

ASX RELEASE: 17 August 2020

## Explanatory Note - Prospectus

Metalicity Limited (ASX: MCT) (“MCT” or “Company”) is pleased to provide an explanatory note concerning the attached Prospectus dated 17<sup>th</sup> August 2020.

The issuance of options described in the Prospectus dated 17<sup>th</sup> August 2020 deals with Resolutions 1, 2, 3, 4 and 5 as voted upon in the General Meeting held at 10am WST Thursday, 13<sup>th</sup> August 2020<sup>1</sup>.

### Commenting on the Prospectus, Metalicity Managing Director, Jason Livingstone said:

*“On the 20<sup>th</sup> May 2020, we announced the close of an oversubscribed entitlement offer and placement. This was an incredible turning point for the Company, and I am excited as we are currently drilling and expect assay results this week. This Prospectus is an administrative step dealing with the Resolutions duly passed at last week’s Extraordinary General Meeting and I thank those option holders for their support.”*

This Announcement is approved by Jason Livingstone, Managing Director & CEO of Metalicity Limited.

<sup>1</sup>Please refer to ASX Announcement titled “Results of Meeting” dated 13<sup>th</sup> August 2020.

## ENQUIRIES

Jason Livingstone  
Managing Director & CEO  
+61 (0)8 6500 0202  
[jlivingstone@metalicity.com.au](mailto:jlivingstone@metalicity.com.au)

### Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have reasonable basis. However, forward-looking statements:

(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;

(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such risks include, without limitation, resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which the Company operates or supplies or sells product to, and governmental regulation and judicial outcomes; and

(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

All forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward-looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

The Company disclaims any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise.



Jason Livingstone  
Managing Director  
17 August 2020

## **METALICITY LIMITED**

### **ACN 086 839 992**

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## **PROSPECTUS**

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For offers of:

- (a) 90,000,000 New Options exercisable at \$0.004 per New Option on or before 22 May 2022 to Capital Raising Participants on the basis of one (1) New Option for every two (2) Placement Shares subscribed for and issued under the Capital Raising (**Placement Offer**); and
- (b) 87,500,000 New Options exercisable at \$0.004 per New Option on or before 22 May 2022 to Canaccord and Sub-Underwriters (**Adviser Offer**),

together, the **Offers**.

### **IMPORTANT INFORMATION**

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

**The New Options offered under this Prospectus should be considered speculative.**

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## 1. CORPORATE DIRECTORY

### **Directors**

Mathew Longworth  
*Non-Executive Chairman*

Jason Livingstone  
*Managing Director*

Justin Barton  
*Chief Financial Officer and Executive Director*

Andrew Daley  
*Non-Executive Director*

### **Company Secretary**

Neil Hackett

### **ASX Code**

MCT

### **Registered Office**

Level 25  
108 St Georges Terrace  
PERTH WA 6000

Telephone: +61 8 6500 0202

Email: [info@metalcity.com.au](mailto:info@metalcity.com.au)  
Website: [www.metalcity.com.au](http://www.metalcity.com.au)

### **Share Registry\***

Link Market Services  
QV1 Building  
Level 12  
250 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 554 474

Facsimile: +61 2 9287 0303

### **Legal Adviser**

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

### **Auditor\***

Stantons International  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

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

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**2. INDICATIVE TIMETABLE**

Lodgement of Prospectus with the ASIC and ASX	17 August 2020
Opening Date of the Offers	17 August 2020
Closing Date of the Offers*	5:00pm (WST) 28 August 2020

*\*The above dates are indicative only and may change without notice. The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the New Options are expected to commence trading on ASX may vary with any change in the Closing Date.*

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### **3. IMPORTANT NOTES**

#### **3.1 Introduction**

This Prospectus is dated 17 August 2020 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offers are only available to those who are personally invited to accept the Offers. Prospective investors should be aware that:

- (a) the Placement Offer is only being made available for application by the Capital Raising Participants; and
- (b) the Adviser Offer is only being made available for application by Canaccord and Sub-Underwriters.

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

Applications for New Options offered pursuant to the Offers can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. 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 prospective investors may consult.

#### **3.2 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 New Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

#### **3.3 Risk factors**

Prospective investors should be aware that subscribing for New Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Options 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 New Options pursuant to this Prospectus.

