

**METALICITY LIMITED**  
**ACN 086 839 992**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of 2 Shares for every 7 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share together with 1 free New Option for every 3 Shares applied for and issued to raise up to \$3,650,751 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is fully underwritten by Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (AFSL 234666) (**Canaccord** or the **Underwriter**). Refer to Section 6.7.1 for details regarding the terms of the underwriting. Canaccord is also acting as Lead Manager to the Offer.

### **IMPORTANT NOTICE**

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

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

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## IMPORTANT NOTICE

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This Prospectus is dated 4 May 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

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

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

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives,

financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

### Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

For further information on overseas Shareholders please refer to Section 2.12.

### Continuous disclosure obligations

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

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

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.5 for further details.

### Target Market Determination

In accordance with the design and distribution obligations under the

Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website ([www.metalicity.com.au](http://www.metalicity.com.au)). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **Electronic Prospectus**

A copy of this Prospectus can be downloaded from the website of the Company at [www.metalicity.com.au](http://www.metalicity.com.au). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, Singapore or Malaysian resident and must only access this Prospectus from within Australia, New Zealand, Malaysia or Singapore.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 08 6500 0202 during office hours or by emailing the Company at [info@metalicity.com.au](mailto:info@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.

### **Company Website**

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

### **Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a

reliable best estimate forecast or projection.

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

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

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

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

### **Photographs and Diagrams**

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

### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 1.

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

### **Privacy statement**

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

communications to you as a Shareholder.

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

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

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

### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 08 6500 0202.

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## CORPORATE DIRECTORY

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### Directors

Andrew Daley  
Non-Executive Chairman

Justin Barton  
Managing Director

Jason Livingstone  
Executive Director

### Company Secretary

Nick Day

### ASX Code

MCT

### Registered Office

Unit B2, 20 Tarlton Crescent  
PERTH AIRPORT WA 6105

Telephone: +61 8 6500 0202  
Email: [info@metalicity.com.au](mailto:info@metalicity.com.au)  
Website: [www.metalicity.com.au](http://www.metalicity.com.au)

### Underwriter and Lead Manager

Canaccord Genuity (Australia) Limited  
Level 23, The Exchange Tower,  
2 The Esplanade,  
PERTH WA 6000

### 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

### Solicitors

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

### Auditor \*

PITCHER PARTNERS  
Level 11, 12-14 The Esplanade,  
PERTH WA 6000

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

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Announcement of the Offer and lodgment of Appendix 3B with ASX	Tuesday, 3 May 2022
Lodgement of Prospectus with the ASIC and ASX	Wednesday, 4 May 2022
Ex date	Monday, 9 May 2022
Record Date for determining Entitlements	Tuesday, 10 May 2022
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Friday, 13 May 2022
Last day to extend the Closing Date	Thursday, 19 May 2022
Closing Date as at 5:00pm*	Tuesday, 24 May 2022
Securities quoted on a deferred settlement basis	Wednesday, 25 May 2022
ASX and Underwriter notified of under subscriptions	Wednesday, 25 May 2022
Underwriter subscribes for Shortfall under terms of Underwriting	Thursday, 26 May 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	Tuesday, 31 May 2022
Quotation of Securities issued under the Offer	Wednesday, 1 June 2022

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

### 1.2 Key statistics of the Offer

#### Shares

Offer Price per Share	\$0.005
Entitlement Ratio (based on existing Shares)	2 to 7
Shares currently on issue <sup>1,2</sup>	2,555,526,006
Shares to be issued under the Offer	730,150,288
Gross proceeds of the issue of Shares	\$3,650,751
<b>Shares on issue Post-Offer</b>	<b>3,285,676,294</b>

#### Notes:

1. Refer to Section 4.4 for the terms of the Shares.
2. As announced on 24 September 2021, the Company has made an off-market all scrip takeover bid for all of the fully paid ordinary shares in Nex Metals Exploration Limited (**Nex Metals**) (**Takeover Offer**). The Takeover Offer is now unconditional and may result in the Company issuing further Shares to shareholders of Nex Metals as consideration for the Takeover Offer.

## Options

Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1 to 3
Options currently on issue	341,847,735
New Options to be issued under the Offer <sup>1</sup>	243,383,430
New Options to be issued to the Underwriter <sup>1</sup>	20,000,000
Gross proceeds of the issue of Options	Nil
<b>Options on issue Post-Offer</b>	<b>605,231,165</b>

### Notes:

1. Refer to Section 4.5 for the terms of the New Options.

## 1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

## 1.4 Directors' Interests in Securities

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

Director	Shares	Options	Performance Rights	Share Entitlement	New Option Entitlement	\$
Jason Livingstone <sup>1</sup>	23,574,348	Nil	37,531,253	6,735,528	2,245,176	33,678
Justin Barton <sup>2</sup>	15,439,284	Nil	29,590,220	4,411,224	1,470,408	22,056
Andrew Daley <sup>3</sup>	13,992,982	Nil	5,985,055	3,997,995	1,332,665	19,990

### Notes:

1. Mr Livingstone's relevant interest in securities comprises a direct interest in 22,559,905 Shares, 10,000,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 12,299,465 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, and 15,231,788 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022. Mr Livingstone also has an indirect interest of 1,014,443 Shares through Livingstone Super Services Pty Ltd <LIVINGSTONE SF A/C> an entity controlled by Mr. Livingstone.
2. 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

15,439,284 Shares, 5,650,000 Performance Rights vesting at \$0.05 expiring on 30 January 2023, 10,695,187 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, 13,245,033 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022.

3. 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 13,992,982 Shares, 2,673,797 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.04 expiring on 18 December 2022, and 3,311,258 Performance Rights subject to MCT achieving a 20-day volume weighted average price (VWAP) of Shares of at least \$0.06 expiring on 18 December 2022.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

## **1.5 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 Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

## **1.6 Future Issues of Shares post-completion of the Offer**

As announced on 24 September 2021, the Company has made a Takeover Offer for all of the fully paid ordinary shares in Nex Metals. The Takeover Offer is now unconditional and may result in the Company issuing further Shares to shareholders of Nex Metals as consideration for the Takeover Offer.

