

AMERICAN WEST METALS LIMITED
ACN 645 960 550

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per Share, together with one (1) free New Option for every two (2) Shares applied for and issued to raise up to \$2,665,418 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Prospectus also contains an offer of 20,000,000 New Options to the Underwriter (or its nominee(s)) (**Underwriter Options Offer**). Refer to Section 2.2 of this Prospectus for details of the Underwriter Options Offer.

This Offer is fully underwritten by RM Corporate Finance Pty Ltd (ACN 108 084 386) (AFSL 315 235) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

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.

IMPORTANT NOTICE

This Prospectus is dated 13 March 2023 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, Hong Kong, Germany or Switzerland.

For further information on overseas Shareholders please refer to Section 2.10.

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 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.americanwestmetals.com). 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.americanwestmetals.com. 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, Hong Kong, German or Swiss resident and must only access this Prospectus from within Australia, New Zealand, Hong Kong, Germany or Switzerland.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6109 6653 during office hours or by emailing the Company at sshipway@aw1group.com.

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 (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS 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 CHESS 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 7.

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 8 437 220 697.

CORPORATE DIRECTORY

Directors

John Prineas
Non-Executive Chair

David O'Neill
Managing Director

Daniel Lougher
Non-Executive Director

Michael Anderson
Non-Executive Director

Thomas Peregoodoff
Non-Executive Director

Company Secretary

Sarah Shipway

Registered Office

Suite 2, Level 2
28 Ord Street
WEST PERTH WA 6005

Telephone: +61 8 6109 6653
Email: info@awlgroup.com
Website: www.americanwestmetals.com

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Share Registry*

Automic Registry Services
Level 2
267 St Georges Terrace
PERTH WA 6000

Telephone: 1300 288 664

Underwriter

RM Corporate Finance Pty Ltd
Level 1
1205 Hay Street
WEST PERTH WA 6005

Legal Advisers

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

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

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1. KEY OFFER INFORMATION

1.1 Timetable

| | |
|---|--------------------------|
| Lodgement of Appendix 3B with ASX | Monday, 27 February 2023 |
| Lodgement of Prospectus with the ASIC | Monday, 13 March 2023 |
| Lodgement of Prospectus with ASX | Monday, 13 March 2023 |
| Ex date | Wednesday, 22 March 2023 |
| Record Date for determining Entitlements | Thursday, 23 March 2023 |
| Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed | Monday, 27 March 2023 |
| Last day to extend the Closing Date | Tuesday, 4 April 2023 |
| Closing Date as at 5:00pm* | Tuesday, 11 April 2023 |
| Securities quoted on a deferred settlement basis | Wednesday, 12 April 2023 |
| ASX and Underwriter notified of under subscriptions | Thursday 13 April 2023 |
| Underwriter subscribes for Shortfall under terms of Underwriting Agreement | Thursday 13 April 2023 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares | Tuesday, 18 April 2023 |
| Quotation of Shares issued under the Offer** | Friday, 21 April 2023 |

*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 Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offers

Shares

| | Full Subscription (\$2,655,418) ¹ |
|--|---|
| Offer Price per Share | \$0.05 |
| Entitlement Ratio (based on existing Shares) | 1:5 |
| Shares currently on issue ² | 265,541,766 |
| Shares to be issued under the Offer ³ | 53,108,353 |
| Gross proceeds of the issue of Shares | \$2,655,418 |
| Shares on issue Post-Offers | 318,650,119 |

Notes:

1. Assuming the Full Subscription of \$2,655,418 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.

Options

| | Full Subscription (\$2,655,418) ¹ |
|---|---|
| Offer Price per New Option | Nil |
| Option Entitlement Ratio (based on Shares subscribed for) | 1:2 |
| Options currently on issue ² | 35,414,757 |
| New Options to be issued under the Offer ² | 26,554,177 |
| New Options to be issued under the Underwriter Options Offer ² | 20,000,000 |
| Options on issue Post-Offers | 81,968,934 |

Notes:

- Assuming the Full Subscription of \$2,655,418 is achieved under the Offer.
- As set out in the Company's ASX announcement dated 27 February 2023, the Company is proposing, subject to receipt of Shareholder approval in a general meeting, to issue:
 - up to 26,554,177 free attaching Options on the same terms as the New Options to the placement participants; and
 - 5,000,000 Options on the same terms as the New Options to RM Corporate Finance Pty Ltd in part consideration for lead manager services associated with the placement.
- Refer to Section 4.2 for the terms of the New Options.

