



MTM Critical Metals Limited (ACN 645 885 463) Prospectus

This Prospectus is primarily being issued for a non-renounceable pro-rata offer to Eligible Shareholders on the basis of 1 new Share for every 4 existing Shares held on the Record Date at an issue price of \$0.08 per new Share, together with 1 free attaching Quoted Option for every 2 new Shares subscribed for and issued to raise up to \$2,485,927 (before costs) (**Entitlement Offer**).

This Prospectus also incorporates secondary offers, comprising (collectively, the **Secondary Offers**):

- (a) the Consideration Offer, which is detailed in Section 2.3;
- (b) the Lead Manager Offer, which is detailed in Section 2.4;
- (c) the Director Options Offer, which is detailed in Section 2.5;
- (d) the Adviser Options Offer, which is detailed in Section 2.6; and
- (e) the Director Appointment Options Offer, which is detailed in Section 2.7.

The Entitlement Offer, Consideration Offer, Lead Manager Offer, Director Options Offer, Adviser Options Offer and Director Appointment Options Offer are together the **Offers**.

Timing

The Offers are currently scheduled to close at 5.00pm (AEDT) on 18 March 2024. Valid Applications must be received before that time.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR
SUITABLY QUALIFIED PROFESSIONAL ADVISER WITHOUT DELAY.**

The Securities offered under this Prospectus are of a speculative nature.

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Offers.

Not for release to US wire services or distribution in the United States.

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Important Information

Prospectus

This Prospectus is dated 11 February 2024 and was lodged with the ASIC on that date with the consent of all Directors.

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus.

Expiry date

This Prospectus expires at 5:00pm (AWST) on the date which is 13 months after the date of this Prospectus and no Securities will be issued on the basis of this Prospectus after this expiry date.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

No person is authorised to give any information or to make any representation in connection with the Offers, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Speculative investment

The Securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid or that there will be an increase in the value of the Securities in the future.

Prospective investors should carefully consider whether the Securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 5 for details relating to the key risks applicable to an investment in the Securities.

Copies of the Prospectus and Application Forms

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the relevant Application Form (free of charge) from the offices of the Company before the closing date of the last of the Offers by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

The Offers constituted by this Prospectus are only available to persons receiving this Prospectus and an Application Form within Australia, or, subject to the provisions outlined in Section 2.20.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus or by otherwise making a BPAY® or EFT payment in accordance with this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to apply for Securities under the Offers should complete or satisfy the instructions on the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Website

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

Foreign investors

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

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus does not constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia or New Zealand except to the extent permitted below.

New Zealand

The Entitlement Offer Securities are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure

statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

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 (mtmcriticalmetals.com.au). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Using this Prospectus

Persons wishing to apply for Securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Securities offered pursuant to this Prospectus. If persons considering applying for Securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars.

Time

All references to time in this Prospectus are references to AWST, being the time in Perth, Western Australia, unless otherwise stated.

Corporate Directory

Directors

John Hannaford	Non-Executive Chairman
Lachlan Reynolds	Managing Director
David Izzard	Non-Executive Director
Anthony Hadley	Non-Executive Director

Chief Financial Officer & Company Secretary Lead Manager

Simon Adams	Sandton Capital Advisory Pty Ltd Level 10, 27-31 Macquarie Place Sydney NSW 2000
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Registered and Principal Office

Suite 2, 38-40 Colin Street
West Perth WA 6005

Telephone: +61 8 6391 0112

Email: info@mtmmetals.com.au

Website: mtmcriticalmetals.com.au

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

Tel: (within Australia) 1300 288 664

Tel: (outside Australia) +61 2 9698 5414

Auditor*

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Solicitors

Hamilton Locke Pty Ltd
Central Park Building
Level 48, 152 - 158 St Georges Terrace
Perth WA 6000

ASX Code: MTM, MTMO

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

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Indicative Timetable

Event*	Date
Lodgement of Prospectus	11 February 2024
Announcement of Offers and lodgement of Appendix 3B with ASX	(pre-market) 12 February 2024
Ex date	14 February 2024
Record Date for determining Entitlements under the Entitlement Offer (5:00pm AWST)	15 February 2024
Prospectus and Application Forms despatched to Eligible Shareholders and Company announces that this has occurred	
Opening Date of Offers	20 February 2024
Last day to extend Closing Date of Entitlement Offer	13 March 2024
General Meeting of Shareholders	14 March 2024
Closing Date of Offers (5:00pm AEDT)	18 March 2024
Announcement of results of Entitlement Offer	21 March 2024
Anticipated date for issue of the Entitlement Offer Shares and Entitlement Offer Options (together the Entitlement Offer Securities) under the Entitlement Offer	25 March 2024
Company lodges an Appendix 2A with ASX applying for quotation of the Entitlement Offer Securities issued under the Entitlement Offer	
Anticipated date for commencement of Entitlement Offer Securities issued under the Entitlement Offer trading on a normal settlement basis	26 March 2024
Anticipated date for issue of Tranche 2 Placement Shares (including related parties), Consideration Shares, Tranche 2 Conversion Shares and Quoted Options	On or shortly after the date of the General Meeting

Notes

- * The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times, including amending the Closing Date of the Offers, without prior notice subject to the Corporations Act, the Listing Rules and any other applicable laws.

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Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities offered under this Prospectus.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>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. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p> <p>The Prospectus is being issued primary for the purpose of offering the Securities pursuant to the Entitlement Offer.</p> <p>The Prospectus is also being issued to remove any trading restrictions on the sale of:</p> <ul style="list-style-type: none">(a) the Consideration Shares; and(b) the Shares issued upon exercise of:<ul style="list-style-type: none">(i) the Consideration Performance Rights;(ii) the Unquoted Consideration Options;(iii) the Quoted Consideration Options;(iv) the Lead Manager Options;(v) the Director Options;(vi) the Adviser Options; and(vii) the Director Appointment Options.	Section 2.9