## **1.7 Underwriting and Lead Manager**

The Offer is fully underwritten by Canaccord Genuity (Australia) Limited (ABN 19 075 071 466) (AFSL 234666). Canaccord has also been appointed as Lead Manager to the Offer.

Refer to Section 6.7.1 for details of the terms of the underwriting.

## **1.8 Effect on Control**

As at the date of this Prospectus, the Underwriter holds a relevant interest in the Company's securities of 25,000,000 Listed Options and 81,000,000 Unlisted Options.

Shareholders should be aware that the extent to which Shares are issued pursuant to the Underwriting Agreement could result in the Underwriter acquiring voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act.

The Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the



provisions of Chapter 6 of the Corporations Act 2001 (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

## 1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 22% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 4.17% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	100,000,000	3.91%	28,571,430	100,000,000	3.04%
Shareholder 2	50,000,000	1.96%	14,285,714	50,000,000	1.52%
Shareholder 3	15,000,000	0.59%	4,285,714	15,000,000	0.46%
Shareholder 4	4,000,000	0.16%	1,142,857	4,000,000	0.12%
Shareholder 5	500,000	0.02%	142,857	500,000	0.02%
<b>Total</b>	<b>2,555,526,006</b>		<b>730,150,288</b>		<b>3,285,676,294</b>

### Notes:

1. Assumes full subscription.
2. This is based on a share capital of 2,555,526,006 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including Options or Performance Rights are exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## 2. DETAILS OF THE OFFER

### 2.4 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of two (2) Shares for every seven (7) Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share together with one (1) New Option for every three (3) Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 730,150,288 Shares and 243,383,430 New Options may be issued under the Offer to raise up to \$3,650,751. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 341,847,735 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 4.5 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.4 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.01 on or before the date which is two (2) years from the date of issue and otherwise on the terms set out in Section 4.5.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

### 2.5 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement</b>	<ul style="list-style-type: none"><li>Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully.</li><li>Payment can be made by the methods set out in Section 2.6. As set out in Section 2.6, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</li></ul>	Section 2.6 and Section 2.7.

Option	Key Considerations	For more information
<p><b>Take up all of your Entitlement and also apply for Shortfall Securities</b></p>	<ul style="list-style-type: none"> <li>• Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully.</li> <li>• Payment can be made by the methods set out in Section 2.6. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> <li>• If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Underwriters absolute discretion in conjunction with the Company as per the allocation policy set out in Section 2.8. Accordingly, your application for additional Shortfall Securities may be scaled-back.</li> <li>• The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</li> </ul>	<p>Sections 2.6, 2.7 and 2.8.</p>
<p><b>Take up a proportion of your Entitlement and allow the balance to lapse</b></p>	<p>If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.6 below. As set out in Section 2.6, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</p>	<p>Section 2.6 and Section 2.7</p>
<p><b>Allow all or part of your Entitlement to lapse</b></p>	<p>If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse.</p>	<p>N/A</p>

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

## 2.6 Payment options

### (a) By BPAY®

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

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00 pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

### **Guidance where you have more than one CRN (Shareholding of Shares)**

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

### (b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (EFT) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (iv) you will need to submit your completed Entitlement and Acceptance Form, with a copy of your receipt via email to [CapitalMarkets@linkmarketservices.com.au](mailto:CapitalMarkets@linkmarketservices.com.au)

- (v) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (vi) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

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

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

## 2.7 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

## 2.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 2.8.

Allocation of the Shortfall Shares will be at the discretion of the Underwriter in conjunction with the Board and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.7.1. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of

Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

## **2.9 Underwriter offer**

This Prospectus includes an offer of 20,000,000 Options (**Underwriter Options**) to be issued to Canaccord (**Underwriter Offer**).

Only Canaccord may accept the Underwriter Offer. A personalised Application Form in relation to the Underwriter Offer will be issued to Canaccord together with a copy of this Prospectus.

## **2.10 ASX listing**

Application for Official Quotation of the Securities offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 2.1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the New Options offered pursuant to this Prospectus will also be made in accordance with the timetable set out at Section 1.1. If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Official Quotation of the New Options, then the New Options will still be issued, however will not be quoted on ASX.

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

## **2.11 Issue of Securities**

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.1.

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

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

Holding statements for Securities issued under the Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

## 2.12 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

### **New Zealand**

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

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

### **Malaysia**

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of new Shares. The new Shares under the entitlement offer may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any new Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

### **Singapore**

This Prospectus and any other materials relating to the new Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the new Shares may not be issued, circulated or distributed, nor may the new Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the new Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that

may be applicable to investors who acquire new Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Nominees and custodians**

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

## **2.13 Appointment of Nominee**

Pursuant to section 615 of the Corporations Act, the Company has appointed a nominee, Canaccord Genuity (Australia) Limited, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company will seek to obtain ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

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



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### 3. PURPOSE AND EFFECT OF THE OFFER

#### 3.4 Purpose of the offer

The purpose of the Offer is to raise up to \$3,650,751 before costs.

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

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Drilling and exploration	2,600,000	71
2.	Working capital	739,122	20
3.	Expenses of the Offer <sup>1</sup>	311,629	9
<b>Total</b>		<b>3,650,751</b>	<b>100</b>

**Notes:**

1. Refer to Section 6.11 for further details relating to the estimated expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

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

#### 3.5 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$3,339,122 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (e) increase the number of Shares on issue from 2,555,526,006 as at the date of this Prospectus to 3,285,676,294 Shares; and
- (f) increase the number of Options on issue from 341,847,735 as at the date of this Prospectus to 585,231,165 Options (excluding the Options to be issued to the Underwriter).

#### 3.6 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

## Shares

	Number
Shares currently on issue	2,555,526,006
Shares offered pursuant to the Offer	730,150,288
<b>Total Shares on issue after completion of the Offer</b>	<b>3,285,676,294</b>

### Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of Shares offered under the Offer.