### **3.4 Overseas Investors**

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 applicable restrictions. Any failure to comply with applicable restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of New Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

### **3.5 Disclaimer**

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

### **3.6 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.

### **3.7 Website**

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

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## 4. DETAILS OF THE OFFERS

### 4.1 The Placement Offer

#### 4.1.1 Background

As announced on 20 May 2020, the Company secured funding of \$360,000 by a placement of 180,000,000 Shares to professional and sophisticated investors (**Capital Raising**). The Capital Raising was undertaken on the same terms as the Rights Issue. Accordingly, the Company has agreed to issue one (1) free attaching New Option for every two (2) Shares subscribed for and issued under the Capital Raising.

The funds raised under the Capital Raising are being used to continue the exploration and development of the Kookynie Gold Project.

The Company completed the issue of the 180,000,000 Shares under the Capital Raising on 22 May 2020 pursuant to its existing placement capacity under ASX Listing Rule 7.1 (**Placement Shares**).

The purpose of the Placement Offer is to make the offer of 90,000,000 New Options to the participants that subscribed for and were issued Placement Shares under the Capital Raising (**Capital Raising Participants**).

The Company engaged Canaccord Genuity (Australia) Limited (**Canaccord**) to act as lead manager to the Capital Raising. Canaccord was paid a fee of 6% plus GST on the total funds raised in consideration for lead manager services provided in relation to the Capital Raising.

Shareholders approved the issue of the 90,000,000 New Options to the Capital Raising Participants at the August General Meeting. Please refer to resolution 4 set out in the Notice of GM.

#### 4.1.2 Details

The Placement Offer is for 90,000,000 New Options and is available for application by the Capital Raising Participants only on the basis of one (1) New Option for every two (2) Placement Shares subscribed for and issued under the Capital Raising in accordance with the terms of the Capital Raising.

The Placement Offer will only be extended to Capital Raising Participants. Application Forms in relation to the Placement Offer will only be provided by the Company to these parties together with a copy of this Prospectus.

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1, being the same terms and conditions as the existing class of quoted Options trading under ASX: MCTO. All Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6.2 for further information regarding the rights and liabilities attaching to Shares.

No funds will be raised pursuant to the Placement Offer as the New Options are being issued free attaching at a nil issue price in accordance with the terms of the Capital Raising.



## 4.2 The Adviser Offer

### 4.2.1 Background

As announced on 28 April 2020, the Company proceeded with a non-renounceable rights issue of two (2) Shares for every three (3) Shares held by eligible Shareholders (at the relevant record date) at an issue price of \$0.002 per Share to raise up to \$966,984, together with one (1) free attaching New Option for every two (2) Shares subscribed for and issued (**Rights Issue**).

The Company lodged a prospectus for the Rights Issue with the ASIC on 27 April 2020 (**Rights Issue Prospectus**).

The Rights Issue was partially underwritten by Canaccord. Canaccord also acted as lead manager to the Rights Issue.

In addition, Canaccord entered into sub-underwriting arrangements with a number of sub-underwriters who committed to sub-underwrite the Rights Issue to the full underwritten amount (**Sub-Underwriters**).

The Company agreed to issue:

- (a) 25,000,000 New Options to Canaccord; and
- (b) 62,500,000 New Options to Sub-Underwriters,

as part consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue.

Please refer to the Rights Issue Prospectus for further details in relation to the Rights Issue and the partial underwriting by Canaccord, in addition to the fees payable to Canaccord and Sub-Underwriters for services provided in relation to the Rights Issue.

Shareholders approved the issue of the 25,000,000 New Options to Canaccord and the issue of the 62,500,000 New Options to Sub-Underwriters at the August General Meeting. Please refer to resolutions 1 and 2 set out in the Notice of GM.

### 4.2.2 Details

The Adviser Offer is for 87,500,000 New Options and is available for application by Canaccord and Sub-Underwriters only on the basis of the allocation set out below:

- (a) 25,000,000 New Options to Canaccord; and
- (b) 62,500,000 New Options to Sub-Underwriters (on the basis of one (1) New Option for every four (4) Shares sub-underwritten).