Key Information	Further Information														
<p>Offers</p> <p>The Company is offering pursuant to this Prospectus, up to:</p> <ul style="list-style-type: none"> (a) 31,074,089 new Shares at an issue price of \$0.08 per new Share, together with 15,537,045 Quoted Options to Eligible Shareholders pursuant to the Entitlement Offer; (b) 100,000,000 Consideration Shares pursuant to the Consideration Offer as partial consideration for the Flash Acquisition under the terms of the Flash Agreement and subject to shareholder approval under Listing Rule 7.1; (c) 37,500,000 Consideration Performance Rights pursuant to the Consideration Offer as partial consideration for the Flash Acquisition under the terms of the Flash Agreement and subject to shareholder approval under Listing Rule 7.1; (d) 15,000,000 Unquoted Consideration Options pursuant to the Consideration Offer as partial consideration for the Flash Acquisition under the terms of the Flash Agreement and subject to shareholder approval under Listing Rule 7.1; (e) 50,000,000 Quoted Consideration Options pursuant to the Consideration Offer as partial consideration for the Flash Acquisition under the terms of the Flash Agreement and subject to shareholder approval under Listing Rule 7.1; (f) 12,000,000 Lead Manager Options pursuant to the Lead Manager Offer; (g) 10,000,000 Director Options pursuant to the Director Options Offer; (h) 10,000,000 Adviser Options pursuant to the Adviser Options Offer; and (i) 1,000,000 Director Appointment Options pursuant to the Director Appointment Options Offer. 	<p>Sections 2.1, 2.2, 2.3, 2.4, 2.5, 2.6 and 2.7</p>														
<p>Eligibility to participate in the Offers</p> <p>Eligibility to participate in each of the Offers is set out in the table below.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #800080; color: white;">Offer</th> <th style="background-color: #800080; color: white;">Who can participate</th> </tr> </thead> <tbody> <tr> <td>Entitlement Offer</td> <td>Eligible Shareholders as defined in Section 2.8</td> </tr> <tr> <td>Consideration Offer</td> <td>Vendors and Sandton (or their respective nominees)</td> </tr> <tr> <td>Lead Manager Offer</td> <td>Lead Manager (or its nominees)</td> </tr> <tr> <td>Director Options Offer</td> <td>Directors (or their respective nominees)</td> </tr> <tr> <td>Adviser Options Offer</td> <td>Sandton (or its nominees)</td> </tr> <tr> <td>Director Appointment Options Offer</td> <td>Mr Hadley (or his nominees)</td> </tr> </tbody> </table>	Offer	Who can participate	Entitlement Offer	Eligible Shareholders as defined in Section 2.8	Consideration Offer	Vendors and Sandton (or their respective nominees)	Lead Manager Offer	Lead Manager (or its nominees)	Director Options Offer	Directors (or their respective nominees)	Adviser Options Offer	Sandton (or its nominees)	Director Appointment Options Offer	Mr Hadley (or his nominees)	<p>Section 2</p>
Offer	Who can participate														
Entitlement Offer	Eligible Shareholders as defined in Section 2.8														
Consideration Offer	Vendors and Sandton (or their respective nominees)														
Lead Manager Offer	Lead Manager (or its nominees)														
Director Options Offer	Directors (or their respective nominees)														
Adviser Options Offer	Sandton (or its nominees)														
Director Appointment Options Offer	Mr Hadley (or his nominees)														

Risk Factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5, including (but not limited to) risks in respect of:

- (a) **Future capital requirements:** The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets.

- (b) **Contractual risk:** The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of its obligations under certain agreements. If any party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

- (c) **Completion Risk:** As at the date of this Prospectus, the Company's interest in Flash Metals, the WA REE Tenements and the FJH Option is limited to a conditional contractual right to acquire Flash Metals pursuant to the Flash Agreement and the exercise of the PEPL Option and EAPL Option agreements. Completion is subject to the satisfaction of several conditions precedent, some of which are outside of the control of the Company and/or the Vendors.

There is a risk that the conditions precedent for the Flash Agreement will not be fulfilled and, in turn, that the transactions contemplated by the Flash Agreement will not be completed. If Completion does not occur, the Company will not acquire any interest in Flash Metals, the WA REE Tenements or the FJH Option. There is also a risk that the Flash Agreement completes but the transactions contemplated by the Flash Agreement do not complete. There can be no certainty, nor can the parties provide any assurance, that all conditions precedent to the Flash Agreement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. If the Acquisition and Offers are not completed for any reason, there are risks that the announcement of the Acquisition and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's current business relationships (including with future and prospective employees and suppliers) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. In addition, failure to complete the Acquisition for any

Section 5

reason could materially negatively impact the market price of the Shares and Quoted Options.

- (d) **Development, commercialisation and marketing of the FJH Technology:** The success of the Company post-completion of the Acquisition will partially depend upon the Company's ability to develop and commercialise the FJH Technology. A failure to successfully develop and commercialise the FJH Technology could lead to a loss of opportunities and materially adversely impact on the Company's operating results and financial position.

If the Company is successful in developing the FJH Technology, there may be further additional risks associated with how the technology fits within industry standards and issues faced with production which may affect yields.

- (e) **Protection of intellectual property rights:** If the Company fails to protect its intellectual property rights adequately, competitors may gain access to the FJH Technology which may harm its business. Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of technology such as the FJH Technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in all countries where the FJH Technology may eventually be sold. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property.

- (f) **Exploration and development risks:** Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

- (g) **Tenure and land access risk:** Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements.

As the Company's rights in the Tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company

Key Information	Further Information
<p>may lose its rights to exclusive use of, and access to any, or all, of the Tenements.</p> <p>(h) Market conditions: The market price of the Shares and Quoted Options 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.</p> <p>Further, market conditions may affect the value of the Company's Shares and Quoted Options regardless of the Company's operating performance. Market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (i) general economic outlook; (ii) interest rates and inflation rates; (iii) currency fluctuations; (iv) changes in investor sentiment; (v) the demand for, and supply of, capital; and (vi) terrorism or other hostilities. 	
<p>Use of funds</p> <p>The proceeds from the Placement and Entitlement Offer will be used towards:</p> <ul style="list-style-type: none"> (a) exploration and development on the Existing Projects in Canada and Western Australia; (b) exploration and development on the WA REE Tenements; (c) Flash Joule Heating licensing and development funding; (d) general working capital purposes; and (e) expenses of the Placement, Entitlement Offer. 	Section 4.2
<p>Effect on control of the Company</p> <p>The Company is of the view that the Entitlement Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. So far as the Company is aware, no new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Entitlement Offer.</p>	Section 4.7

Key Information					Further Information
Indicative Capital Structure					Section 4.1
The indicative capital structure upon completion of the Offers and Placement is set out below:					
Capital Structure	Shares	Quoted Options	Unquoted Options	Performance Rights	
Existing Securities on issue as at the date of this Prospectus	124,296,356	52,830,875	10,250,000	300,000	
Entitlement Offer Securities	31,074,089	15,537,045	-	-	
Tranche 2 Placement Securities	42,612,584	31,250,000	-	-	
Consideration Securities	100,000,000	50,000,000	15,000,000	37,500,000	
Tranche 2 Conversion Securities	10,653,146	7,812,500	-	-	
Lead Manager Options	-	12,000,000	-	-	
Director Options	-	-	10,000,000	-	
Adviser Options	-	-	10,000,000	-	
Director Appointment Options	-	-	1,000,000	-	
Total	308,636,175	169,430,420	46,250,000	37,800,000	
Further details in respect of the Company's capital structure are set out in Section 4.1.					
The unaudited pro forma statement of financial position showing the effect of the Offers and Placement is set out in Section 8.					