Performance Rights

| | Full Subscription (\$2,655,418) ¹ |
|---|---|
| Performance Rights currently on issue | 3,700,020 ² |
| Performance Rights to be issued under the Offer | Nil |
| Performance Rights on issue Post-Offers | 3,700,020 |

Notes:

- Assuming the Full Subscription of \$2,655,418 is achieved under the Offer.
- Comprising:
 - 20 Class A to E Performance Rights which, subject to achievement of the relevant milestone, will each convert into 100,000 Shares. 5 Class C Performance Rights have already vested and will convert into 500,000 Shares;
 - 700,000 Class F Performance Rights which have vested and will be cancelled unexercised;
 - 1,000,000 Class G Performance Rights;
 - 1,000,000 Class H Performance Rights; and
 - 1,000,000 Class I Performance Rights.

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.

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

| Risk | Description | Further Information |
|--|--|---------------------|
| Additional requirements for capital | The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. | Section 5.2 |
| Contractual risk | <p>The Company has the option to acquire an interest in the Storm Copper and Seal Zinc Projects and Copper Warrior Project (the Option Projects) pursuant to respective option agreements.</p> <p>There is no guarantee that the Company will exercise the options under the option agreements relating to the Storm Copper and Seal Zinc Projects and the Copper Warrior Project, as this will be decided after the Company has undertaken exploration activities on the respective Option Project. If the Company does not exercise its option under an option agreement, the Company would be unable to explore the Option Project covered by that option agreement. If the Company is unable to satisfy its undertakings under any option agreement, the Company's interest in the Option Project may be jeopardised.</p> <p>Further, the ability of the Company to acquire an ownership interest in an Option Project will depend on the performance by the owners of that Option Project of their obligations under the respective option agreement. If any party defaults in the performance of its obligations under an option agreement, it may be necessary for the Company to approach a court to seek a legal remedy,</p> | Section 5.2 |

| | | |
|----------------------------------|--|-------------|
| | <p>which can be costly.</p> <p>The Company has no current reason to believe that the owners of the Option Projects will not meet and satisfy their respective obligations under the option agreements.</p> | |
| Exploration and operating | <p>The Company owns the West Desert Project, together with the Option Project referred to as the "Projects". The Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of any of the Projects, will result in the discovery of an economic resource. Even if an apparently viable resource 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 or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, 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 being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes at any Project prove to be unsuccessful this could lead to a diminution in the value of that Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising that Project.</p> | Section 5.2 |

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 | \$ |
|---------------------------------|-------------------------|---------|--------------------|-------------------|------------------------|-----------|
| Daniel Lougher ² | 160,000 | 80,000 | 1,500,000 | 32,000 | 16,000 | \$1,600 |
| Michael Anderson ^{2,3} | 1,250,000 | Nil | 1,100,000 | 250,000 | 125,000 | \$12,500 |
| Thomas Peregoodoff | Nil | Nil | 1,100,000 | Nil | Nil | Nil |
| John Prineas ² | 23,441,250 ¹ | Nil | Nil | 4,688,250 | 2,344,125 | \$234,413 |
| David O'Neill | 23,750,000 | Nil | Nil | 4,750,000 | 2,375,000 | \$237,500 |

Notes:

- 691,250 Shares held indirectly by Zeus Private Equity Pty Ltd (of which Mr Prineas is the sole director and shareholder).
- As set out in the Company's ASX announcement dated 27 February 2023, Daniel Lougher, Michael Anderson and John Prineas (or their nominees) intend on subscribing for Shares on the same terms as the placement announced on that date. Daniel Lougher, Michael Anderson and John Prineas (or their nominees) intend on subscribing for an aggregate of 1,450,000 Shares. The issue to each of these Directors will be subject to receipt of Shareholder approval in general meeting.
- Mr Anderson was a director of Tiger Resources Limited (**Tiger Resources**) from 14 August 2019 to 5 November 2020. In November 2020, while Mr Anderson was Chairman, Tiger Resources was placed into voluntary administration due to the impacts of COVID-19 on Tiger Resources' projects and access to funding. The Directors have considered the circumstances around Mr Anderson's involvement as a director of Tiger Resources, and the reasons for the voluntary administration, and are of the view that Mr Anderson's previous involvement with Tiger Resources in no way impacts his ability to conduct himself as a director of the Company.

