer	707,369,524	8,000,000

Notes:

1. Comprising 4,000,000 unquoted Options exercisable at \$0.08 each and expiring 30 November 2025 and 4,000,000 unquoted Options exercisable at \$0.15 each and expiring 30 November 2025.
2. This amount does not include 5,000,000 unquoted Options exercisable at \$0.08 each and expiring 30 November 2025 and 5,000,000 unquoted Options exercisable at \$0.15 each and expiring 30 November 2025 that the Company has agreed to issue to the Chief Executive Officer, Paul Ferguson, following completion of 21 months of employment (i.e. 22 October 2025) with the Company and in accordance with the terms of Mr Ferguson's employment agreement. The Company has also agreed to issue Mr Ferguson 1,500,000 Shares following 6 months of service with the Company and an additional 1,500,000 Shares following 12 months of service. Refer to the Appendix 3B released to ASX on 20 December 2023 for further details.

3.2 Effect and Purpose of the Offer

The principal effect of the Offer will be to:

- (a) increase the Company's cash reserves by approximately C\$3,076,500 (A\$3,500,000 based on an exchange rate of A\$1.00 = C\$0.88) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 624,036,191 as at the date of this Prospectus to 707,369,524 Shares.

Upon the completion of the Offer, the funds raised are intended to be utilised as follows.

Use of funds	C\$	A\$ ¹	%
Lac Rainy graphite project drilling programs (including assaying & petrography).	2,800,000	3,181,818	90.909%
Lac Rainy graphite project channel sampling program (including assaying)	276,500	318,182	9.091%
Total	3,076,500	3,500,000	100%

Notes:

1. Using an exchange rate of A\$1.00 = C\$0.88.

The costs of the Offer (which are estimated to be A\$175,960, see Section 5.11 for further details) will be paid using the Company's existing cash reserves of approximately A\$14,853,000 (as at the date of this Prospectus).

3.3 Pro Forma Statement of Financial Position

Detailed below to demonstrate the indicative impact of the Offer on the financial position of the Company, a Pro Forma Statement of Financial Position has been provided below. The Company's audited Statement of Financial Position as at 30 June 2023 has been used for the purposes of preparing the Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offer had occurred by 30 June 2023.

The Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

Consolidated Statement of Financial Position	30 June 2023 (Audited) (A\$)	Offer (A\$)	Pro Forma 30 June 2023 (Unaudited) (A\$)
Current Assets			
Cash and cash equivalents	15,920,663	3,324,040	19,244,703
Other receivables	336,364	-	336,364
Other current assets	38,975	-	38,975
Total Current Assets	16,296,002	3,324,040	19,620,042
Non-Current Assets			
Exploration and evaluation assets	17,864,246	-	17,864,246
Total Non-Current Assets	17,864,246	-	17,864,246
Total Assets	34,160,248	3,324,040	37,484,288
Current Liabilities			
Trade and other payables	143,930	-	143,930
Flow-through share premium liability	-	1,000,000	1,000,000
Total Current Liabilities	143,930	1,000,000	1,143,930
Non-Current Liabilities			
Deferred tax liabilities	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	143,930	1,000,000	1,143,930

Consolidated Statement of Financial Position	30 June 2023 (Audited) (A\$)	Offer (A\$)	Pro Forma 30 June 2023 (Unaudited) (A\$)
Net Assets	34,016,318	2,324,040	36,340,358
Equity			
Issued capital	60,733,453	2,324,040	63,057,493
Reserves	2,011,127	-	2,011,127
Accumulated losses	(30,005,111)	-	(30,005,111)
Non-controlling interest	1,276,849	-	1,276,849
Total Equity	34,016,318	2,324,040	36,340,358

Notes and assumptions:

The key assumptions on which the Pro Forma Statement of Financial Position above is based are as follows:

- (a) The costs of the issue are A\$175,960;
- (b) A\$3,500,000 is raised under the Offer (based on 83,333,333 Shares issued at an issue price of C\$0.0369 (A\$0.042) and an exchange rate of A\$1.00 = C\$0.88); and
- (c) The flow-through share premium liability of \$1,000,000 is the 40% premium to the market price based on an issue price of \$0.042 and a market price of \$0.030, being the closing price of the Company's Shares on 16 February 2024.