Key Information						Further Information																														
<p>Directors' interests in Securities</p> <p>The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> <th>Entitlement (Shares)</th> <th>Entitlement (Quoted Options)</th> </tr> </thead> <tbody> <tr> <td>John Hannaford</td> <td>4,750,769</td> <td>4,995,409</td> <td>-</td> <td>1,187,692</td> <td>593,846</td> </tr> <tr> <td>Lachlan Reynolds</td> <td>1,001,430</td> <td>3,600,762</td> <td>300,000</td> <td>250,357</td> <td>125,178</td> </tr> <tr> <td>David Izzard</td> <td>7,014,287</td> <td>6,215,952</td> <td>-</td> <td>1,753,571</td> <td>876,785</td> </tr> <tr> <td>Anthony Hadley</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The Directors have indicated they intend to participate in the Entitlement Offer and they will participate in Tranche 2 of the Placement which is at the same issue price as the Entitlement Offer (subject to Shareholder approval under ASX Listing Rule 10.11 at the General Meeting).</p>						Director	Shares	Options	Performance Rights	Entitlement (Shares)	Entitlement (Quoted Options)	John Hannaford	4,750,769	4,995,409	-	1,187,692	593,846	Lachlan Reynolds	1,001,430	3,600,762	300,000	250,357	125,178	David Izzard	7,014,287	6,215,952	-	1,753,571	876,785	Anthony Hadley	-	-	-	-	-	Section 6.13(b)
Director	Shares	Options	Performance Rights	Entitlement (Shares)	Entitlement (Quoted Options)																															
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Anthony Hadley	-	-	-	-	-																															
<p>Forward looking statements</p> <p>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.</p> <p>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 considered reasonable.</p> <p>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 management.</p> <p>The Directors cannot and do 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.</p> <p>The Directors have 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.</p> <p>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.</p>						Section 5																														

1. Background to the Offers

1.1 Flash Metals Acquisition

(a) Background

As announced on 19 December 2023, the Company has entered into a binding agreement with the shareholders (**Vendors**) of Flash Metals Pty Ltd (ACN 664 621 292) (**Flash Metals**) pursuant to which the Company will acquire 100% of the issued capital in Flash Metals (**Acquisition** or **Flash Acquisition**) (**Flash Agreement**).

Flash Metals:

- (i) will hold, a 100% interest in:
 - (A) E 80/5858, E 80/5874, E 80/5875 located in Western Australia pursuant to an option agreement with Panda Exploration Pty Ltd (**PEPL Option**); and
 - (B) E 70/6048 and E 70/6359 located in Western Australia pursuant to an option agreement with Exploration Australia Pty Ltd (**EAPL Option**),

(E 80/5858, E 80/5874, E 80/5875, E 70/6048 and E 70/6359 are collectively the **WA REE Tenements**); and
- (ii) holds an option (via an interest in FJ Processing Pty Ltd) (**FJH Option**) to enter into exclusive negotiations to licence various patents related to early-stage processing technology for REE and precious metals known as Flash Joule Heating (**FJH Technology**), which has been developed by researchers at William Marsh Rice University (**Rice University**).

(b) Consideration

Pursuant to the Flash Agreement and subject to Shareholder approval at the General Meeting, the Company has agreed to provide the following consideration:

- (i) 100,000,000 Shares (the **Consideration Shares**) to be issued to the Vendors (or their nominees);
- (ii) 37,500,000 Performance Rights (the **Consideration Performance Rights**) to be issued to Sandton, of which:
 - (A) 12,500,000 Performance Rights will vest and convert to Shares following the receipt of drilling results at >10m at > 1,000ppm TREO and/or >0.5% Nb₂O₅ on the WA REE Tenements (**Milestone 1**);
 - (B) 12,500,000 Performance Rights will vest and convert to Shares upon delineation of a JORC compliant inferred resource of > 10MT at > 1,000ppm TREO and/or >0.5% Nb₂O₅ on the WA REE Tenements (**Milestone 2**); and
 - (C) 12,500,000 Performance Rights will vest and convert to Shares upon delineation of a JORC inferred resource of >20MT at > 1,000 ppm TREO and/or >0.5% Nb₂O₅ on the WA REE Tenements (**Milestone 3**); and

- (iii) 15,000,000 unquoted options over Shares with an exercise price of \$0.25 and an expiry date of 30 December 2026 (the **Unquoted Consideration Options**) to be issued to Sandton, of which:
- (A) 5,000,000 vest upon achieving Milestone 1;
 - (B) 5,000,000 vest upon achieving Milestone 2; and
 - (C) 5,000,000 vest upon achieving Milestone 3; and
- (iv) 50,000,000 Quoted Options (the **Quoted Consideration Options**) to be issued to the Vendors (or their nominees),
- (collectively, the **Consideration Securities**).

The Company is seeking Shareholder approval pursuant to Listing Rule 7.1 at the General Meeting for the issue of the Consideration Securities.

The Consideration Securities offered under the Consideration Offer are being offered pursuant to this Prospectus. Further details in respect of the Consideration Offer are set out in Section 2.3.

(c) **Conditions Precedent**

Completion of the Acquisition (**Completion**) is subject to the satisfaction (or waiver) of certain conditions including:

- (i) the Company obtaining Shareholder approval under Listing Rule 7.1 to issue the Consideration Securities;
- (ii) Flash Metals completing the acquisition of the WA Ree Tenements under relevant option agreements;
- (iii) Flash Metals acquiring 100% of the issued capital in FJ Processing Pty Ltd (the entity which holds the FJH Option);
- (iv) certain Vendors entering into 6-month voluntary escrow deeds in respect of their Consideration Securities; and
- (v) receipt of any necessary third party consents.

As at the date of this Prospectus, the conditions precedent to the Flash Agreement have not been satisfied. The Company intends to satisfy or waive all of the conditions prior to or within the weeks following the Closing Date.

(d) **Escrow**

Vendors who subscribed for Flash Metals shares for nominal consideration (approximately 71% of the registered holders) have undertaken to enter into a 6 month voluntary escrow deed in respect of their Consideration Securities.

Vendors who paid cash for their Flash Metals shares will not have their Consideration Securities escrowed (approximately 29% of the registered holders, which collectively invested over \$1 million).