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, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|-------------------|------------|-------|
| David O'Neill | 23,750,000 | 8.94% |
| John Prineas | 23,441,250 | 8.83% |
| InZinc Mining Ltd | 13,385,000 | 5.04% |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Underwriting

The Offer is fully underwritten by the Underwriter. Refer to Section 6.4.1 for details of the terms of the underwriting.

1.7 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under

this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, 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.

1.8 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 16.67% (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 23.08% (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 | 10,000,000 | 3.77% | 2,000,000 | 10,000,000 | 3.14% |
| Shareholder 2 | 5,000,000 | 1.88% | 1,000,000 | 5,000,000 | 1.57% |
| Shareholder 3 | 1,500,000 | 0.56% | 300,000 | 1,500,000 | 0.47% |
| Shareholder 4 | 400,000 | 0.15% | 80,000 | 400,000 | 0.13% |
| Shareholder 5 | 50,000 | 0.02% | 10,000 | 50,000 | 0.02% |

Notes:

1. This is based on a share capital of 265,541,766 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
2. 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.

2. DETAILS OF THE OFFERS

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every five (5) Shares held by Shareholders registered at the Record Date at an issue price of \$0.05 per Share, together with one (1) New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded down 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 53,108,353 Shares and 26,554,177 New Options may be issued under the Offer to raise up to \$2,655,418. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 35,414,757 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

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 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.10 on or before 30 November 2026 and otherwise on the terms set out in Section 4.2.

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

2.2 The Underwriter Options Offer

The Underwriter Options Offer is an offer of up to 20,000,000 New Options to the Underwriter (or its nominees), in part consideration for underwriting services provided in relation to the Offer (refer to Section 6.4.1).

In accordance with the Underwriting Agreement, the Company will pay/issue the Underwriter (or its nominee):

- (a) \$30,000 in cash;
- (b) an underwriting fee of 6% of the gross proceeds raised under the Offer; and
- (c) 20,000,000 New Options exercisable at \$0.10 on or before 30 November 2026, subject to the receipt of Shareholder approval.

The New Options offered under the Underwriter Options Offer will be issued on the terms and conditions set out in Section 4.2. The Company will not apply for Official Quotation of the New Options to be issued under the Underwriter Options Offer.

The purpose of the Underwriter Options Offer is to satisfy part of the Company's obligations under the Underwriting Agreement and to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued on exercise of the New Options subscribed for by the Underwriter (or its nominees).

Only the Underwriter (or its nominees) may apply under the Underwriter Options Offer. A personalised Underwriter Options Offer Application Form in relation to the Underwriter Options Offer will be issued to the Underwriter together with a copy of this Prospectus. You should not complete an Underwriter Options Offer Application Form unless specifically directed to do so by the Company.

2.3 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 |
|--|---|------------------------------|
| Take up all of your Entitlement | <ul style="list-style-type: none"> 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. Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. | Section 2.4 and Section 2.5. |
| Take up all of your Entitlement and also apply for Shortfall Securities | <ul style="list-style-type: none"> 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. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. 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 Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. | Sections 2.4, 2.5 and 2.7. |

| Option | Key Considerations | For more information |
|--|---|-----------------------------|
| | <ul style="list-style-type: none"> The Company's decision on the number of Shortfall Securities to be allocated to you will be final. | |
| Take up a proportion of your Entitlement and allow the balance to lapse | <ul style="list-style-type: none"> 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 2.4 below. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. | Section 2.4 and Section 2.5 |
| Allow all or part of your Entitlement to lapse | <ul style="list-style-type: none"> 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. | N/A |

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

2.4 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 5:00pm (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:

- (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.

(c) By Cheque

Payment by cheque will not be accepted.

2.5 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; and
- (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.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.05 being the price at which Shares have been offered under the Offer (**Shortfall Securities**).