## Options

	Number
Options currently on issue	
Listed Options exercisable at \$0.004 expiring 22 May 2022	224,352,553
Unquoted Options exercisable at \$0.02 on or before 31 May 2022	10,785,715
Unquoted Options exercisable at \$0.08 on or before 14 February 2023	25,709,467
Unquoted Options exercisable at \$0.003 on or before 14 August 2022	25,000,000
Unquoted Options exercisable at \$0.03 on or before 13 October 2023	35,000,000
Unquoted Options exercisable at \$0.015 on or before 22 June 2024	21,000,000
<b>Total Options on issue as at the date of this Prospectus</b>	<b>341,847,735</b>
New Options to be issued pursuant to the Offer	243,383,430
New Options to be issued to the Underwriter	20,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>605,231,165</b>

### Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of Shares offered under the Offer.

## Performance Rights

	Number
Performance Rights currently on issue	82,084,110
Performance Rights offered pursuant to the Offer	Nil
<b>Total Performance Rights on issue after completion of the Offer</b>	<b>82,084,110</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 2,979,457,851 Shares and on completion of the Offer (assuming all Entitlements

are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 3,972,991,569 Shares.

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

### 3.7 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2021 and the unaudited pro-forma balance sheet as at 31 March 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

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

	UNAUDITED 31 December 2021	PROFORMA Post Raise
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	2,000,857	5,339,981
Other current assets	3,284,854	3,284,854
<b>TOTAL CURRENT ASSETS</b>	<b>5,285,711</b>	<b>8,624,835</b>
<b>NON-CURRENT ASSETS</b>		
Exploration and evaluation expenditure	6,615,479	6,615,479
Other	38,484	38,484
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,653,963</b>	<b>6,653,963</b>
<b>TOTAL ASSETS</b>	<b>11,939,674</b>	<b>15,278,798</b>
<b>CURRENT LIABILITIES</b>		
Creditors and borrowings	1,146,490	1,146,490
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,146,490</b>	<b>1,146,490</b>

	UNAUDITED 31 December 2021	PROFORMA Post Raise
	\$	\$
<b>TOTAL LIABILITIES</b>	<b>1,146,490</b>	<b>1,146,490</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>10,793,184</b>	<b>14,132,308</b>
<b>EQUITY</b>		
Share capital	59,011,603	62,352,727
Options Reserve	5,651,367	5,651,367
Retained loss	(53,771,103)	(53,771,103)
Total parent entity interest	10,891,867	14,232,991
Minority interest in controlled entities	(98,683)	(98,683)
<b>TOTAL EQUITY</b>	<b>10,793,184</b>	<b>14,132,308</b>

**Notes:**

1. Cash reconciliation:

(a) Balance at 31 March 2022	\$706,668
(b) Net proceeds of Rights issue	\$3,339,122
(c) Net Cash after Rights Issue	\$4,045,790

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## **4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES**

### **4.4 Rights and liabilities attaching to Shares**

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

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

#### **(a) General meetings**

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

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

#### **(b) Voting rights**

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

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

#### **(c) Dividend rights**

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

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of

the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

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

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

#### **4.5 Terms of New Options**

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is two (2) years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New 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 New Option being exercised in cleared funds (**Exercise Date**).

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

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New 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 New Options.

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

(h) **Shares issued on exercise**

Shares issued on exercise of the New 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 New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.

(k) **Change in exercise price**

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



(l) **Transferability**

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

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## 5. RISK FACTORS

### 5.4 Introduction

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

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

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

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

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

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

### 5.5 Company specific

Risk Category	Risk
Potential for dilution	<p>Upon implementation of the Offer, assuming all Entitlements are accepted, no other Shares are issued including New Options or Performance Rights are exercised prior to the Record Date the number of Shares in the Company will increase from 2,555,526,006 currently on issue to 3,285,676,294 and the number of Options in the Company will increase from 341,847,735 to 605,231,165. This means that immediately after the Offer each Share will represent a significantly lower proportion of the ownership of the Company.</p> <p>Further if the New Options are subsequently exercised and Shares are issued on exercise of those New Options, each Share will represent a significantly lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p>

Risk Category	Risk
	<p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.006 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> <p>The last trading price of Listed Options on ASX prior to the Prospectus being lodged of \$0.001 is not a reliable indicator as to the potential trading price of Listed Options after implementation of the Offer.</p>
<p><b>Additional requirements for capital</b></p>	<p>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.</p>
<p><b>Going Concern</b></p>	<p>The Company's half-year report for the half-year ended 31 December 2021 (<b>Financial Report</b>) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern as set out below:</p> <p><i>"For the half year ended 31 December 2021, the Group recorded a loss of \$1,162,016 (31 December 2020: \$2,533,447). The Group has a working capital surplus of \$4,139,221 at 31 December 2021 (30 June 2021: \$3,353,982). The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further capital funding to pursue it's current exploration strategy.</i></p> <p><i>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 is in a strong position to raise further funds, as and when required, in order to meet its commitments as and when they fall due. "</i></p> <p>Notwithstanding the 'going concern' qualification included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet</p>

Risk Category	Risk
	<p>the medium to long term working capital costs of the Company. Please refer to Section 4.1 for further details.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
<p><b>Exploration, development, mining and processing risks</b></p>	<p>The tenements of the Company are at various stages of exploration, and prospective investors should understand that exploration and developments are high-risk undertakings.</p> <p>There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the base reserves of the Company and possible relinquishment of the tenements.</p> <p>The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<p><b>Tenement applications and license renewal</b></p>	<p>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</p>