1.2 Placement

On 12 January 2024, the Company announced a two-tranche placement to sophisticated and professional investors to raise up to \$5,000,000 (before costs) (the **Placement**). The

Placement will comprise the issue of up to a total of 62,500,000 Shares at an issue price of \$0.08 per Share (**Placement Shares**) together with 1 free attaching Quoted Option for every 2 Shares subscribed for under the Placement (**Placement Options**) as follows:

- (a) Tranche 1 of the Placement (**Tranche 1**):
 - (i) up to 19,887,416 Placement Shares issued to unrelated parties of the Company (**Tranche 1 Placement Shares**) under Listing Rule 7.1 and 7.1A;
 - (ii) up to 9,943,708 Placement Options to be issued to unrelated parties of the Company (**Tranche 1 Placement Options**) subject to Shareholder approval under Listing Rule 7.1; and
- (b) Tranche 2 of the Placement (**Tranche 2**):
 - (i) up to 42,612,584 Placement Shares (**Tranche 2 Placement Shares**) to be issued to unrelated parties of the Company subject to Shareholder approval under Listing Rule 7.1;
 - (ii) up to 21,306,292 Placement Options (**Tranche 2 Placement Options**) to be issued to unrelated parties of the Company subject to Shareholder approval under Listing Rule 7.1;
 - (iii) up to 5,000,000 Placement Shares (**Director Placement Shares**) to be issued to the Directors and/or their respective nominee/s subject to Shareholder approval under Listing Rule 10.11; and
 - (iv) up to 2,500,000 Placement Options (**Director Placement Options**) to be issued to the Directors and/or their respective nominee/s subject to Shareholder approval under Listing Rule 10.11.

Further details in respect of the Placement are set out in the Notice of Meeting.

1.3 Entitlement Offer

On 12 January 2024, the Company also announced that it is undertaking a pro rata non-renounceable entitlement offer on the basis of 1 new Share for every 4 Shares held on the record date together with 1 free attaching Quoted Option for every 2 Shares subscribed for under the Entitlement Offer to raise up to approximately \$2 million (before costs) (**Entitlement Offer**). The amount to be raised under the Entitlement Offer was subsequently revised to \$2,485,927 (before costs) on the basis that the Tranche 1 Placement Shares and Tranche 1 Conversion Shares were issued on 19 January 2024, and accordingly the recipients of those Shares are entitled to participate in the Entitlement Offer (subject to being an Eligible Shareholder).

The Securities offered under the Entitlement Offer (**Entitlement Offer Securities**) are being offered pursuant to this Prospectus. Further details in respect of the Entitlement Offer are set out in Sections 2.1 and 2.2.

1.4 Lead Manager

The Lead Manager has been appointed as lead manager to the Placement as well as placing any shortfall under the Entitlement Offer (**Shortfall Securities**) pursuant to a lead manager mandate between the Company and the Lead Manager (**Lead Manager Mandate**). The Lead Manager Mandate is summarised in Section 6.6.

Pursuant to the Lead Manager Mandate and subject to Shareholder approval at the General Meeting, the Lead Manager will receive up to 12,000,000 Quoted Options (**Lead Manager Options**) as consideration for lead manager services provided to the Company.

1.5 Convertible Note Raise

As announced on 21 November 2023, the Company executed binding convertible note agreements (**Convertible Note Agreements**) with a syndicate of sophisticated and institutional investors, for an investment in the Company of \$1,000,000 (before costs) (**Convertible Note Raise**).

Pursuant to the Convertible Note Agreements, the Company issued 1,000,000 convertible notes (**Convertible Notes**) to 18 noteholders (**Noteholders**).

As announced on 12 January 2024, the Convertible Notes have or will convert into 15,625,000 Shares which rank pari passu with other Shares (**Conversion Shares**), of which:

- (a) 4,971,854 Conversion Shares were issued without Shareholder approval on 19 January 2024 utilising the Company's existing placement capacity under Listing Rule 7.1 (**Tranche 1 Conversion Shares**); and
- (b) 10,653,146 Conversion Shares will be issued subject to Shareholder approval at the General Meeting (**Tranche 2 Conversion Shares**).

Subject to Shareholder approval at the General Meeting, for every two Conversion Shares issued, the Company will issue one free attaching Quoted Option (**Conversion Options**) for a total of 7,812,500 Conversion Options (**Tranche 2 Conversion Options**).

The Convertible Notes convert at a conversion price of \$0.064 (being a 20% discount to the issue price under the Placement and Entitlement Offer).

The terms of the Convertible Notes are set out in the announcement dated 21 November 2023 and the Notice of Meeting.

2. Details of the Offers

2.1 Entitlement Offer

The Entitlement Offer is a non-renounceable entitlement issue of 1 new Share for every 4 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.08 per new Share. Participants in the Entitlement Offer will also be issued 1 Quoted Option for every 2 new Shares subscribed for under the Entitlement Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share or an Option, such fraction will be rounded down to the nearest whole Share or Option (as applicable).

Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. A summary of the rights and liabilities attaching to the Shares offered under the Entitlement Offer is in Section 6.1.

Quoted Options issued under the Entitlement Offer will be in the same class and will rank equally in all respects with the existing Quoted Options on issue. A summary of the rights and liabilities attaching to the Quoted Options offered under the Entitlement Offer is in Section 6.2. All Shares issued upon the exercise of the Quoted Options will rank equally with the existing Shares on issue, as summarised in Section 6.1.

Eligible Shareholders can subscribe for Securities pursuant to the Entitlement Offer by following the instructions set out in Section 3.

2.2 Top-Up Offer

This Prospectus includes a separate offer to Eligible Shareholders who have subscribed for their full Entitlement to subscribe for Entitlements not subscribed for under the Entitlement Offer, or that would otherwise have been offered to Ineligible Foreign Shareholders under the Entitlement Offer, if they had a registered address in Australia or New Zealand.

Securities will only be issued pursuant to the Top-Up Offer if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The Directors reserve the right to issue Securities pursuant to the Top-Up Offer at their absolute discretion. Accordingly, there is no guarantee that any applications under the Top-Up Offer will be successful. In exercising this discretion, the Board will take into consideration a number of factors, including the Company's best interests, the Applicant's existing shareholding, the extent to which an Applicant has sold or bought Securities before and after both the announcement of the Entitlement Offer and the Record Date, the financial needs of the Company, and the optimal composition of the Company's register following the Offers.

It is a term of the Top-Up Offer that, should the Company scale back applications for Securities thereunder, the Applicant will be bound to accept such lesser number allocated to them. There is no guarantee that Applicants will receive Securities applied for under the Top-Up Offer. The Directors reserve the right to issue to an Applicant a lesser number of Securities pursuant to the Top-Up Offer than the number for which the Applicant applies, or to reject an Application, or to not proceed with the Top-Up Offer. In that event, Application Monies pursuant to the Top-Up Offer will be refunded by the Company (without interest) via direct credit only to the bank account as recorded with the Share Registry, as soon as practicable after the Closing Date in accordance with the provisions of the Corporations Act. To update your bank account details with the Share Registry visit, <https://investor.automic.com.au/#/home>.

The Company will not issue Securities pursuant to the Top-Up Offer where the Company is aware that to do so would result in a breach of the Corporations Act or the Listing Rules. Eligible Shareholders wishing to apply for Securities pursuant to the Top-Up Offer must consider whether the issue of Securities pursuant to the Top-Up Offer applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances (including the existence of any associates). To the extent permitted by law, the Company expressly disclaims any responsibility for monitoring such Applications or ensuring that individual Shareholders do not breach the Corporations Act or the Listing Rules in connection with participation in the Top-Up Offer.