The Adviser Offer will only be extended to Canaccord and Sub-Underwriters. Application Forms in relation to the Adviser Offer will only be provided by the Company to these parties together with a copy of this Prospectus.

All New Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1, being the same terms and conditions as the existing class of quoted Options trading under ASX: MCTO. All Shares issued upon the future exercise of the New Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to

Section 6.2 for further information regarding the rights and liabilities attaching to Shares.

No funds will be raised pursuant to the Adviser Offer as the New Options are being issued at a nil issue price, in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue, apart from a nominal option fee of \$50 payable by Canaccord.

#### **4.3 Objectives**

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

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

#### **4.4 Minimum subscription**

There is no minimum subscription under either of the Offers and there is no provision for oversubscriptions under either of the Offers.

#### **4.5 Offer Period**

The Offers will open on 17 August 2020 and close at 5:00 pm WST on 28 August 2020, subject to any variation of the Closing Date by the Directors as they may determine at their absolute discretion.

#### **4.6 Applications for New Options**

This Prospectus will only be sent to Eligible Applicants.

Applications for New Options can only be made by Eligible Applicants and must be made using an Application Form accompanying this Prospectus (as applicable) and otherwise at the direction of the Company.

Eligible Applicants are not required to make any payment for the New Options.

Completed Application Forms must be mailed or delivered to the Company as follows:

<b>Delivery by hand</b>	<b>Delivery by post</b>
Metalicity Limited Level 25 108 St Georges Terrace PERTH WA 6000	Metalicity Limited PO Box 993 WEST PERTH WA 6872

Entitlements to New Options are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you will be unable to transfer your entitlement to New Options to another party.

All applications, once received, are irrevocable.

Eligible Applicants should seek and rely on their own taxation advice regarding the acquisition and exercise of New Options as the taxation consequences will depend on the particular circumstances of each Eligible Applicant.

#### **4.7 Issue of New Options**

The issue of New Options offered under the Offers will take place as soon as practicable after the Closing Date.

Holding statements for the New Options issued under the Offers will be mailed in accordance with the ASX Listing Rules as soon as practicable after their issue.

#### **4.8 ASX Listing**

The Company will apply for Official Quotation of New Options offered under this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the New Options offered under the Offers 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 New Options under the Offers. No application monies will be repayable if the New Options are not issued within this time period given that New Options are being issued under the Offers for nil consideration.

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

#### **4.9 Restrictions on the distribution of this Prospectus**

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

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

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up New Options on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of applicable laws and that all approvals and consents have been obtained.

#### **4.10 Enquiries**

Any queries concerning the Offers should be directed to Neil Hackett, Company Secretary, on +61 8 6500 0202.

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## **5. PURPOSE AND EFFECT OF THE OFFERS**

### **5.1 Purpose of the Offers**

#### **5.1.1 The Placement Offer**

The Placement Offer is being undertaken for the Company to offer the 90,000,000 New Options to the Capital Raising Participants who participated in the Capital Raising on the basis of one (1) New Option for every two (2) Placement Shares subscribed for and issued.

No funds will be raised pursuant to the Placement Offer as the New Options are being issued free attaching at a nil issue price in accordance with the terms of the Capital Raising.

Please refer to Section 4.1 for further details in relation to the Placement Offer.

#### **5.1.2 The Adviser Offer**

The Adviser Offer is being undertaken for the Company to offer the 87,500,000 New Options to Canaccord and Sub-Underwriters as part consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue.

No funds will be raised pursuant to the Adviser Offer as the New Options are being issued at a nil issue price, in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue, apart from a nominal option fee of \$50 payable by Canaccord.

Please refer to Section 4.2 for further details in relation to the Adviser Offer.

#### **5.1.3 Other purposes**

In addition to the above, the purpose of the Offers is to also:

- (a) give Eligible Applicants who receive the New Options the opportunity to trade those New Options on a listed, public financial market, being the financial market operated by the ASX; and
- (b) ensure the Shares issued upon the exercise of any of the New Options issued under the Placement Offer and the Adviser Offer can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer, as set out in Section 4.3 above.

### **5.2 Financial effect of the Offers**

There will be no funds raised from the Offers.