Risk Category	Risk
	licences into production concessions. There is a risk that these approvals may not be obtained.
<b>Mine development</b>	<p>Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.</p>
<b>Trading Price of Company's Shares</b>	<p>The Company's credit quality, operating results, economic and financial prospects and other factors may affect the trading price of the Company's Shares. In addition, the price of Company's Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar performance on world markets, commodity price fluctuations, fluctuations in the global market for gold companies, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian gold stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Company's Shares. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.</p>
<b>JV partners and contractors</b>	<p>Exploration and Mining ventures are typically operated under joint venture arrangements. These arrangements include provisions that often require certain decisions relating to the projects to be passed with unanimous or majority approval of all participants. Where a venture</p>

Risk Category	Risk
	<p>partner does not act in the best commercial interest of the project, it could have a material adverse effect on the interests of the Company.</p> <p>The Company is unable to predict the risk of:</p> <ul style="list-style-type: none"> <li>(i) financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party;</li> <li>(ii) insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or</li> <li>(iii) insolvency or other managerial failure by any of the other service providers used by the Company for any activity,</li> </ul> <p>all of which could have a material adverse effect on the operations and financial performance of the Company.</p>
<b>Potential acquisitions</b>	<p>As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions. There are a number of uncertainties with the acquisition of interests in oil and gas assets including, the amount of recoverable reserves, development and operating costs and potential environmental and other liabilities. Even with careful due diligence, it may be impossible to ascertain certain environmental or structural problems such as pipeline corrosion or hazardous spills. This risk could have a negative effect on the Company and the Company's future operations and financial position.</p>
<b>Climate Change</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. For instance:</p> <ul style="list-style-type: none"> <li>(a) climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's operations; and</li> <li>(b) changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's operations and proposed activities, or may result in less favourable pricing for gold, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.</li> </ul>

<b>Risk Category</b>	<b>Risk</b>
<b>Taxation Risk</b>	Future changes in taxation law in Australia, including changes in interpretation or application of the law by courts or taxation authorities in Australia, may affect taxation treatment of an investment in the Company, or the holding or disposal of Company's Shares. Further changes in taxation law, or the way in which the Company operates, may impact the Company's future tax liabilities and may affect the Company's ability to provide returns to shareholders and/or alter the post-tax returns to shareholders.
<b>Reliance on Key Management</b>	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.

## 5.6 Industry specific

<b>Risk Category</b>	<b>Risk</b>
<b>Commodity Price Volatility and Exchange Rate Risks</b>	<p>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.</p> <p>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.</p>
<b>Resource Estimates</b>	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.
<b>Tenure and access</b>	Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or

Risk Category	Risk
	<p>future tenements or future applications for production tenements will be approved.</p> <p>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.</p>
<b>Operating Risks</b>	<p>The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; 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.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.</p>
<b>Failure to satisfy Expenditure Commitments</b>	<p>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</p>
<b>Government policy changes</b>	<p>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.</p>
<b>Regulatory Risks</b>	<p>The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent,</p>



Risk Category	Risk
	<p>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.</p> <p>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.</p>
<b>Aboriginal Heritage sites</b>	<p>Tenements are granted subject to a condition requiring observance of the <i>Aboriginal Heritage Act 1972 (WA) (WA Heritage Act)</i>. 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.</p> <p>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.</p>
<b>Native Title</b>	<p>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.</p> <p>The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may acquire an interest.</p>
<b>Equipment availability and</b>	<p>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</p>

Risk Category	Risk
	<p>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.</p>
<p><b>Environmental</b></p>	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p>
<p><b>Liquidity risk</b></p>	<p>Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.</p> <p>The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.</p>
<p><b>Integration</b></p>	<p>The Company may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other</p>

Risk Category	Risk
	things, proper integration and continued development of the Company's financial and management controls and management information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. Failure to successfully manage its possible growth and development could have a material adverse effect on the Company's business and the value of the shares of the Company.
<b>Insurance</b>	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company's business, financial condition and results.</p> <p>Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.</p>

## 5.7 General risks

Risk Category	Risk
<b>Competition Risk</b>	The industry in which the Company is involved is subject to domestic and global competition. Although the Company considers that it undertakes all reasonable due diligence in its business decisions and operations, the Company has 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 Risk</b>	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) interest rates and inflation rates;</li> <li>(c) currency fluctuations;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul>

Risk Category	Risk
<b>Share Market</b>	There are general risks associated with any investment and the share market. The price of Company's Shares on ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.
<b>Regulatory Risk</b>	The Company is based in Australia and is subject to Australian laws and regulations. For example, the Company is required to comply with the Corporations Act. Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in the countries in which the Company operates and may operate, may adversely affect the financial performance of the Company.
<b>Force Majeure</b>	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, pandemics or quarantine restrictions.
<b>Coronavirus (COVID-19) Risk</b>	<p>The outbreak of the coronavirus pandemic (<b>COVID-19</b>) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Directors of the Company are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance, including the potential impact of COVID-19 on the Company. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p>
<b>Litigation Risks</b>	The Company will be exposed to possible litigation risks including environmental claims, occupational health and safety claims and employee claims. Further, the

Risk Category	Risk
	<p>Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any material litigation.</p>
<p><b>Economic conditions and other global or national issues</b></p>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Company's Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

## 5.8 Speculative investment

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

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

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

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

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## 6. ADDITIONAL INFORMATION

### 6.4 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.

### 6.5 Continuous disclosure obligations

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

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

- (e) it is subject to regular reporting and disclosure obligations;
- (f) 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
- (g) 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
3 May 2022	Terms & Conditions of Options associated with Rights Issue
3 May 2022	Announcement of Rights Issue
3 May 2022	Appendix 3B
2 May 2022	Quarterly Cash Flow Report