Directors and other related parties of the Company will not be issued any Securities pursuant to the Top-Up Offer without the prior approval of Shareholders.

Shares issued under the Top-Up Offer will be issued as fully paid ordinary shares and will rank equally in all respects with the existing Shares on issue. A summary of the rights and liabilities attaching to the Shares offered under the Top-Up Offer is in Section 6.1.

Quoted Options issued under the Top-Up Offer will be in the same class and will rank equally in all respects with the existing Quoted Options on issue. A summary of the rights and liabilities attaching to the Quoted Options offered under the Top-Up Offer is in Section 6.2. All Shares issued upon the exercise of the Quoted Options will rank equally with the existing Shares on issue, as summarised in Section 6.1.

Eligible Shareholders can subscribe for Securities pursuant to the Top-Up Offer by following the instructions set out in Section 3.

2.3 Consideration Offer

This Prospectus includes a separate offer under the Flash Agreement as follows:

- (a) 100,000,000 Consideration Shares to be issued to the Vendors (or their nominees);
- (b) 37,500,000 Consideration Performance Rights to be issued to Sandton (or its nominees);
- (c) 15,000,000 Unquoted Consideration Options to be issued to Sandton (or its nominees);
- (d) 50,000,000 Quoted Consideration Options to be issued to the Vendors (or their nominees),

(collectively, the **Consideration Offer**).

The Consideration Shares are fully paid ordinary shares in the same class and rank equally in all respects with the Company's existing Shares. The terms and conditions of the Company's Shares are summarised in Section 6.1.

The terms and conditions of the Consideration Performance Rights are in Section 6.3. Subject to the satisfaction of the relevant milestones, if the Consideration Performance Rights are converted, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The terms of the Unquoted Consideration Options are in Section 6.4. Subject to the satisfaction of the relevant milestones, if the Unquoted Consideration Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The terms of the Quoted Consideration Options are in Section 6.2. If the Quoted Consideration Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The Consideration Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of:

- (a) any Consideration Shares; and
- (b) any Shares issued upon conversion of the Consideration Performance Rights, Unquoted Consideration Options and Quoted Consideration Options.

The Consideration Securities are being issued as partial consideration under the Flash Agreement. Accordingly, no funds will be raised from the Consideration Offer.

Only the Vendors or Sandton (or their respective nominees), as set out above, may accept the Consideration Offer. A personalised application form in relation to the Consideration Offer will be issued to these Vendors together with a copy of this Prospectus.

2.4 Lead Manager Offer

This Prospectus includes a separate offer of 12,000,000 Lead Manager Options to be issued to the Lead Manager (or its nominees) as part consideration for lead manager services pursuant to the Lead Manager Mandate (**Lead Manager Offer**).

No funds will be raised from the Lead Manager Offer.

Only the Lead Manager (or its nominees) may accept the Lead Manager Offer. The Lead Manager Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of any Lead Manager Options into Shares, that are issued under the Lead Manager Offer.

An Application Form in relation to the Lead Manager Offer will be issued to the Lead Manager (or its nominees) together with a copy of this Prospectus.

Further details of the Lead Manager Mandate are set out in Section 6.6.

Lead Manager Options issued under the Lead Manager Offer will be in the same class and will rank equally in all respects with the existing Quoted Options on issue. A summary of the rights and liabilities attaching to the Quoted Options offered under the Lead Manager Offer is in Section 6.2. All Shares issued upon the exercise of the Lead Manager Options will rank equally with the existing Shares on issue, as summarised in Section 6.1.

2.5 Director Options Offer

This Prospectus includes a separate offer of 10,000,000 Options exercisable at \$0.25 each and expiring 3 years from the date of issue (**Director Options**) to the Directors (or their respective nominees) (**Director Options Offer**) in the following proportions:

Director	Director Options
John Hannaford	5,000,000
Lachlan Reynolds	2,000,000
David Izzard	2,000,000

Anthony Hadley	1,000,000
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The Company has agreed to issue the Director Options under the Director Options Offer to Messrs Hannaford, Izzard, Reynolds and Hadley (or their respective nominees) upon successful completion of the Acquisition as an incentive component to the Directors respective remuneration packages. Accordingly, no funds will be raised from the Director Options Offer.

The terms and conditions of the Director Options are in Section 6.5. If the Director Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The Director Options Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of the Director Options.

Only the Directors (or their respective nominees) may accept the Director Options Offer. A personalised Application Form in relation to the Director Options Offer will be issued to the Directors (or their respective nominees) together with a copy of this Prospectus.

2.6 Adviser Options Offer

This Prospectus includes a separate offer of 10,000,000 Options exercisable at \$0.25 each and expiring 3 years from the date of issue (**Adviser Options**) to Sandton (or its nominees) (**Adviser Options Offer**).

The Company has agreed, upon successful completion of the Acquisition, to issue the Adviser Options under the Adviser Options Offer to Sandton for its role in assisting the Company with the Acquisition. Accordingly, no funds will be raised from the Adviser Options Offer.

The terms and conditions of the Adviser Options are in Section 6.5. If the Adviser Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The Adviser Options Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of the Adviser Options.

Only Sandton (or its nominees) may accept the Adviser Options Offer. A personalised Application Form in relation to the Adviser Options Offer will be issued to Sandton (or its nominees) together with a copy of this Prospectus.

2.7 Director Appointment Options Offer

On 20 July 2023, the Company announced the appointment of Anthony Hadley as a Non-Executive Director.

This Prospectus includes a separate offer of 1,000,000 Options exercisable at \$0.25 each and expiring 3 years from the date of issue (**Director Appointment Options**) to Director, Mr Hadley (or his nominees) (**Director Appointment Options Offer**).

The Company has agreed to issue the Director Appointment Options under the Director Appointment Options Offer to Mr Hadley (or his nominees) as an incentive component to Mr Hadley's remuneration package. Accordingly, no funds will be raised from the Director Appointment Options Offer.

The terms and conditions of the Director Appointment Options are in Section 6.5. If the Director Appointment Options are exercised, the resultant Shares will be of the same class and will rank equally in all respects with the existing Shares in the Company.

The Director Appointment Options Offer is being made under this Prospectus to remove the need for an additional disclosure document to be issued upon the sale or transfer of any Shares issued upon exercise of the Director Appointment Options.

Only Mr Hadley (or his nominees) may accept the Director Appointment Options Offer. A personalised Application Form in relation to the Director Appointment Options Offer will be issued to Mr Hadley (or his nominees) together with a copy of this Prospectus.