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 2.4.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. 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.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. 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.

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

The Company will not apply for Official Quotation of the New Options issued pursuant to this Prospectus.

2.9 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.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. 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.

2.10 Overseas shareholders

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

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

New Zealand

The offer of Securities to New Zealand investors under the Offer is a regulated offer made under Australian and New Zealand law. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets' regulators have enforcement responsibilities in relation to the Entitlement Offer. If you need to make a complaint about the Offer, please contact the Financial Markets

Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This document may be distributed in Switzerland only to existing Shareholders of the Company and is not for general circulation in Switzerland.

European Union

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

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in each member state of the European Union is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This Prospectus does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Prospectus also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Prospectus in Hong Kong, other than to persons who are "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Prospectus or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong, Germany or Switzerland 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.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$2,655,418 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. | Storm-Seal Exploration Program ¹ | 1,586,019 | 60% |
| 2. | West Desert Exploration Program | 135,000 | 5% |
| 3. | Copper Warrior Exploration Program | 225,000 | 8% |
| 4. | Working capital | 460,855 | 17% |
| 5. | Expenses of the Offers ² | 248,544 | 10% |
| | Total | 2,655,418 | 100 |

Notes:

1. Comprising a multi-faceted program planned for 2023 that will include diamond core and reverse circulation drilling, geophysics, and studies for a potential direct shipping ore mining operation.
2. Refer to Section 6.8 for further details relating to the estimated expenses of the Offers.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives.

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.

3.2 Effect of the Offers

The principal effect of the Offer and the Underwriter Options Offer (together, the **Offers**), 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 \$2,407,474 (after deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 265,541,766 as at the date of this Prospectus to 318,650,119 Shares; and

- (c) increase the number of Options on issue from 35,414,757 as at the date of this Prospectus to 81,968,934 Options.

3.3 Effect on capital structure

The effect of the Offers 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 ¹ | 265,541,766 |
| Shares offered pursuant to the Offer | 53,108,353 |
| Total Shares on issue after completion of the Offers | 318,650,119 |

Options

| | Number |
|--|-------------------|
| Options currently on issue ^{1,2} | 35,414,757 |
| New Options to be issued pursuant to the Offer | 26,554,177 |
| New Options to be issued under the Underwriter Options Offer | 20,000,000 |
| Total Options on issue after completion of the Offers | 81,968,934 |

Notes:

- Comprising:
 - 29,624,207 Options exercisable at \$0.20 on or before 20 September 2024;
 - 1,000,000 Options exercisable at \$0.30 on or before 21 March 2025; and
 - 4,790,550 Options exercisable at \$0.30 on or before 13 December 2024.
- As set out in the Company's ASX announcement dated 27 February 2023, the Company is proposing, subject to receipt of Shareholder approval in a general meeting, to issue:
 - up to 26,554,177 free attaching Options on the same terms as the New Options to the placement participants; and

5,000,000 Options on the same terms as the New Options to RM Corporate Finance Pty Ltd in part consideration for lead manager services associated with the placement.

Performance Rights

| | Number |
|---|------------------------|
| Performance Rights currently on issue | 3,700,020 ¹ |
| Performance Rights offered pursuant to the Offer | Nil |
| Total Performance Rights on issue after completion of the Offers | 3,700,020 |

Notes:

- Comprising:

- (a) 20 Class B to E Performance Rights which, subject to achievement of the relevant milestone, will each convert into 100,000 Shares . 5 Class C Performance Rights have already vested and will convert into 500,000 Shares;
- (b) 700,000 Class F Performance Rights which have vested and will be cancelled, unexercised.
- (c) 1,000,000 Class G Performance Rights;
- (d) 1,000,000 Class H Performance Rights; and
- (e) 1,000,000 Class I Performance Rights.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 304,656,543 Shares and on completion of the Offers (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 406,319,073 Shares.

3.4 Pro-forma balance sheet

The audited balance sheet as at 31 December 2022 and the unreviewed pro-forma balance sheet as at 31 December 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 Offers.