3.4 Market Price of shares

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

Highest \$0.039 – 24 November 2023.

Lowest \$0.029 – 14 February 2024 and 15 February 2024.

The latest available closing price of the Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.029 per Share on 21 February 2024.

3.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. RISK FACTORS

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

4.1 Company specific risks

(a) 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.

(b) Acquisition and divestment of projects

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.

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.

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.

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 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.

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.

(c) **Contractual risk**

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.

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.

(d) **Tenement renewal risk**

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.

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 tenement for reasons beyond the control of the Company could be significant.

(e) **Mineral Resources estimates**

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 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.

(f) **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.

(g) **Climate risk**

There are a number of climate-related factors which may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) 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 the 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
- (ii) climate change may cause certain physical and environmental risks which 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.

(h) **Flow-through placement risk**

The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the Income Tax Act (Canada) (**Act**). The term "flow-through share", as defined in the Act, refers to a common share being issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur "Qualifying

Expenditures" (as that term is defined in the Subscription Agreement) and to renounce such expenditures in favour of the investor. In this regard, the Company has agreed to incur the Qualifying Expenditures in an amount equal to the gross proceeds raised in connection with the Offer by 31 December 2025, and to renounce such Qualifying Expenditures to the Investors effective no later than 31 December 2024. If the Company and the Investors comply with the rules under the Act, the Investors will be entitled to deduct an amount equal to the Qualifying Expenditures renounced in computing income for Canadian income tax purposes and receive additional Federal tax credits for expenditures targeting critical minerals. The right to deduct the Qualifying Expenditures renounced in respect of flow-through shares accrues only to the initial subscriber of the Shares and is not transferable.

The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of the Qualifying Expenditures to Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.

There is no guarantee that an amount equal to the total proceeds of the sale of the Shares will be expended on Qualifying Expenditures on or prior to 31 December 2025, or that the renunciation of such expenditures or the expected tax deductions and credits will be accepted by the Canada Revenue Agency. If the Company does not renounce to an Investor, effective on or before 31 December 2024, Qualifying Expenditures in an amount equal to the aggregate purchase price paid by such Investor for Shares under the Offer, or if there is a reduction in such amount renounced pursuant to the provisions of the Act, then the Company shall indemnify the Investor for an amount equal to the amount of any tax payable or that may become payable under the Act (and under any corresponding provincial legislation) by the Investor (or if the Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity. For certainty, the aforementioned indemnity shall have no force and effect to the extent that such indemnity, recourse or rights of action would otherwise cause the Shares to be "prescribed shares" within the meaning of section 6202.1 of the regulations to the Act.

(i) **Foreign jurisdiction risk – Canadian government regulation**

The Company's operating activities are subject to laws and regulations governing exploration of property, health and worker safety, employment standards, waste disposal, protection of the environment, land and water use, prospecting, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Company understands that it is currently in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or

planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable 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 stop or materially delay or restrict the Company from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or other activities and could result in material fines, penalties or other liabilities.

Adverse changes in Canadian 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 Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(j) **Transfer tax risk (Canada)**

The Company's tenement holdings in Quebec, Canada have been held by the Company's 100% owned Australian subsidiary, Quebec Lithium Ltd (**QLL**). The Company is in the process of transferring these Canadian Tenements from QLL into a separate 100% owned Canadian subsidiary, Lac Rainy Graphite Inc. (**LRG**). The Company has entered into a separate Earn-in Agreement with LRG and all funds raised under the Offer will be applied to the Canadian Tenements within LRG. The Company has obtained tax advice in respect to the transfer of the Canadian Tenements which has determined that any tax arising from the transfer of the Canadian Tenements from QLL to LRG will be deferred until such time as these tenements are sold or disposed of, should that occur. However, the Company cannot guarantee or be certain that there will be no tax associated with the transfer or any other associated costs which may have a negative impact on the Company's finances.