Date	Description of Announcement
2 May 2022	Quarterly Activities Report
29 April 2022	Trading Halt
28 April 2022	NME 05 Declaration of Unacceptable Circumstances and orders
28 April 2022	Kookynie Gold Project Drilling Update
22 April 2022	Notification of Expiry of Listed Options
22 April 2022	Major New Structures Identified, Drilling Further Expanded
20 April 2022	Application for quotation of securities - MCT
20 April 2022	Current Drilling Program at Kookynie Significantly Expanded
14 April 2022	Takeover Bid for NME Extension of Offer Period
7 April 2022	Application for quotation of securities - MCT
1 April 2022	Takeover Bid for NME Extension of Offer Period
1 April 2022	Kookynie Maiden JORC 2012 Mineral Resource Estimate
29 March 2022	Nex Metals Issued with Non-Payment Notices
24 March 2022	NME: Notice of General Meeting/Proxy Form
24 March 2022	Takeover Bid for NME Extension of Offer Period
22 March 2022	Application for quotation of securities - MCT
21 March 2022	NME 05 Panel Receives Application
17 March 2022	NME: Notice to Shareholders
17 March 2022	NME: Replacement Target's Statement
16 March 2022	Half Yearly Report and Accounts
14 March 2022	Application for quotation of securities - MCT
3 March 2022	Takeover Bid for NME Extension of Offer Period
2 March 2022	Change in substantial holding for NME
28 February 2022	Drilling Underway to Test Substantial Extensions
22 February 2022	Metalicity Commences Significant Step Out Drilling Programme
17 February 2022	NME: 203D and 249F
16 February 2022	Metalicity to Initiate Governance Reform at Nex Metals
16 February 2022	Pause in Trading
14 February 2022	MCT Bid for NME - Issue of 3rd Tranche of Consideration Shar
14 February 2022	Application for quotation of securities - MCT

Date	Description of Announcement
11 February 2022	TOV: NME Further Variation Of Orders
10 February 2022	Takeover Bid for NME Extension of Offer Period
31 January 2022	Appendix 5B Cash Flow Report
31 January 2022	Quarterly Activities Report
27 January 2022	Takeover Bid for NME Extension of Offer Period
27 January 2022	Change in substantial holding for NME
21 January 2022	TOV: NME Variation of Orders
17 January 2022	Application for quotation of securities - MCT
17 January 2022	Notification of cessation of securities - MCT
17 January 2022	Change of Director's Interest Notice
14 January 2022	TOV: NME 02 - Consent to Extension Request
14 January 2022	MCT Bid for NME - Issue of 2nd Tranche of Consideration Shs
14 January 2022	Application for quotation of securities - MCT
12 January 2022	Takeover Bid for NME Extension of Offer Period
12 January 2022	Change in substantial holding for NME
4 January 2022	MCT Bid for NME Issue of 1st Tranche of Consideration Shares
4 January 2022	Application for quotation of securities - MCT
24 December 2021	Proposed issue of securities - MCT
24 December 2021	Appointment Of Managing Director
17 December 2021	Takeovers Panel: NME 02 Additional Orders
16 December 2021	Change in substantial holding for NME
15 December 2021	Takeover Bid for NME Extension of Offer Period
15 December 2021	NME - Change in substantial holding for NME
13 December 2021	TOV: NME 04R Review Panel Declines to Conduct Proceedings
13 December 2021	Champion & McTavish Deliver Significant Widths & Intercepts
10 December 2021	Change in substantial holding for NME
7 December 2021	MCT Takeover of NME - Dispatch of Letter to NME Shareholders
7 December 2021	Takeover Bid for NME by MCT Status of Defeating Conditions
7 December 2021	NME:Shareholder Update



Date	Description of Announcement
6 December 2021	Bonanza Gold Grades Circa 200m East of the Main Leipold Lode
3 December 2021	METALICITY BID FOR NEX METALS NOW UNCONDITIONAL
1 December 2021	UPDATE ON METALICITY AND NEX METALS REGULATORY ITEMS
30 November 2021	NME: Takeovers Panel Descision
30 November 2021	TOV: NME 02 Declaration of Unacceptable Circumstances&Orders
26 November 2021	OFF-MARKET TAKEOVER BID FOR NME - EXTENSION OF OFFER PERIOD
26 November 2021	Results of Annual General Meeting
26 November 2021	CHAIRMANS ADDRESS
25 November 2021	Change in substantial holding for NME
24 November 2021	TOV: NME 04R Panel Receives Review Application
23 November 2021	Potential 100m Extension of Leipold Mineralisation Down Dip
22 November 2021	TOV: NME 03 - Panel Declines to Conduct Proceedings
18 November 2021	TOV: NME Panel Receives Application
17 November 2021	Diamond Hole at Leipold May Extend Mineralisation at Depth
17 November 2021	Change in substantial holding for NME
16 November 2021	Metalicity Surpasses 20% Interest in Nex Metals
15 November 2021	NME:Supreme Court-Western Australia Writ lodged by the Co.
15 November 2021	TOV:NME Panel Makes Interim Orders
15 November 2021	NME Interest Approaches 20% & Response to Inaccurate Claims
10 November 2021	Change in substantial holding for NME
9 November 2021	NME - Change in substantial holding for NME
8 November 2021	Change in substantial holding for NME
5 November 2021	OFF-MARKET TAKEOVER BID FOR NME EXTENSION OF OFFER PERIOD
5 November 2021	Change in substantial holding for NME
3 November 2021	TOV: Nex Metals Explorations Ltd 02 - Panel Receives App
3 November 2021	TOV: NME Declaration of Unacceptable Circumstances a

Date	Description of Announcement
1 November 2021	NME: Target Statement Lodged
1 November 2021	NME: Target's Statement
29 October 2021	Appendix 5B Cash Flow Report
29 October 2021	Quarterly Activities Report
29 October 2021	Change in substantial holding for NME
27 October 2021	Notice of Annual General Meeting/Proxy Form
27 October 2021	Letter to Shareholders on Annual General Meeting
27 October 2021	Investor Update
22 October 2021	Confirmation of Dispatch of Bidders Statement
15 October 2021	Becoming a substantial holder for NME
6 October 2021	Diamond Drilling to Commence at the Kookynie Gold Project
1 October 2021	TOV: NME - Panel Receives Application

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).