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

| | NOTE | AUDITED CONSOLIDATED 31 DECEMBER 2022 ACTUAL \$ | UNREVIEWED CONSOLIDATED 31 DECEMBER 2022 PRO-FORMA \$ |
|---------------------------------|------|---|---|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 1 | 617,066 | 5,500,633 |
| Trade and other receivables | | 158,928 | 158,928 |
| Other current assets | | 125,632 | 125,632 |
| TOTAL CURRENT ASSETS | | 901,626 | 5,785,193 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | 2,835 | 2,835 |
| TOTAL NON-CURRENT ASSETS | | 2,835 | 2,835 |
| TOTAL ASSETS | | 904,461 | 5,788,028 |

| | | | |
|----------------------------------|---|----------------|------------------|
| | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 458,812 | 458,812 |
| Provisions | | 31,409 | 31,409 |
| TOTAL CURRENT LIABILITIES | | 490,221 | 490,221 |
| | | | |
| TOTAL LIABILITIES | | 490,221 | 490,221 |
| | | | |
| NET ASSETS | | 414,240 | 5,297,807 |
| | | | |
| EQUITY | | | |
| Issued capital | 2 | 22,436,093 | 27,319,660 |
| Reserves | | 1,036,195 | 1,036,195 |
| Accumulated losses | 2 | (23,058,048) | (23,058,048) |
| TOTAL EQUITY | | 414,240 | 5,297,807 |

Notes:

1. On 7 March 2023, the Company completed the placement of a total of 53,108,353 Shares and 26,554,177 unlisted Options (subject to shareholder approval) to sophisticated investors at an issue price of \$0.05 per Share, to raise a total of \$2,655,418 and estimated cost of the Share issue is expected to be \$179,325.
2. Issue of 53,108,353 Shares and 26,554,177 unlisted Options to raise \$2,655,418 and estimated cost of the Share issue expected to be \$248,544.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) 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 \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on 30 November 2026 (**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.

5. RISK FACTORS

5.1 Introduction

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

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

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

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

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

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

5.2 Company specific

| Risk Category | Risk |
|------------------------|--|
| Potential for dilution | <p>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 16.67% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>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 23.08% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</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 Offers being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.048 is not a reliable indicator as to the</p> |

| Risk Category | Risk |
|--|--|
| | <p>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 \$0.005 is not a reliable indicator as to the potential trading price of Listed Options after implementation of the Offer.</p> |
| Additional requirements for capital | <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> |
| Contractual risk | <p>The Company has the option to acquire an interest in the Storm Copper and Seal Zinc Projects and Copper Warrior Project (the Option Projects) pursuant to respective option agreements.</p> <p>There is no guarantee that the Company will exercise the options under the option agreements relating to the Storm Copper and Seal Zinc Projects and the Copper Warrior Project, as this will be decided after the Company has undertaken exploration activities on the respective Option Project. If the Company does not exercise its option under an option agreement, the Company would be unable to explore the Option Project covered by that option agreement. If the Company is unable to satisfy its undertakings under any option agreement, the Company's interest in the Option Project may be jeopardised.</p> <p>Further, the ability of the Company to acquire an ownership interest in an Option Project will depend on the performance by the owners of that Option Project of their obligations under the respective option agreement. If any party defaults in the performance of its obligations under an option agreement, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>The Company has no current reason to believe that the owners of the Option Projects will not meet and satisfy their respective obligations under the option agreements.</p> |
| Exploration and operating | <p>The Company owns the West Desert Project, together with the Option Project referred to as the "Projects". The Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of any of the Projects, will result in the discovery of an economic</p> |

| Risk Category | Risk |
|---------------|---|
| | <p>resource. Even if an apparently viable resource 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 or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, 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 being able to maintain title to the mineral exploration licences comprising the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes at any Project prove to be unsuccessful this could lead to a diminution in the value of that Project, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences comprising that Project.</p> |
| Tenure | <p>Renewal</p> <p>Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements are subject to the applicable mining acts and regulations in the US and Canada and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the US and Canada and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.</p> <p>Access</p> <p>A number of the Company's tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities.</p> |