4.2 Industry Specific Risks

(a) **Exploration costs**

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.

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.

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 case 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.

(b) **Operational 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, 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.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be 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.

(c) **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 or 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.

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.

(d) **Environmental**

The operations and proposed activities of the Company are subject to Australian State and Federal laws and regulations and Canadian 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, including under Canadian laws and regulations. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

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 whether the outcome of such a review would be detrimental to the funding needs of the Company.

(e) **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.

(f) **Commodity price risk**

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.

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.

(g) **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.

(h) **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 the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

4.3 General Risks

(a) COVID-19

The outbreak of the coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (**COVID-19**) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations, with the potential for further outbreaks and new strains of the virus, the ongoing 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 further outbreaks and new strains of COVID-19. Further, any new 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.

In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.

(b) Global Conflicts

The current evolving conflict between Ukraine and Russia and Israel and Palestine (**Ukraine and Gaza Conflicts**) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts 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 and Gaza Conflicts.

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 and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries 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 and Gaza Conflicts 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.

(c) 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.

(d) **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.

(e) **Market conditions**

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

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

The market price of Shares 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.

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.

(f) **Litigation risks**

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, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) **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.

(h) **Payment of 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.

(i) **Foreign Exchange Risk**

The basis of the Offer has been estimated on an AUD to CAD foreign exchange rate of A\$1.00 = C\$0.88. Estimates of final monies obtained from the Offer are subject to finalisation of the foreign exchange rate used in the transfer of funds between Canada and Australia and may result in final sums higher or lower than as outlined in this Prospectus.

(j) **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 and tax advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law and except as covenanted by the Company in the Subscription Agreement including, without limitation, the indemnification provisions thereof, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences (including any consequences in connection with such shares constituting "flow-through shares" under the Act) of subscribing for Shares under this Prospectus.

(k) **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.

4.4 Investment Highly Speculative

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

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding

whether to apply for Shares. 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.

5. ADDITIONAL INFORMATION

5.1 Rights and liabilities attaching to 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.

5.2 Company is a Disclosing Entity

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. The Shares issued pursuant to this Prospectus are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Shares in the Company and the rights attaching to the Shares.

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.

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 applicable Closing Date:
 - (i) the Annual Report being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.3 below).

5.3 Copies of Documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer, a copy of:

- (a) the Annual Report, being the last financial year for which an annual financial report was lodged with ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Title of Announcement
21 February 2024	Appendix 3B
21 February 2024	MLS Raises A\$3.5M at 40% Premium to Accelerate Lac Rainy
16 February 2024	Trading Halt
12 February 2024	Appendix 3H – MLSOD Option Expiry
2 February 2024	Clarification Announcement
31 January 2024	Quarterly Activities/Appendix 5B Cashflow Report
30 January 2024	Progress Report – Priority Andover Look-Alike Drilling Targets at Warrambie
25 January 2024	Metals Australia Welcomes New CEO Paul Ferguson

Date Lodged	Title of Announcement
16 January 2024	Progress Report – Exceptional 64.3% Graphite and New Drilling at Lac Rainy
11 January 2024	Progress Report – LCT Pegmatite Discovery with High Lithium on New Trend
10 January 2024	Notification of MLSOD Option Expiry
3 January 2024	Appendix 3H – MLSOC Option Expiry
27 December 2023	Change of Director's Interest Notice – R Domansky
21 December 2023	Progress Report – Results confirm LCT Pegmatite Discovery at Corvette River
20 December 2023	Appendix 3B
20 December 2023	MLS Appoints Highly Experienced Mining Executive as CEO
19 December 2023	Progress Report – Spodumene Identified at Manindi Lithium Project
7 December 2023	Progress Report – Lithium Program Commenced at Warrambie, 10km from Andover
30 November 2023	Results of AGM
29 November 2023	Notification of MLSOC Option Expiry
28 November 2023	Progress Report – MLS CR1 Pegmatite 2500m from Patriots CV9 Discovery
31 October 2023	Quarterly Activities / Appendix 5B Cash Flow Report
31 October 2023	Notice of Annual General Meeting/Proxy Form
16 October 2023	Progress Report – Extensive High-Grade Graphite More than 50% at LAC Rainy
12 October 2023	2023 AGM Notification
2 October 2023	Progress Report – 63 Pegmatite Samples from Corvette River Tenements in Lab
28 September 2023	Appendix 4G and Corporate Governance Statement