## 6.6 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.009	Various dates between 28 January – 11 February 2022
Lowest	\$0.005	18 March and 12 April 2022
Last	\$0.006	3 May 2022

## 6.7 Material Contracts

### 6.7.1 Underwriting Agreement and Lead Manager Mandate

#### Lead Manager Mandate

The Company has entered into a lead manager mandate with Canaccord, the Lead Manager, dated 29 April 2022 pursuant to which Canaccord has been appointed to act as Lead Manager to the Offer (**Lead Manager Mandate**).

#### (e) **Engagement**

The engagement of the Lead Manager is for an initial term of 12 months and may be extended upon the mutual agreement of both the Company and Canaccord.

#### (f) **Underwriting**

The engagement provides that Canaccord may underwrite the Offer, subject to the formal Underwriting Agreement being executed.

#### (g) **Fees**

The fees to be received by Canaccord are as follows:

- (i) a corporate advisory fee of \$30,000;
- (ii) a management fee of 2% of the proceeds under the Offer; and
- (iii) an underwriting fee of 4% of the proceeds under the Offer; and
- (iv) 20,000,000 options on the same terms as the New Options.

#### (h) **Reimbursement of Expenses**

The Company agrees to reimburse the Lead Manager for all costs, expenses and disbursements (including any applicable GST) reasonably incurred by the Lead Manager in relation to the Offer and the Lead Manager Mandate. The Lead Manager is to obtain the written consent of the Company, which consent must not be unreasonably withheld, prior to incurring any individual cost, expense or disbursement (excluding legal fees) greater than \$2,000. The Company will reimburse Canaccord for legal fees with regard to the Underwriting Agreement up to \$20,000.

#### (i) **Opportunity to Conduct Additional Engagements**

In the event that during the period of 12 months starting on the earlier of the completion of the Offer and the termination of the engagement by the Company, the Company undertakes any equity or hybrid capital raising (**Subsequent Offer**), the Company agrees to offer the Lead Manager the opportunity to act as sole and exclusive lead manager and bookrunner to the Subsequent Offer and will pay the Lead Manager a fee to be agreed between the Company and the Lead Manager (such agreement not to be unreasonably withheld). The Company must not engage with any other party to manage that capital raising, unless the Lead Manager has already been offered, and has declined, the opportunity to manage that capital raising.

(j) **Termination**

- (i) The engagement may be terminated at any time by Canaccord by giving 30 days' notice in writing to the Company.
- (ii) The Company may terminate the engagement at any time where Canaccord has materially breached the engagement. However, such termination will not be effective unless:
  - (i) the Company has given Canaccord notice in writing setting out the reasons why Canaccord has materially breach the engagement; and
  - (ii) Canaccord has not remedied the breach within 14 days of such notice.
- (iii) If any fee is accrued and owing to Canaccord on termination, or accrues after termination, the Company must pay the fee within 14 days of termination or the date of accrual, as the case may be, together with any costs and expenses incurred by Canaccord.
- (iv) (In the event of termination, provisions of the Lead Manager Mandate that are capable of having effect after termination (including those relating to the payment of fees, the reimbursement of expenses and indemnification) will survive termination and any rights accrued by a party prior to the date of termination will continue notwithstanding termination.

The Lead Manager Mandate contains indemnities, representations and warranties by the Company to Canaccord and other terms and conditions considered standard for an agreement of this nature.

**Underwriting Agreement**

The Company has entered into an underwriting agreement with Canaccord, the Underwriter, dated 4 May 2022 pursuant to which Canaccord has been appointed to act as Underwriter and Lead Manager to the Offer (**Underwriting Agreement**).

(a) **Agreement to underwrite**

The Underwriter has agreed to fully underwrite the Offer for 730,150,287 Shares and 243,383,429 New Options (**Underwritten Securities**), being to the Underwritten Amount.

(b) **Sub-underwriting**

The Underwriter may at its cost, appoint one or more sub-underwriters to sub-underwrite the Offer in consultation with the Company including, without limitation, to subscribe, bid, apply for, or nominate allottees of, any of the Shortfall Securities in its absolute discretion.

(c) **Co-lead managers, Co-managers and brokers**

The Underwriter may appoint co-lead managers, co-managers and brokers to the Offer, at the Underwriter' cost, in consultation with the Company.

(d) **Fees**

The fees to be received by Canaccord as set out above under the summary of the Lead Manager Mandate will also be received by the Underwriter in consideration for services provided by the Underwriter under the Underwriting Agreement.

For clarity, these fees are not a duplicate. The Company agrees to reimburse the Underwriter for all costs, expenses and disbursements (including any applicable GST) reasonably incurred by the Underwriter in relation to the Offer and the Underwriting Agreement up to \$20,000. The Underwriter is to obtain the written consent of the Company, which consent must not be unreasonably withheld, prior to incurring any individual cost, expense or disbursement (excluding legal fees) greater than \$2,000.

All sub-underwriting, co-lead manager, co-manager and broker fees, charges and commissions will be paid by the Underwriter.

(e) **Termination**

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement (without cost or liability to it) if:

- (i) **(Certificate)** a certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished by the time specified or any statement in a certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect; or
- (ii) **(General market fall)** the S&P/ASX Small Ordinaries Index is at any time from and including the date of the Underwriting Agreement and prior to the close of trading of Shares on the ASX on the agreed settlement date lower than 92.5% of the level of that index as at the close of normal trading on ASX on either the Business Day immediately preceding the date of the Underwriting Agreement or the date of the Underwriting Agreement;
- (iii) **(Share price)** the Shares of the Company that trade on the ASX under the ASX code "MCT" close on any day less than the offer price (being \$0.005);
- (iv) **(ASIC action)** either:
  - (A) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or the offer documents;