The expenses of the Offers will be met from the Company's existing cash reserves. Accordingly, the Offers will have an effect on the Company's financial position, being the decrease in the Company's existing cash reserves as a result of the expenses of the Offers.

Please refer to Section 8.7 for the estimated expenses of the Offers.

### 5.3 Effect of the Offers on capital structure

The principal effect of the Offers on the capital structure of the Company, assuming all New Options are issued and no other Options are exercised or Performance Rights vest is set out below:

#### Shares

	Number
Shares currently on issue <sup>1</sup>	1,467,416,352
Shares offered pursuant to the Offers	Nil
<b>Total Shares on issue after completion of the Offers</b>	<b>1,467,416,352</b>

#### Notes:

- At the August General Meeting, Shareholders approved the issue of 23,882,240 Shares in aggregate to the Directors in lieu of \$64,482.05 in accrued Directors' fees and salaries. Please refer to resolutions 6 to 9 set out in the Notice of GM. The Company issued the 23,882,240 Shares respectively to the Directors on 14 August 2020.

#### Options

	Number
Options currently on issue (quoted):	
exercisable at \$0.004 on or before 22 May 2020 (ASX: MCTO)	207,616,890
Options currently on issue (unquoted):	
exercisable at \$0.03 on or before 10 December 2020	3,150,000
exercisable at \$0.04 on or before 10 December 2020	4,550,000
exercisable at \$0.05 on or before 10 December 2020	4,550,000
exercisable at \$0.06 on or before 26 August 2021	2,500,000
exercisable at \$0.08 on or before 26 August 2021	2,500,000
exercisable at \$0.10 on or before 26 August 2021	2,500,000
exercisable at \$0.025 on or before 14 January 2022	2,000,000
exercisable at \$0.035 on or before 14 January 2022	2,000,000
exercisable at \$0.02 on or before 31 May 2022	10,785,715
exercisable at \$0.08 on or before 18 August 2020	12,766,670
exercisable at \$0.08 on or before 14 February 2023	25,709,467
exercisable at \$0.06 on or before 12 March 2021	3,000,000
exercisable at \$0.08 on or before 12 March 2021	3,000,000
exercisable at \$0.015 on or before 9 September 2020	2,533,333
exercisable at \$0.015 on or before 4 October 2020	6,768,765
exercisable at \$0.015 on or before 18 October 2020	8,018,000
exercisable at \$0.003 on or before 14 August 2022 <sup>1</sup>	25,000,000
<b>Total Options on issue as at the date of this Prospectus</b>	<b>328,948,840</b>
New Options offered pursuant to the Placement Offer	90,000,000
New Options offered pursuant to the Adviser Offer	87,500,000
<b>Total Options on issue after completion of the Offers</b>	<b>506,448,840</b>

**Notes:**

1. At the August General Meeting, Shareholders approved the issue of 25,000,000 Options (exercisable at \$0.003 on or before the date which is two (2) years from the date of issue) to Canaccord as part consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue. Please refer to resolution 3 set out in the Notice of GM. The Company issued the 25,000,000 Options (exercisable at \$0.003 on or before the date which is two (2) years from the date of issue) to Canaccord on 17 August 2020.

**Performance Rights**

	<b>Number</b>
Performance Rights currently on issue:	
vesting at \$0.06 expiring on 15 March 2021	400,000
vesting at \$0.025 expiring on 30 January 2023	1,000,000
vesting at \$0.05 expiring on 30 January 2023	15,650,000
Performance Rights offered pursuant to the Offers	Nil
<b>Total Performance Rights on issue after completion of the Offers</b>	<b>17,050,000</b>

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

**5.4 Details of substantial holders**

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

In the event all New Options are issued no person will become a substantial holder of the Company on completion of the Offers.

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## 6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

### 6.1 Terms and conditions of New 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 \$0.004 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 22 May 2022 (**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) allot and 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 paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

## **6.2 Terms and conditions of Shares**

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued on exercise of a New Option. 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.

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## 7. RISK FACTORS

### 7.1 Introduction

The New Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend prospective investors to 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 New Options 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 New Options and the underlying Shares.

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) Coronavirus (COVID-19)

The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The COVID-19 pandemic may also give rise to issues, delays or restrictions in relation to land access and the Company's ability to freely move people and equipment to and from exploration projects may cause delays or cost increases. The effects of COVID -19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on potential revenue channels and any adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.