| Risk Category | Risk |
|---|--|
| Resource and reserves and exploration targets | <p>As announced on 9 February 2023, the Company has reported a JORC compliance Mineral Resource Estimation for the West Desert Project.</p> <p>Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p> |
| Grant of future authorisations to explore and mine | <p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p> |
| Mine development | <p>Possible future development of mining operations at the 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 on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of any of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should any of the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p> |
| Environmental | <p>The operations and proposed activities of the Company are subject to the US and Canadian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> |

| Risk Category | Risk |
|------------------------------|---|
| | <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> |
| Regulatory Compliance | <p>Regulatory Risks</p> <p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, 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>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that 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</p> |

| Risk Category | Risk |
|-------------------------|---|
| | or forfeiture of one or more of the mining claims comprised in a Project. |
| Climate risk | <p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates. |
| Ukraine Conflict | <p>The current conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economies and financial markets. The nature and extent of the effect the Ukraine Conflict may have on the Company's operations remains uncertain at this time. In the short to medium term, the Company's Share price may be adversely affected by the economic uncertainty caused by the Ukraine Conflict and the wider effect the conflict has on global economies and financial markets.</p> <p>The Directors are monitoring the potential secondary and tertiary macroeconomic impacts of the Ukraine Conflict, including the fluctuations in commodity and energy prices and the potential risk of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p> |

| Risk Category | Risk |
|----------------------------------|--|
| Reliance on key personnel | <p>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.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p> |
| Economic | <p>General economic conditions, introduction of tax reform, new legislation, 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> |
| Competition risk | <p>The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p> |
| Market conditions | <p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock</p> |

| Risk Category | Risk |
|---|--|
| | <p>market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>Further, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price.</p> |
| Commodity price volatility and exchange rate risks | <p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product 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 precious and base metals, 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 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> |
| Government policy changes | <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 the US and Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p> |
| Insurance | <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 business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p> |
| Force Majeure | <p>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 or quarantine restrictions.</p> |

| Risk Category | Risk |
|-------------------------|--|
| Taxation | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p> |
| Litigation Risks | <p>The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.</p> |

5.4 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.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

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

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

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

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

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

| Date | Description of Announcement |
|--------------|---|
| 9 March 2023 | Half Yearly Report |
| 7 March 2023 | Cleansing Statement |
| 7 March 2023 | Application for quotation of securities - AW1 |

| Date | Description of Announcement |
|------------------|--|
| 7 March 2023 | Vesting of Performance Rights |
| 3 March 2023 | Presentation - PDAC 2023 |
| 27 February 2023 | Letter to Optionholders |
| 27 February 2023 | Proposed issue of securities - AW1 |
| 27 February 2023 | Proposed issue of securities - AW1 |
| 27 February 2023 | Proposed issue of securities - AW1 |
| 27 February 2023 | Proposed issue of securities - AW1 |
| 27 February 2023 | American West Announces Capital Raise |
| 23 February 2023 | Trading Halt |
| 20 February 2023 | Investor Presentation |
| 9 February 2023 | Maiden JORC MRE for West Desert |
| 31 January 2023 | Quarterly Activities and Cashflow Report |
| 24 January 2023 | Storm Exploration Set To Accelerate |
| 12 January 2023 | Cleansing Notice |
| 12 January 2023 | Application for quotation of securities - AW1 |
| 12 January 2023 | Change of Director's Interest Notice x3 |
| 12 January 2023 | Notification regarding unquoted securities - AW1 |
| 12 January 2023 | Notification of cessation of securities - AW1 |
| 22 December 2022 | Cleansing Notice |
| 22 December 2022 | Application for quotation of securities - AW1 |
| 14 December 2022 | Results of General Meeting |
| 1 December 2022 | Investor Presentation |
| 25 November 2022 | Application for quotation of securities - AW1 |
| 25 November 2022 | Release of Shares from Escrow |
| 22 November 2022 | New Copper Targets at Copper Warrior |
| 16 November 2022 | Notice of General Meeting/Proxy Form |
| 9 November 2022 | Initial Director's Interest Notice |
| 9 November 2022 | US Federal Grant for West Desert Critical Metals Study |
| 8 November 2022 | Results of Annual General Meeting |
| 8 November 2022 | Cleansing Notice |
| 8 November 2022 | Application for quotation of securities - AW1 |
| 3 November 2022 | High-Grade Copper Hits Continue at Storm |
| 1 November 2022 | Proposed issue of securities - AW1 |
| 1 November 2022 | \$3.4 Million Raised to Advance Copper and Zinc Projects |
| 31 October 2022 | Quarterly Activities and Cashflow Report |

| Date | Description of Announcement |
|-----------------|--|
| 28 October 2022 | Trading Halt |
| 25 October 2022 | Dan Lougher Appointed Chairman |
| 19 October 2022 | Excellent Metallurgical Results at West Desert |
| 11 October 2022 | American West Completes Quotation on the OTCQB |
| 6 October 2022 | Notice of Annual General Meeting/Proxy Form |