2.8 Eligibility to participate in the Entitlement Offer

The Entitlement Offer and the Top-Up Offer are made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:

- (a) are the registered holder of Shares on the Record Date; and
- (b) have a registered address in Australia, or, subject to the offer restrictions in Section 2.20, New Zealand.

2.9 Purpose of the Prospectus

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. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The Prospectus is being issued primary for the purpose of offering the Securities pursuant to the Entitlement Offer.

The Prospectus is also being issued to remove any trading restrictions on the sale of:

- (a) the Consideration Shares; and
- (b) the Shares issued upon exercise of:
 - (i) the Consideration Performance Rights;
 - (ii) the Unquoted Consideration Options;
 - (iii) the Quoted Consideration Options;
 - (iv) the Lead Manager Options;
 - (v) the Director Options;
 - (vi) the Adviser Options; and
 - (vii) the Director Appointment Options.

2.10 Opening and Closing Dates

As set out in the Indicative Timetable, the Offers will open on 20 February 2024 (**Opening Date**) and are anticipated to close at 5:00pm (AEDT) on 18 March 2024 (**Closing Date**).

The Company will accept Application Forms, including BPAY® payments made in accordance with the Application Form, from the Opening Date until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act.

2.11 Minimum subscription

There is no minimum subscription for the any of the Offers.

2.12 Not underwritten

The Offers are not underwritten.

2.13 Withdrawal of Offers

The Directors may at any time decide to withdraw this Prospectus and the Offers, or any one or more of the Offers.

2.14 No rights trading

The rights to Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your Entitlement to any other party. If you do not take up your Entitlement by the Closing Date, your Entitlement will lapse.

2.15 Issue date and dispatch

All Securities under the Offers are expected to be issued on or before the date specified in the Indicative Timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the Securities under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements do so at their own risk.

2.16 Application Monies held on trust

All Application Monies received for the Securities under the Offers will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued.

2.17 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Shares and Quoted Options offered under this Prospectus. If ASX does not grant Official Quotation of the Shares and Quoted Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as the ASX allows), the Company will not issue any Shares or Quoted Options and will repay all Application Monies received pursuant to this Prospectus as soon as practicable, without interest.

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

2.18 CHES

The Company participates in the Clearing House Electronic Sub-register System, known as CHES. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHES statement.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes.

Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

2.19 Ineligible Foreign Shareholders

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offers. In particular, this Prospectus may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted in Section 2.20.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company believes that it is unreasonable to extend the Entitlement Offer and Top-Up Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the Securities that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Ineligible Foreign Shareholders will not be entitled to participate in the Entitlement Offer.

2.20 International Offer Restrictions

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) **New Zealand**

The Entitlement Offer Securities are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New

Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

2.21 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

2.22 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 5. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

2.23 Taxation implications

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

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

2.24 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the year ended 30 June 2023, can be found in the Company's Annual Report announced on ASX on 29 September 2023. The Company's continuous disclosure notices (i.e. ASX announcements) since 29 September 2023 (being the date that the Company's Annual Report was lodged with ASX) are listed in Section 6.9. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.25 Privacy

If you complete an application for Securities under this Prospectus, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder, and carry out administration.

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

By applying for Securities under this Prospectus, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

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

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

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

2.26 Enquiries concerning Prospectus

If you have any questions in relation to how to participate in the Offers or for general shareholder enquiries, please contact the Share Registry from 8.30am to 7.00pm (Sydney time) Monday to Friday on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia).

3. Action required by Eligible Shareholders

3.1 Action in relation to the Entitlement Offer

The Company will send this Prospectus, together with a personalised Application Form, to all Eligible Shareholders.

Should you wish to participate in the Entitlement Offer, you may either:

- (a) take up all of your Entitlement;
- (b) take up part of your Entitlement; or
- (c) take up all of your Entitlement and also apply for additional Securities under the Top-Up Offer.

Applicants will be accepted via BPAY® or Electronic Funds Transfer (**EFT**) using the details provided on the Application Form. You must follow the instructions for BPAY® or EFT (as applicable) set out in the Application Form. You will not need to return the Application Form.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

To pay via BPAY® or EFT, you should pay the full Application Monies, being \$0.08 multiplied by the number of new Shares comprising your Entitlement or, if you are subscribing for only part of your Entitlement, the number of new Shares you wish to subscribe for, via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number).

If you subscribe for less than your Entitlement or do not pay for your full Entitlement, you are taken to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

The Company will treat you as applying for as many new Shares as your BPAY® or EFT payment will fully pay for.

Any amount received by the Company in excess of your final allocation of new Shares will be refunded and no interest will be paid on any Application Monies received or refunded. Refunds will be made via direct credit only to the bank account as recorded with the Share Registry, as soon as practicable after the Closing Date. To update your bank account details with the Share Registry visit, <https://investor.automic.com.au/#/home>.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® or EFT by the Closing Date. Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Application Monies received from Eligible Shareholders will be held on trust until such time as the relevant Shares are issued or the Application Monies are refunded. Refunds will be made via direct credit only to the bank account as recorded with the Share Registry, as soon as practicable after the Closing Date. To update your bank account details with the Share Registry visit, <https://investor.automic.com.au/#/home>.

To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the

Company. This will be the case, whether or not all or none (if any Offer is withdrawn) of the Shares applied for by a person are issued to that person.

Your Acceptance cannot be withdrawn once received, other than pursuant to the limited circumstances provided for under the Corporations Act. No cooling off period applies.

3.2 Eligible Shareholders wishing to participate in the Top-Up Offer

If you are an Eligible Shareholder and you wish to apply for Securities in excess of your Entitlement by applying for Securities pursuant to the Top-Up Offer, you are required to apply for more Securities than the number shown on your Application Form. To do this, make a payment for more than your Entitlement via BPAY® or EFT. The excess will be taken to be an Application for additional new Securities under the Top-Up Offer. Refer to Section 3.1 for additional information regarding payment by BPAY® or EFT.

Any Securities applied for pursuant to the Top-Up Offer will be issued in accordance with the allocation policy described in Section 2.2.

3.3 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

3.4 Warranties made on acceptance of an Offer

A payment made through BPAY® or EFT constitutes a binding offer to acquire Securities on the terms and conditions set out in this Prospectus and, once paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By making a payment via BPAY® or EFT, you will also be deemed to have:

- (a) represented and warranted that you have received a copy of the Prospectus with the Application Form;
- (b) represented and warranted that you are an Eligible Shareholder if you receive an Application Form;
- (c) represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus;
- (d) agreed to be bound by the terms of the relevant Offer(s);
- (e) declared that all details and statements outlined when you log onto <https://investor.automic.com.au/#/home> and your Application Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form and as described in this Prospectus;
- (g) authorised the Company and its respective officers or agents, to do anything on your behalf necessary for the Securities to be issued to you, including correcting errors or to act on instructions of the Company's share registry upon using the contact details set out in the Application Form;

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- (h) acknowledged that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that the Securities are suitable for you given your investment objectives, financial situation or particular needs; and
 - (i) acknowledged that the Securities offered under this Prospectus have not, and will not be, registered under the securities laws in any jurisdictions outside Australia.