#### (b) Going concern risk

The Company's half-year report for the half-year ended 31 December 2019 (**Half-Year Report**) includes a note on the financial condition of the Company and the existence of a material uncertainty

about the Company's ability to continue as a going concern as set out below:

*"At 31 December 2019, the company had net assets of \$2,422,764, cash and cash equivalents of \$220,384 and net working capital surplus of \$1,652,061. The company had incurred a loss for the period ended 31 December 2019 of \$1,040,347.*

*The ability of the company to continue as a going concern and meet its administration and other commitments is dependent upon the company raising further working capital and/or commencing profitable operations. In the event the company is unable to raise further working capital and/or commence profitable operations, the company may not be able to meet its liabilities as they fall due, or realise its assets and their stated values."*

Notwithstanding the above, the Directors stated in the Half-Year Report that:

*"The directors have reviewed the business outlook and cash flow forecasts and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will continue to raise further funds through the disposal of non-core assets and capital raisings and will meet its expenditure commitments as required."*

(c) **Exploration, development, mining and processing risks**

The tenements of the Company are at various stages of exploration, and prospective 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.

(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) **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.

(f) **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.

(g) **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.

(h) **Kimberley Mining Limited**

The Company is the largest shareholder in Canadian company Kimberley Mining Limited (**KML**) (with an approximate 80.3% interest). KML holds the Admiral Bay Zinc Project and incidental zinc assets.

KML's strategy had been to list on the TSXV. However, KML decided to not pursue the TSXV initial public offering due to poor market conditions. With the Company's assistance, KML has reduced all its costs and the project is on "care and maintenance".

The main Exploration License (E04/1610) was granted a two-year extension in September 2019. The Company is now actively exploring opportunities to monetise this asset.

The Company will keep the market updated of any developments through its efforts to monetise this asset in accordance with its continuous disclosure obligations.

The Company would be affected by a poor commercial outcome, divestment of projects held by KML or a decrease in value of KML.

(i) **Office of State Revenue**

The Company has been 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. The OSR has confirmed that it will settle the matter for payment of \$145,600.

(j) **US Legal Proceedings**

As set out in the Company's Quarterly Activities Report released on 30 July 2020, the Company is aware of a claim filed in the United States District Court for the District of Minnesota in relation to the Company's previous activities, at which time it operated under the name *Portland Orthopaedics Limited*. The Company is currently seeking advice from US legal counsel on the matter.

### 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 acquire 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.

(l) **Mineral Resources Estimates**

Mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop mineral resources. Consequently, the actual mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, mineral resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

## **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:

- (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 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.

In addition, the extent of the effects of COVID-19 is at this stage uncertain and continuing to evolve. The COVID-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the value of the Company's quoted securities.

(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 prospective 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 New Options offered under this Prospectus.

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

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

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## **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 other than as set out in Section 7.2(j).

### **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
14 August 2020	NME: Shareholder Update
14 August 2020	Update for High Grade Kookynie Gold Project
13 August 2020	Results of Meeting
10 August 2020	Appendix 2A
30 July 2020	Quarterly Cashflow Report
30 July 2020	Quarterly Activities Report
24 July 2020	Appendix 2A
22 July 2020	DrillingNME: Recommences at High-Grade Kookynie Gold Project
22 July 2020	Major Drilling Programme Commences at Kookynie
17 July 2020	Replacement Appendix 2A
17 July 2020	Appendix 3Y Andrew Daley
16 July 2020	Appendix 3Y Jason Livingstone
16 July 2020	Appendix 2A
10 July 2020	Notice of General Meeting/Proxy Form
10 July 2020	NME:Kookynie Continues to deliver Outstanding Drilling Results
10 July 2020	Outstanding Further High Grade Gold Results
6 July 2020	NME: Drilling Recommences Kookynie Gold Project
6 July 2020	Drilling Recommences at Kookynie Gold Project
3 July 2020	Appendix 2A
2 July 2020	NME: Further Excellent High Grade Assays at Kookynie
2 July 2020	Further Excellent Near Surface High Grade Assays at Kookynie
25 June 2020	NME:Spectacular High-Grade Results From Drilling at Kookynie
25 June 2020	Spectacular High Grade Results from First Assays at Kookynie
24 June 2020	Trading Halt
22 June 2020	Significant Tenement Application adds to Kookynie Project
18 June 2020	Appendix 2A
15 June 2020	Process to Convert Options
10 June 2020	Phase One Drilling Completed