The following documents are available for inspection throughout the Offer period during normal business hours at the registered office of the Company at Level 1, 8 Parliament Place, West Perth WA 6005:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.14 and the consents provided by the Directors to the issue of this Prospectus.

5.4 Information Excluded from Continuous Disclosure Notices

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 applicable 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 in Section 5.3.

5.5 Determination by ASIC

ASIC has not made a determination that would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares under this Prospectus.

5.6 Directors' Interests

Except as disclosed in this Prospectus, no Director and no firm in which a Director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or

proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or Shares offered under this Prospectus.

5.7 Directors' Interests in Securities

The Directors' relevant interests in Securities at the date of this Prospectus are detailed below:

Director ³	No. of Shares	No. of Performance Rights	No. of Options ²
Michael Scivolo	-	-	2,000,000
Basil Conti	-	-	2,000,000
Rachelle Domansky	1,000,000 ¹	-	2,000,000
Alexander Biggs	-	-	2,000,000

Notes:

1. Held indirectly by RND Odyssey Pty Ltd as Trustee for RND Superannuation Fund which Rachelle Domansky is a both a director and shareholder of.
2. Each Director holds 1,000,000 Unlisted Options exercisable at \$0.08 and expiring 30 November 2025 and 1,000,000 Unlisted Options exercisable at \$0.15 and expiring 30 November 2025.
3. The Company confirms that none of the directors will be participating in the Offer.

5.8 Directors' Remuneration

The Constitution provides that the total aggregate fixed sum per annum to be paid to Directors (excluding salaries of executive Directors) shall be no more than \$200,000 and may be varied by ordinary resolution of the Shareholders in general meeting. Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal shares. This does not apply to the remuneration of the Managing Director.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	FY ending 30 June 2023	FY ending 30 June 2024
Michael Scivolo	\$62,231 ¹	\$17,760 ⁵
Basil Conti	\$57,811 ²	\$13,320 ⁶

Director	FY ending 30 June 2023	FY ending 30 June 2024
Rachelle Domansky	\$56,551 ³	\$12,000 ⁷
Alexander Biggs	\$56,153 ⁴	\$13,320 ⁸

Notes:

1. Comprising \$16,000 in director's fees, \$1,680 in superannuation contributions, and \$44,551 in share-based payments.
2. Comprising \$12,000 in director's fees, \$1,260 in superannuation contributions, and \$44,551 in share-based payments.
3. Comprising \$12,000 in director's fees and \$44,551 in share-based payments.
4. Comprising \$10,500 in director's fees, \$1,102 in superannuation contributions, and \$44,451 in share-based payments.
5. Comprising \$16,000 in director's fees and \$1,760 in superannuation contributions.
6. Comprising \$12,000 in director's fees and \$1,320 in superannuation contributions.
7. Comprising \$12,000 in director's fees.
8. Comprising \$12,000 in director's fees and \$1,320 in superannuation contributions.

5.9 Substantial Shareholders

Based on publicly available information and notices provided to the Company, as at the date of this Prospectus the following party is the only Shareholder to have a voting power of above 5% in the Company.