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.americanwestmetals.com.

6.3 Market price of Shares and New Options

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 | \$0.125 | 10 January 2023, 13 January 2023 – 18 January 2023, 24 January 2023 – 25 January 2023 |
| Lowest | \$0.045 | 28 February 2023 |
| Last | \$0.048 | 10 March 2023 |

6.4 Material Contracts

6.4.1 Underwriting Agreement.

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter, pursuant to which the Underwriter has agreed to fully underwrite the Offer.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer. The appointment of any sub-underwriter is at the sole discretion of the Underwriter.

The material terms and conditions of the Underwriting Agreement are summarised below:

| Fees | In consideration for underwriting the Offer, the Company agreed to pay/issue the Underwriter: |
|------|---|
| | (a) an underwriting fee of 6% (plus GST) of the gross proceeds of the Offer; |
| | (b) a fee of \$30,000 in cash; and |
| | (c) subject to shareholder approval, 20,000,000 New Options. |

| | |
|----------------------------------|---|
| Reimbursement of expenses | The Company agreed to reimburse the Underwriter for all reasonable costs and expenses incurred in its role as Underwriter. |
| Termination Events | <p>The Underwriter may terminate the Underwriting Agreement if:</p> <ul style="list-style-type: none"> (a) save and except where there is no Shortfall, the Company does not provide a certificate notifying the Underwriter of the Shortfall; (b) an event occurs which does or is likely to prohibit, restrict or regulate the exercise of the Underwriters rights or reduce the likely level of Applications or materially affects the financial position of the Company; (c) the Company fails to comply in any material respect with a provision of its constitution, any statute, the Listing Rules, a requirement, order or request made by or on behalf of ASIC, ASX or any government bod or any agreement entered into by it; (d) any material contract to which the Company is a party is terminated or amended without the prior written consent of the Underwriter (which consent must not be unreasonably withheld); (e) the constitution of the Company is amended without the prior written consent of the Underwriter (which consent must not be unreasonably withheld); (f) the Company alters its capital structure without the prior written consent of the Underwriter (which consent must not be unreasonably withheld); (g) a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within seven days; (h) any distress, attachment, execution or other process of a government body in an amount exceeding \$100,000 is issued against, levied or enforced on any of the assets of the Company and is not set aside or satisfied within seven days; (i) a receiver, receiver and manager, trustee, administrator or similar official is appointed, or steps are taken for such appointment, over any of the assets or undertaking of the Company; (j) the Company passes or takes any steps to pass a resolution under either section 254N of the Corporations Act, without the prior written consent of the Underwriter; (k) the Company passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter; (l) the Company suspends payment of its debts generally; (m) the Company is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act or is presumed to be insolvent under the Corporations Act; (n) the Company enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them; (o) the Company ceases or threatens to cease to carry on business; |