Date	Description of Announcement
9 June 2020	Extremely High Grade Historical Channel Samples Cosmopolitan
3 June 2020	Reinstatement of Class (MCTO) to Official Quotation
2 June 2020	Step Change for Kookynie Gold Project
1 June 2020	Appendix 2A
1 June 2020	Replacement Appendix 3Y
29 May 2020	Change of Director's Interest Notice
27 May 2020	Drilling Underway at High Grade Kookynie Gold Project
27 May 2020	Investor Presentation
26 May 2020	Response to ASX Price Query
22 May 2020	Suspension of Class MCTO from Official Quotation
22 May 2020	Appendix 2A
20 May 2020	Entitlement Issue Closes Oversubscribed
12 May 2020	Metalicity to Commence Drilling Kookynie Gold Project
11 May 2020	Details of Company Address
7 May 2020	Confirmation of Prospectus Dispatch
30 April 2020	Quarterly Cashflow Report
30 April 2020	Quarterly Activities Report
28 April 2020	Proposed issue of Securities - MCT
28 April 2020	Non-Renounceable Issue Prospectus
28 April 2020	Partially Underwritten Non Renounceable Rights Issue
22 April 2020	Trading Halt
24 March 2020	Company Update
16 March 2020	Half Year Accounts
12 March 2020	Kookynie Gold Exploration Target
14 February 2020	Change of Director's Interest Notice
14 February 2020	Change of Director's Interest Notice
14 February 2020	Cleanse Statement
14 February 2020	Proposed Issue of Securities - MCT
12 February 2020	Metalicity and Nex Metals Corporate Discussions
10 February 2020	Sale of Lithium Royalty
31 January 2020	Quarterly Activities Report
31 January 2020	Quarterly Cashflow Report
21 January 2020	Kookynie Gold Drill Hole Intercepts
19 December 2019	Kookynie Gold Project Drilling Update
28 November 2019	Managing Director Contract Update
27 November 2019	NME: Kookynie Drilling Campaign by Metalicity
27 November 2019	Kookynie Gold Drilling Campaign to Begin
25 November 2019	Results of Meeting
21 November 2019	Kimberley Mining Update
7 November 2019	New Gold Tenements Pegged in Kookynie Area
30 October 2019	Change of Directors Interest Notice



Date	Description of Announcement
30 October 2019	Quarterly Cashflow Report
30 October 2019	Quarterly Activities Report
25 October 2019	Replacement Appendix 3B
25 October 2019	Notice of Annual General Meeting/Proxy Form
18 October 2019	Cleansing Statement
18 October 2019	Appendix 3B
18 October 2019	Close of Entitlement Offer and Subscriptions
16 October 2019	Brisbane Resources Round Up Investor Presentation
11 October 2019	Commences Next Phase of Drill Planning at Kookynie Project
7 October 2019	Cleansing Statement
7 October 2019	Appendix 3B
4 October 2019	Placement to Sophisticated Investor
2 October 2019	Additional Gold Mineralisation Confirmed at Kookynie

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](http://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:

	Price	Date
<b>Highest</b>	\$0.045	30 June 2020
<b>Lowest</b>	\$0.003	21 May 2020
<b>Last</b>	\$0.025	14 August 2020

### 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 Offers; or

(c) the Offers,

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

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offers.