Shareholder	Shares held	% of total Shares
James John del Piano, Coniston Pty Ltd, Corporate Resource Services, Kalgoorlie Mine Management, Caconda Pty Ltd and Pan Pacific Mining Pty Ltd	91,725,000	14.70%

The Company confirms that James John del Piano (or any of the entities referred to above) will not be participating in the Offer. Based on notices provided to the Company, is not expected that any other holders will have a voting power of above 5% in the Company as a consequence of the completion of the Offer.

5.10 Interests of Other Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

5.11 Expenses of Offer

The estimated expenses of the Offer payable by the Company (exclusive of GST) are as follows:

Description	Amount
ASIC Fees	A\$3,206
ASX Fees	A\$12,754
Legal Fees ¹	A\$90,000
Lead Manager Fees	A\$70,000
Total	A\$175,960

Notes:

1. Includes fees payable to the Company's Australian and Canadian counsel Lavery de Billy LLP.

5.12 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after issue. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Securities issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and also as required by the Listing Rules and the Corporations Act.

5.13 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
- 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:

- (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 any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Alpine Capital Pty Limited has acted as the lead manager of the Offer. The Company estimates it will pay Alpine Capital Pty Limited \$70,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Alpine Capital Pty Limited has not received any fees from the Company.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (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 \$57,753.09 (excluding GST and disbursements) for legal services provided to the Company.

Moore Australia Audit (WA) has been paid \$15,500 for auditing the Company's 30 June 2023 annual financial report. During the 24 months preceding lodgement of this Prospectus with the ASIC, Moore Australia Audit (WA) has received \$49,581 (excluding GST) in fees from the Company.

5.14 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 in this Prospectus as Australian solicitors to the Company.

Alpine Capital Pty Limited has given its written consent to being named in this Prospectus as a Lead Manager to the Company.

Moore Australia Audit (WA) has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 30 June 2023 audited balance sheet of the Company in Section 3.3.

6. DIRECTORS' STATEMENT AND CONSENT

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.

7. GLOSSARY

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$ means Australian dollars.

Acceptance means a valid acceptance of Shares under the Offer made pursuant to this Prospectus on an Application Form.

Act has the meaning given in Section 4.1(h).

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2023 includes the corporate directory, Director's report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, notes to the consolidated financial statements, together with an independent auditor's report for the period to 30 June 2023.

Applicant means a person who submits an Application Form.

Application means a valid application under an Offer made on an Application Form.

Application Form means the application form provided by the Company with a copy of this Prospectus with respect to the Offer.

Application Monies means the monies paid by Applicants in respect of Shares the subject of an Application.

ASIC means the Australian Securities and Investments Commission.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Western Standard Time, being the time in Perth, Western Australia.

C\$ means Canadian dollars.

Canadian Tenements means 217 claims consisting of the Company's Lac Rainy Gold Project, the Eade Gold Project, the Pontois Gold Project, and the Felice Gold Project, which are all located in the Province of Quebec and the subject of the Earn-in Agreement.

CHESS means ASX Clearing House Electronic Subregistry System.

Claim means all of the Company's mineral claims.

Closing Date means the date on which the Offer closes pursuant to the timetable set out in Section 1.1 (unless otherwise brought forward or extended pursuant to the terms of the Offer).

Company means Metals Australia Limited ACN 008 982 474.

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

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

Directors mean a director of the Company as at the date of this Prospectus.

Earn-in Agreement means the earn-in agreement between the Company and LRG in respect of the Canadian Tenements dated 16 February 2024.

Group means the Company and its related bodies corporate.

Investors has the meaning given in Section 2.1.

Listing Rules means the listing rules of ASX.

Offer has the meaning given in Section 2.1.

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

Opening Date means the date on which the Offer open pursuant to the timetable set out in Section 1.1.

Prospectus means this prospectus dated 22 February 2024.

Section means a section of this Prospectus.

Securities mean any securities (including Shares) issued or granted by the Company.

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

Shareholder means a holder of Shares.

Subscription Agreement means the subscription and renunciation agreement between the Company and WCPD dated 19 February 2024.

WCPD means Wealth Creation Preservation & Donation Inc.