3.5 Enquiries concerning your Entitlement

For enquiries concerning the Application Form, your Entitlement or general enquiries, please contact the Share Registry on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia) or consult your professional advisor.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6391 0112.

4. Effect of the Offers

4.1 Capital structure on completion of the Offers

Assuming that no existing Options or Performance Rights are converted into Shares, the effect of the Offers on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

Capital Structure	Shares	Quoted Options ¹	Unquoted Options ²	Performance Rights ³
Existing Securities on issue as at the date of this Prospectus	124,296,356	52,830,875	10,250,000	300,000
Entitlement Offer Securities ⁴	31,074,089	15,537,045	-	-
Tranche 2 Placement Securities ⁵	42,612,584	31,250,000	-	-
Consideration Securities ⁶	100,000,000	50,000,000	15,000,000	37,500,000
Tranche 2 Conversion Securities ⁷	10,653,146	7,812,500	-	-
Lead Manager Options ⁸	-	12,000,000	-	-
Director Options ⁹	-	-	10,000,000	-
Adviser Options ¹⁰	-	-	10,000,000	-
Director Appointment Options ¹¹	-	-	1,000,000	-
Total	308,636,175	169,430,420	46,250,000	37,800,000

Notes:

1. Quoted Options are quoted on ASX under the code MTMO.
2. Comprising:
 - (a) 8,000,000 Options exercisable at \$0.30 each and expiring on 16 December 2024;
 - (b) 500,000 Options exercisable at \$0.30 each and expiring on 9 May 2024;
 - (c) 500,000 Options exercisable at \$0.35 each and expiring on 9 November 2024;
 - (d) 500,000 Options exercisable at \$0.40 each and expiring on 9 May 2025;
 - (e) 250,000 Options exercisable at \$0.30 each and expiring on 9 May 2024;
 - (f) 250,000 Options exercisable at \$0.35 each and expiring on 9 November 2024; and
 - (g) 250,000 Options exercisable at \$0.40 each and expiring on 9 May 2025.
3. The Performance Rights were issued on 28 November 2022 to Managing Director, Lachlan Reynolds. The Performance Rights vest upon Mr Reynolds having 21 months of continuous employment with the Company (measured from 18 November 2022).
4. Refer to Sections 1.3 and 2.1 for details about the Entitlement Offer.
5. Refer to Section 1.2 for details about the Placement.
The 19,887,416 Placement Shares issued on 19 January 2024 are included in the existing Securities on issue as at the date of this Prospectus.
6. Refer to Section 2.3 for details about the Consideration Offer and Section 1.1 for details about the Acquisition.
7. Refer to Section 1.5 for details about the Convertible Note Raise.

The 4,971,854 Conversion Shares issued on 19 January 2024 are included in the existing Securities on issue as at the date of this Prospectus.

8. Refer to Section 2.4 for details about the Lead Manager Offer and Section 6.6 for details about the Lead Manager Mandate.
9. Refer to Section 2.5 for details about the Director Options Offer.
10. Refer to Section 2.6 for details about the Adviser Options Offer.
11. Refer to Section 2.7 for details about the Director Appointment Options Offer.

4.2 Use of funds

The following funds will be available to the Company after completion of the Entitlement Offer and Placement (before costs) on the assumption that the Entitlement Offer is fully subscribed:

Source of funds	\$
Existing cash as at 31 December 2023	\$495,000
Proceeds from the Entitlement Offer	\$2,485,927
Proceeds from the Placement	\$5,000,000
Total	\$7,980,927

The following table shows the intended use of funds following completion of the Entitlement Offer and Placement:

Use of funds	Existing cash and Tranche 1 Placement		Tranche 2 Placement and Entitlement Offer	
	\$ '000	%	\$ '000	%
Exploration activities at Existing Projects in Canada ¹	1,200	57.5	400	6.8
Exploration activities at Existing Projects in Western Australia ²	215	10.3	250	4.2
Exploration activities at WA REE Tenements ³	-	-	3,191	54.1
FJH Technology licensing and development funding ⁴	-	-	1,290	21.9
Working capital ⁵	495	23.7	500	8.5
Expenses of the Placement and Entitlement Offer ⁶	176	8.4	264	4.5
Total Funds allocated	2,086	100%	5,895	100%

Notes:

1. Exploration activities include drilling, geophysical surveys and metallurgy at the Pomme Project, Quebec.
2. Exploration activities include soil sampling and drilling at the East Laverton Project.
3. Exploration activities include Geophysical surveys, soil sampling and drilling at the West Arunta and Mukinbudin Projects.

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4. In the event that the Company elects to exercise the FJH Option, a fee of US\$50,000 (A\$81,000) is payable as a license fee. An additional US\$250,000 (A\$403,000) is payable to Rice University as a technology research fee. A further US\$500,000 (A\$806,000) has been estimated as expenditure that may be required to advance the FJH Technology towards commercialisation.
5. Working capital includes the general costs associated with the management and operation of the Company's business including administration expenses and operating costs.
6. Includes third party adviser fees, legal and accounting fees and associated due diligence costs in respect to the Acquisition, Entitlement Offer and Placement. Expenses paid or payable by the Company in relation to the Offers are set out in Section 6.16.

Includes broker fees paid or payable to comprise the following:

- (a) \$300,000 in connection with the Placement; and
- (b) up to \$149,156 in connection with the Entitlement Offer assuming that none of the Entitlement Offer is taken up and 100% of the Entitlement Offer is allocated by the Lead Manager.

The above is a statement of current intentions at the date of this Prospectus. Intervening events 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 the funds are applied on this basis.

The amounts and timing of the actual expenditures and investments may vary significantly and will depend on a number of factors, including market conditions, the development of new opportunities and/or any number of other factors (including the risk factors summarised in Section 5), and actual expenditure levels, may differ significantly from the above estimates.

4.3 Substantial Shareholders

Based on the information available to the Company, those Shareholders holding an interest in 5% or more of the Shares on issue as at the date of this Prospectus are as follows:

Shareholder	Shares	Voting power ¹
Mr David Izzard (and associated entities) ²	7,014,287	5.6%

Notes:

1. Voting power does not include any Securities to be issued pursuant to the Offers or Placement.
2. Refer to Section 6.13(b) for further information about the Securities held by Mr Izzard and his associated entities.

4.4 Diluting effect of the Offers

(a) All Shares under the Entitlement Offer are issued

On the assumption that:

- (i) all of the Shares offered under the Entitlement Offer are issued; and
- (ii) no other Securities are issued or exercised,

the number of Shares on issue would increase to 155,370,445 and the diluting effect on the percentage interest of existing Shareholders would be 25.0%.