### **Security holdings**

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

<b>Director</b>	<b>Shares</b>	<b>Options</b>	<b>Perf. Rights</b>
Mathew Longworth <sup>1</sup>	4,909,148	4,495,947	-
Jason Livingstone <sup>2</sup>	23,574,348	4,000,000	10,000,000
Justin Barton <sup>3</sup>	15,076,320	362,964	5,650,000
Andrew Daley <sup>4</sup>	13,993,011	5,250,000	-

#### **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 4,909,148 Shares and 4,495,947 Options, comprising of:
  - (a) 31,709 unlisted Options exercisable at \$0.015 each on or before 18 October 2020;
  - (b) 1,400,000 unlisted Options exercisable at \$0.03 each on or before 10 December 2020;
  - (c) 1,400,000 unlisted Options exercisable at \$0.04 each on or before 10 December 2020;
  - (d) 1,400,000 unlisted Options exercisable at \$0.05 each on or before 10 December 2020; and
  - (e) 264,238 listed Options exercisable at \$0.004 each on or before 22 May 2022.
2. Mr Livingstone's relevant interest in securities comprises a direct interest in 23,574,348 Shares, 10,000,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 2,000,000 unlisted Options exercisable at \$0.025 each on or before 14 January 2022 and 2,000,000 unlisted Options exercisable at \$0.035 each on or before 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 15,076,320 Shares, 38,889 unlisted Options exercisable at \$0.015 each on or before 18 October 2020, 5,650,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023 and 324,075 listed Options exercisable at \$0.004 each on or before 22 May 2022.
4. Mr Daley's relevant interest in securities comprises an indirect interest (held by Mr Andrew Daley and Mrs Ineke Daley <Motherlode Super Fund Account>, an entity associated with Mr Daley) in 13,993,011 Shares and 5,250,000 Options, comprising of:
  - (a) 1,750,000 unlisted Options exercisable at \$0.03 each on or before 10 December 2020;
  - (b) 1,750,000 unlisted Options exercisable at \$0.04 each on or before 10 December 2020; and
  - (c) 1,750,000 unlisted Options exercisable at \$0.05 each on or before 10 December 2020.

## 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 annual remuneration paid to both executive and non-executive directors for the previous two financial years and the proposed annual remuneration for the current financial year.

Director	FY2019 <sup>1</sup>	FY2020 <sup>1, 2</sup>	FY2021 <sup>1</sup>
Mathew Longworth	\$199,742	\$60,000	\$75,000
Jason Livingstone <sup>3</sup>	\$90,231	\$270,971	\$230,000
Justin Barton	\$212,458	\$221,510	\$200,000
Andrew Daley	\$83,750	\$40,000	\$50,000

### Notes:

1. Includes statutory superannuation.
2. Shareholders should note the Company's ASX Announcement released on 24 March 2020 in relation to Board remuneration and executive salaries. As set out in the ASX announcement, in order to preserve the Company's cash position until general market conditions improve members of the Board agreed to convert certain accrued fees and salaries into Shares, subject to obtaining shareholder approval at a general meeting of shareholders. At the August General Meeting, Shareholders approved the issue of 23,882,240 Shares in aggregate to the Directors in lieu of \$64,482.05 in accrued Directors' fees and salaries. Please refer to resolutions 6 to 9 set out in the Notice of GM. The Company issued the 23,882,240 Shares respectively to the Directors on 14 August 2020.
3. Mr Livingstone was appointed as Managing Director on 1 July 2019. Mr. Livingstone commenced employment with Metalicity Limited on 18 February 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 companies and are of the view that Mr Longworth's involvement in these companies 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 of continued high operating costs forced the closure of the mine and receivers were appointed for each of the Bulong Companies.

In addition to the above, Mr Daley was a non-executive director of KGL Resources Limited (**KGL**) between November 2004 and May 2015. During 2012, KGL's wholly owned subsidiary, Kentor Minerals (WA) Pty Ltd (**KMWA**), began commissioning of a gold mining project in Western Australia, the Murchison Gold Project. The challenge of bringing the Murchison Gold mine into production proved much more difficult than had been anticipated. The start-up of operations was delayed and when processing ore did commence, the build up towards design production rates was slower than had projected and hence unit costs were substantially higher. As of December 2012 production at the Murchison Gold Project was still below target and additional working capital was required to reach a cash flow positive position. KMWA was unable to secure additional funding to support the project and the board resolved to appoint administrators to KMWA in March 2013. Subsequent to the administrators' appointment mining operations at the Murchison Gold Project were suspended. KGL was the major creditor of KMWA. On 10 July 2013, creditors of KMWA approved the terms of a Deed of Company Arrangement (**DOCA**). The DOCA was effectuated in August 2013, at which time control of KMWA reverted to the directors. In late 2013, KGL announced that a binding sale agreement has been executed to sell the Murchison Gold Project for total cash consideration of \$15m. The transaction was completed in early 2014.