- (p) a person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (q) steps are taken by anyone entitled to do so, to appoint an administrator to the Company;
- (r) an application or order is made for the winding up or dissolution of the Company or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Company and the application is not dismissed or the winding up is not set aside within fourteen days otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Underwriter;
- (s) there is an outbreak of hostilities not presently existing, or a major escalation in existing hostilities occurs, involving any of the Commonwealth of Australia, Japan, the United Kingdom, the United States of America, the People's Republic of China or the Middle East region;
- (t) the Company is in default of any of the material terms and conditions of this agreement or breaches any material warranty or covenant given or made by it under the Underwriting Agreement;
- (u) any Shares which at the date of this agreement are officially quoted on the ASX:
- (v) are suspended from quotation whether temporarily or otherwise; or
- (w) are the subject of a statement to the effect that the Shares or any quoted options will be suspended or cease to be quoted;
- (x) the ASX 300 Index of the Stock Exchange is, at any time for two consecutive Business Days after the date of this agreement, 10% or more below its opening level as published in the Australian Financial Review on the last Business Day immediately before the date of this agreement;
- (y) the Dow Jones Industrial Average is, at any time for two consecutive Business Days after the date of this agreement, 10% or more below its opening level as published in the Australian Financial Review on the last Business Day immediately before the date of this agreement;
- (z) the Resources Index of the ASX Limited is, at any time for two consecutive Business Days after the date of this agreement 10% or more below its opening level as published in the Australian Financial Review on the last Business Day immediately before the date of this agreement;
- (aa) any warranty, representation or material statement by the Company in this agreement is or becomes false, misleading or incorrect in any material respect when made or regarded as made;
- (bb) any change occurs in the financial position of the Company which, in the reasonable opinion of the Underwriter, may have a material adverse effect;
- (cc) any of the matters set forth in section 652C of the Corporations Act occurs in respect of the Company;
- (dd) any information supplied by the Company or on its behalf to

| | |
|------|--|
| | the Underwriter in respect of the Offer is or becomes false or misleading in any material respect; |
| (ee) | there is a material omission from the results of the due diligence investigation performed in respect of the Company or the verification material or the results of the due diligence investigation or the verification material are false or misleading; or |
| (ff) | a director of the Company is charged with an indictable offence relating to a financial or corporate matter. |

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

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

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

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

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

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 and 2022 Annual Reports.

| Director | Financial year ended 30 June 2021 | Financial year ended 30 June 2022 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Daniel Lougher ⁵ | Nil | Nil |
| Michael Anderson | \$6,570 | \$79,200 ¹ |
| Thomas Peregoodoff ⁶ | Nil | \$27,986 ² |
| John Prineas | Nil | \$74,161 ³ |
| David O'Neill | Nil | \$197,142 ⁴ |

Notes:

1. Comprising \$72,000 in Director fees/salary and \$7,200 in superannuation.
2. Comprising \$27,986 in Director fees/salary.
3. Comprising \$67,419 in Director fees/salary and \$6,742 in superannuation.
4. Comprising \$180,000 in Director fees/salary and \$17,142 in superannuation.
5. Appointed as a Director on 9 November 2022.
6. Appointed as a Director on 1 March 2022.

6.6 Interests of experts and advisers

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

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

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:

- (i) its formation or promotion; or
- (ii) the Offers; or
- (f) the Offers,

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

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

RM Corporate Finance Pty Ltd has acted as the underwriter of the Offer. The Company will pay RM Corporate Finance Pty Ltd the fees set out in Section 6.4.1 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RM Corporate Finance Pty Ltd has \$175,225 (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 \$144,028.50 (excluding GST and disbursements) for legal services provided to the Company.

6.7 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.

RM Corporate Finance Pty Ltd has given its written consent to being named as the underwriter to the Offer in this Prospectus. RM Corporate Finance Pty Ltd (including its related entities) is not a Shareholder of the Company and currently has no relevant interest in any of the Company's securities.

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

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 31 December 2022 audited balance sheet of the Company in Section 3.4.

6.8 Expenses of the Offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$248,544 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|---------------------------|----------------|
| ASIC fees | 3,206 |
| ASX fees | 10,413 |
| Underwriting fee | 189,325 |
| Legal fees | 15,000 |
| Printing and distribution | 10,000 |
| Miscellaneous | 20,000 |
| Total | 248,544 |

6.9 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Sarah Shipway
Company Secretary
For and on behalf of
American West Metals Limited

7. 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 (unless extended).

Company means American West Metals Limited (ACN 645 960 550).

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 \$0.10.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Hong Kong, Germany or Switzerland.

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

New Option means an Option issued on the terms set out in Section 4.2.

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

Offers means the non-renounceable entitlement issue the subject of this Prospectus and the Underwriter Options Offer.

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.

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 2.7.

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

Underwriter means RM Corporate Finance Pty Ltd (ACN 108 084 386) (AFSL 315 235).

Underwriter Options Offer has the meaning given in Section 2.2.

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