- (B) ASIC issues or threatens to issue proceedings in relation to the Offer, or commences any hearing, inquiry or investigation in relation to the Offer; or
  - (C) ASIC commences or gives notice of an intention to commence a prosecution of the Company or investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Offer or the offer documents;
- (v) **(Regulatory action)** any regulatory body withdraws, revokes or amends any regulatory approval as set out in the Underwriting Agreement that is necessary to implement the Offer in accordance with the Underwriting Agreement or there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it) or any agreement entered into in respect of the Offer (or any part of it);
- (vi) **(ASX approval)** ASX makes an official statement to any person, or indicates to the Company or the Underwriter (whether or not by official statement) that:
- (i) official quotation of all of the Securities subject of the Offer will not be granted by ASX or will be granted subject to conditions that are not acceptable to the Underwriter or such approvals will not be given by the agreed trading date (or such later date agreed in writing by the Underwriter in its absolute discretion) or is withdrawn, qualified or withheld on or before the agreed trading date;
  - (ii) any Shares of the Company will be suspended from quotation by the ASX; or
  - (iii) the Company will be removed from the official list of the ASX,
- or any of the matters, events or things referred to in this paragraph (f)(vi) occur;
- (vii) **\*(New circumstances)** a new circumstance that would be adverse from the point of view of an investor arises that would have been required to be disclosed in the offer documents had it arisen before the offer documents were lodged with ASX;
- (viii) **(Securityholder approval)** the Company is or becomes required to obtain the approval of any class of security holder pursuant to the ASX Listing Rules, the Corporations Act or any other applicable law in order to issue the Securities subject of the Offer;
- (ix) **\*(Disclosures in issuer information)** any information made public to ASX pursuant to the continuous disclosure obligations of the Company or otherwise, or provided to one or more investors (either individually or generally) by or on behalf of the Company includes:

- (A) a statement which is or becomes misleading or deceptive or likely to mislead or deceive; or
  - (ii) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;
- (x) **(Offer Documents to comply)** the offer documents or any aspect of the Offer does not comply with the Corporations Act, ASX Listing Rules or any other applicable law including due to:
- (A) a statement in the offer documents which is or becomes misleading or deceptive or likely to mislead or deceive, or omit any information that is required (including, without limitation, having regard to sections 708AA and 708A of the Corporations Act); or
  - (B) any forecasts, expressions of opinion, intention or expectation which are not based on reasonable grounds;
- (xi) **(Capital structure)** there is an alteration to the Company's capital structure or Constitution, without the prior consent of the Underwriter or as otherwise provided in the Underwriting Agreement, or a breach of the Constitution occurs;
- (xii) **(Correction notice)** the Company becomes required to give or gives a correcting notice under subsection 708AA(10) or 708A(9) of the Corporations Act;
- (xiii) **(Compliance with regulatory requirements)** the Company commits a material breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws, or has failed to comply with its continuous disclosure obligations or its Constitution;
- (xiv) **(Offences by directors)** any of the following occurs:
- (i) a director or officer (as that term is defined in the Corporations Act) of the Company is charged with an indictable offence;
  - (ii) any administrative, regulatory, self-regulating body, court or other judicial body commences any public action against any such person in their capacity as such in relation to any fraudulent conduct or activity whether or not in connection with the Offer or the Company engages in fraudulent activity; or
  - (iii) any director of the Company is disqualified from managing a corporation under the Corporations Act;
- (xv) **(Withdrawal)** the Company withdraws the Offer, or it does not proceed in accordance with the Underwriting Agreement;
- (xvi) **(Insolvency)** any member of the Company and its related bodies corporate is subject of an insolvency event or there is an act or omission which is reasonably likely to result in any member of the

Company and its related bodies corporate becoming subject of an insolvency event;

- (xvii) **(Material adverse change)** any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company, or the Company and its related bodies corporate, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and its related bodies corporate from those respectively disclosed in the ASX materials (including, without limitation, the ASX announcement of the Offer and related information, the Appendix 3B and any announcement or material accompanying them given to ASX by the Company in respect of the Offer) or any adverse information arises or is released to ASX after the date of the Underwriting Agreement that can reasonably be expected to have a material adverse effect on the market price of the Shares;
- (xviii) **(Timetable)** any event specified in the timetable agreed in the Underwriting Agreement (as may be varied) is delayed for 2 or more Business Days without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (xix) **\*(Disclosures)** any due diligence questionnaire, the report of the due diligence committee (formed by the Company in connection with the Offer) or any other information supplied by or on behalf of the Company to the Underwriter in relation to the Company and its related bodies corporate, the Offer or the offer documents is or becomes misleading or deceptive, including by way of omission;
- (xx) **(Market or trading disruption):** there is
  - (A) a suspension or material limitation in trading in securities on ASX, the New York Stock Exchange, NASDAQ, the London Stock Exchange or the Hong Kong Stock Exchange or any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union or the international financial markets; or
  - (ii) a general moratorium on commercial banking activities is declared by the relevant central banking authority in any of those countries;
- (xxi) **\*(Change in law)** there is introduced into the Parliament of Australia or any State of Australia, a law or prospective law, or any new regulation is made under any statute, or a government agency adopts a policy, or there is any announcement that such a law, prospective law or regulation may be introduced or policy may be adopted (except where such law is announced or generally known to the market prior to the date of the Underwriting Agreement), any of which does or is likely to prohibit or restrict the Offer;



- (xxii) **\*(Hostilities)** hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the United States, Australia, New Zealand, the United Kingdom, France, Germany, Russia, North Korea, South Korea, China, Japan or a member state of the European Union or the declaration by any of these countries of a national emergency or war or a major terrorist act is perpetrated in any of these countries;
- (xxiii) **(Misrepresentation)** a representation, warranty or undertaking made or given by the Company under the Underwriting Agreement proves to be or becomes, untrue or incorrect;
- (xxiv) **\*(Breach)** the Company fails to perform or observe any of its obligations or breaches any term or condition under the Underwriting Agreement;
- (xxv) **\*(Legal proceedings)** legal proceedings against the Company or any of its related bodies corporate or against any director of the Company or any of its related bodies corporate in that capacity is commenced or any regulatory body commences any enquiry or public action against the Company or any of its related bodies corporate;
- (xxvi) **\*(Licences)** any intellectual property right, licence, permit, authorisation or consent held by the Company or any of its related bodies corporate that is necessary to conduct its business is revoked, withdrawn, rescinded, breached, terminated, altered or amended (other than with the consent of the Underwriter);
- (xxvii) **\*(Change in management)** a change in the senior management of the Company or in the board of directors of the Company is announced or occurs, other than one which has already been disclosed to ASX before the date of the Underwriting Agreement;
- (xxviii) **(Force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request compliance with which is in accordance with the general practice of persons to whom the request is addressed of any governmental agency which makes it illegal for the Underwriter to satisfy an obligation under the Underwriting Agreement, or to market or promote the Offer or subscribe for Shortfall Securities; or
- (xxix) **\*(Unauthorised public statements)** the Company issues a public statement concerning the Offer which has not been approved by the Underwriter in breach of the Underwriting Agreement.