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 Offers; or
- (f) the Offers,

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$7,500 (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 \$365,862.54 (excluding GST and disbursements) for legal services provided to the Company.

Canaccord Genuity (Australia) Limited acted as lead manager to the Capital Raising. The Company paid a fee of 6% plus GST on the total funds raised under the Capital Raising in consideration for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord Genuity (Australia) Limited has been paid fees totalling \$100,212.99 (excluding GST and disbursements) for lead manager and underwriter services provided to the Company. In addition, Canaccord has been issued 25,000,000 Options (exercisable at \$0.003 on or before 14 August 2022) and is to be issued 25,000,000 New Options (the subject of the Adviser Offer) in consideration for lead manager and underwriter services provided to the Company in relation to the Rights Issue.

## **8.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Options), 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; 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.

Canaccord Genuity (Australia) Limited has given its written consent to being named as the lead manager to the Capital Raising in this Prospectus, in the form and context in which it is named. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC. As at the date of this Prospectus, Canaccord Genuity (Australia) Limited (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities, other than 25,000,000 Options (exercisable at \$0.003 on or before 14 August 2022).

## 8.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$20,487 (excluding GST), and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	4,781
Legal fees	7,500
Printing, distribution and other expenses	5,000
<b>Total</b>	<b>\$20,487</b>

## 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 (as applicable). If you have not, please phone the Company on +61 8 6500 0202 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](http://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 New Options 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 CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **8.11 Privacy Act**

If you complete an application for New Options, 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 or Optionholder 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 New Options, the Company may not be able to accept or process your application.

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**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.

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**Jason Livingstone**  
**Managing Director**  
**For and on behalf of**  
**METALICITY LIMITED**



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## 10. GLOSSARY

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

**Adviser Offer** means the offer of New Options to Canaccord and Sub-Underwriters.

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

**ASIC** means the Australian Securities and Investments Commission.

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

**ASX Listing Rules** means the listing rules of the ASX.

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

**August General Meeting** means the general meeting of the Company held on 13 August 2020 as convened by the Notice of GM.

**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.

**Canaccord** means Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (AFSL 234666).

**Capital Raising** has the meaning given to that term at Section 4.1.1, being the capital raising undertaken by the Company to raise \$360,000 as announced by the Company on 20 May 2020.

**Capital Raising Participants** has the meaning given to that term at Section 4.1.1, being the participants in the Capital Raising.

**Closing Date** means the date specified in the timetable set out in Section 2, subject to any variation of the Closing Date by the Directors as they may determine at their absolute discretion.

**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.

**Eligible Applicants** means:

- (a) in relation to the Placement Offer, the Capital Raising Participants; and
- (b) in relation to the Adviser Offer, Canaccord and Sub-Underwriters.

**New Option** means a listed Option issued on the terms set out in Section 6.1.

**Notice of GM** means the Company's notice of general meeting dated 10 July 2020.

**Offers** means the offers being made pursuant to this Prospectus, being the Placement Offer and the Adviser Offer.

**Official Quotation** means official quotation on ASX.

**Opening Date** means the date specified in the timetable set out in Section 2.

**Option** means an option to acquire a Share, including a New Option.

**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.

**Placement Offer** means the offer of New Options to Capital Raising Participants.

**Placement Shares** has the meaning given to that term at Section 4.1.1, being the 180,000,000 Shares issued to Capital Raising Participants pursuant to the Capital Raising.

**Prospectus** means this prospectus.

**Rights Issue** has the meaning given to that term at Section 4.2.1, being the non-renounceable rights issue undertaken by the Company pursuant to the Rights Issue Prospectus.

**Rights Issue Prospectus** has the meaning given to that term at Section 4.2.1, being the Company's entitlement issue prospectus lodged with the ASIC on 27 April 2020.

**Section** means a section of this Prospectus.

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

**Shareholder** means a holder of a Share.

**Sub-Underwriters** has the meaning given to that term at Section 4.2.1, being the sub-underwriters who committed to sub-underwrite the Rights Issue to the full underwritten amount.

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