No event specified in any paragraph above marked with an asterisk (\*) will entitle the Underwriter to exercise its rights to terminate its obligations under the Underwriting Agreement unless, in the reasonable opinion of the Underwriter the event:

- (i) has, or is likely to have, or will have once disclosed to the market, a material adverse effect on the Offer, the willingness of persons to subscribe for the Securities subject of the Offer, the price at which securities are traded on the ASX, the settlement of the Securities subject of the Offer to be issued, the ability of the

Company to issue the Securities subject of the Offer at the applicable issue price, the ability of securities to be traded on ASX, or acceptance by the Underwriter of applications for securities under the Offer;

- (ii) would, or would be likely to, give rise to a liability to the Underwriter in connection with the Offer in any capacity under any applicable law; or
- (iii) has given rise to or is likely to give rise to a contravention by the Underwriter of, or the Underwriter being involved in a contravention of, the Constitution, the Corporations Act, ASX Listing Rules or any other applicable law.

The Underwriting Agreement contains indemnities, representations and warranties and undertakings by the Company to Canaccord and other terms and conditions considered standard for an agreement of this nature.

## **6.8 Interests of Directors**

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

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

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

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

### ***Security holdings***

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

### ***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 (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2021 Annual Report.

Director	Remuneration for the Financial Year ended 2020 <sup>1,2,3</sup>	Remuneration for the Financial Year ended 2021 <sup>1</sup>	Remuneration for the Financial Year ending 2022 <sup>1</sup>
Jason Livingstone <sup>5</sup>	\$240,212	\$320,341	\$425,000
Justin Barton	\$209,004	\$199,845	\$266,000
Andrew Daley	\$50,000	\$48,878	\$75,000

Director	Options/Performance Rights for the Financial Year ended 2020 <sup>2</sup>	Options/Performance Rights for the Financial Year ended 2021 <sup>6</sup>	Performance Rights for the Financial Year ending 2022 <sup>6</sup>
Jason Livingstone <sup>5</sup>	\$40,971	\$80,768	\$136,483
Justin Barton <sup>4</sup>	\$21,510	\$70,233	\$118,681
Andrew Daley	-	\$17,558	\$29,670
<b>Total Remuneration</b>	<b>\$561,697</b>	<b>\$932,068</b>	<b>\$1,050,834</b>

**Notes:**

1. Includes salaries and fees and statutory superannuation, plus annual leave paid out during the year.
2. The figures for FY2020 in relation to Mr Livingstone and Mr Barton include the value of equity-based remuneration issued to these Directors (being, the issue of Performance Rights). The Performance Rights were valued based on the hurdle price of the Performance Rights, discounted (as determined by the Board) by a probability factor of achieving the relevant hurdle.
3. On 13 September 2020 MCT held a general meeting at which 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 General Meeting dated 10 July 2020. MCT issued the 23,882,240 Shares respectively to the Directors on 14 September 2020.
4. Mr Barton was appointed as CEO on 1 June 2021 in addition to his responsibilities as CFO and Executive Director. Mr Barton is being paid an additional \$5,000 per month (excluding superannuation) for the additional role.

5. Mr Livingstone was appointed as Managing Director on 1 July 2019 and has transitioned to Technical Director on 1 June 2021. Mr Livingstone is now on a retainer of \$5,000 per month plus \$1,500 per day (excluding superannuation) for work undertaken over and above his retainer.
6. Reflects the allocation of Performance Rights issued to the Directors as approved by Shareholders at MCT's 2020 Annual General Meeting. Please refer to resolutions 7 to 10 set out in the Notice of Annual General Meeting dated 27 October 2020 for further details.

## 6.9 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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

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

Canaccord has acted as Underwriter and Lead Manager to the Offer. The Company estimates it will pay Canaccord \$269,045 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Canaccord has received \$311,230 (excluding GST) in fees from the Company.

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

## 6.10 Consents

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

Each of the parties referred to in this Section:

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

Canaccord has given its written consent to being named as Underwriter and Lead Manager to the Offer in this Prospectus.

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

## 6.11 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$311,629 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	14,378
Lead Manager and Underwriter fees	269,045
Legal fees	15,000
Printing and distribution	5,000
Miscellaneous	5,000
<b>Total</b>	<b>311,629</b>

## 6.12 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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**Justin Barton**  
**Managing Director**  
**Metalicity Limited**

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## 1. GLOSSARY

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

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

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

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

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

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

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at Section 1.1 (unless extended).

**Company** means Metalicity Limited (ACN 086 839 992).

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

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

**CRN** means Customer Reference Number in relation to BPAY®.

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder as at the Record Date who is eligible to participate in the Offer.

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

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

**Exercise Price** means the exercise price of the New Options being \$0.01.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Malaysia or Singapore.

**Listed Option** means a quoted Option in the Company's existing quoted Option class, ASX:MCTO, exercisable at the \$0.004 on or before 22 May 2022.

**New Option** means an Option issued on the terms set out in Section 4.5.

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

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at Section 1.1.

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

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

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

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

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

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

**Shortfall Offer** means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.8.

**Shortfall Securities** means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

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

**Underwritten Amount** means 3,650,751.44.

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