(b) All Shares under the Offers are issued, all of the Tranche 2 Placement Shares are issued and all of the Tranche 2 Conversion Shares are issued

On the assumption that:

- (i) all of the Shares offered under the Offers are issued;
- (ii) all of the Tranche 2 Placement Shares are issued;
- (iii) all of the Tranche 2 Conversion Shares are issued; and
- (iv) no other Securities are issued or exercised,

the number of Shares on issue would increase to 308,636,175 and the diluting effect on the percentage interest of existing Shareholders would be 148.3%.

(c) **All Securities under the Offers are issued, all Placement Securities are issued and all Conversion Securities are issued**

On the assumption that:

- (i) all of the Securities offered under the Offers are issued, exercised and converted to Shares;
- (ii) all of the Placement Shares are issued;
- (iii) all of the Placement Options are issued, exercised and converted to Shares;
- (iv) all of the Conversion Shares are issued;
- (v) all of the Conversion Options are issued, exercised and converted to Shares; and
- (vi) no other Securities are issued or exercised,

the number of Shares on issue would increase to 498,735,720 and the diluting effect on the percentage interest of existing Shareholders would be 301.2%.

4.5 Potential dilution of the Entitlement Offer

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

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Holder	Holding as at Record Date	% at Record Date	Entitlement to Shares	% holding if Entitlement taken up	% holding if Entitlement not taken up
Shareholder 1	6,214,818	5.0%	1,553,704	5.0%	4.0%
Shareholder 2	4,971,855	4.0%	1,242,963	4.0%	3.2%
Shareholder 3	3,728,891	3.0%	932,222	3.0%	2.4%
Shareholder 4	2,485,928	2.0%	621,482	2.0%	1.6%
Shareholder 5	1,242,964	1.0%	310,741	1.0%	0.8%

The dilution effect shown in the table above is the maximum percentage on the assumption that those Entitlements not accepted are subscribed for under the Top-Up Offer.

The above table assumes that no other Securities are issued or equity securities converted into Shares prior to the Record Date (including the existing Quoted Options prior to the Record Date).

4.6 Effect of the Offers on the Company's financial position

A pro-forma statement of financial position has been provided in Section 8 below to demonstrate the indicative impact of the Offers and Placement on the financial position of the Company. The Company's unaudited statement of financial position as at 30 June 2023 has been used for the purposes of preparing the unaudited pro-forma statement of financial position and adjusted to reflect pro-forma assets and liabilities of the Company as if completion of the Offers, Placement and Flash Acquisition had occurred by 30 June 2023.

The unaudited pro-forma statement of financial position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

4.7 Effect of the Offers on control of the Company

Section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- (a) from 20% or below to above 20%; or
- (b) from a starting point of above 20% and below 90%.

The issue of Shares on exercise of the Consideration Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act and the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Consideration Performance Rights (**Takeovers Prohibition Clause**).

Notwithstanding the above, assuming:

- (a) Sandton receives all of the Consideration Securities it is entitled to receive under the Consideration Offer;
- (b) all Placement Shares are issued;

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- (c) all Conversion Shares are issued;
 - (d) no Securities are issued to Eligible Shareholders under the Entitlement Offer due to zero participation by Eligible Shareholders and accordingly all of the Shortfall Securities are placed by Sandton;
 - (e) all Lead Manager Options are issued to Sandton, exercised and convert to Shares;
 - (f) all Consideration Securities are issued;
 - (g) all of the Unquoted Consideration Options and Consideration Performance Rights to be issued to Sandton under the Consideration Offer vest, are exercised and convert to Shares;
 - (h) the 4,562,296 Quoted Consideration Options to be issued to Sandton under the Consideration Offer are exercised and convert to Shares;
 - (i) all of the Adviser Options to be issued to Sandton under the Adviser Offer are exercised and convert to Shares; and
 - (j) no other Securities are issued,

Sandton would hold 88,186,887 Shares, representing approximately 23.3% of Shares on issue.

In light of the above and in particular the Takeovers Prohibition Clause, the Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. So far as the Company is aware, no new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

5. Risk Factors

As with any investment in securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Additional risks and uncertainties not currently known to management of the Company may also have an adverse effect on the Company's business. If any of these risks actually occur, the Company's business, financial condition, capital resources, results of operations and/or future operations could be materially adversely affected. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for the Securities offered under this Prospectus.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

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

5.1 Risks specific to the Company

(a) Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Entitlement Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities or the registering of security interests over the Company's assets.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in its Tenements being subject to forfeiture, technology development projects to be scaled back and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares and Quoted Options issued and outstanding and the possibility of sales of such Shares and Quoted Options may have a depressive effect on the price of Shares and Quoted Options. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Contractual risk

The ability of the Company to achieve its stated objectives may be materially affected by the performance by the parties of its obligations under certain agreements. If any

party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

If the Company enters into agreements with third parties for the acquisition or divestment of equity interests in mineral exploration and mining projects there are no guarantees that any such contractual obligations will be satisfied in part or in full.

(c) **Potential for dilution**

On completion of the Entitlement Offer and the subsequent issue of Securities pursuant to the Entitlement Offer (assuming that no other Securities are issued or are exercised and converted to Shares), the number of:

- (i) Shares on issue will increase from 124,296,356 to 155,370,445; and
- (ii) Quoted Options on issue will increase from 52,830,875 to 68,367,920.

On an undiluted basis, the number of Shares on issue would increase by 25.0%.

On a fully diluted basis (i.e. all of the Quoted Options issued under the Entitlement Offer are exercised and converted to Shares), the number of Shares on issue would increase by 37.5%.

On this basis, existing Shareholders should note that even if they do participate in the Entitlement Offer, their holdings may be considerably diluted (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

(d) **New projects and acquisitions**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current Projects and new projects, which may result in the Company reallocating funds from the Projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(e) **Completion Risk**

As at the date of this Prospectus, the Company's interest in Flash Metals, the WA REE Tenements and the FJH Option is limited to a conditional contractual right to acquire Flash Metals pursuant to the Flash Agreement and the exercise of the PEPL Option and EAPL Option agreements. Completion is subject to the satisfaction of several conditions precedent, some of which are outside of the control of the Company and/or the Vendors, including:

- (i) receipt of Shareholder approval to issue the Consideration Securities;

- (ii) Flash Metals completing the acquisition of the WA REE Tenements under the relevant option agreements; and
- (iii) receipt of any necessary third party consents.

There is a risk that the conditions precedent for the Flash Agreement will not be fulfilled and, in turn, that the transactions contemplated by the Flash Agreement will not be completed. If Completion does not occur, the Company will not acquire any interest in Flash Metals, the WA REE Tenements or the FJH Option. There is also a risk that the Flash Agreement completes but the transactions contemplated by the Flash Agreement do not complete. There can be no certainty, nor can the parties provide any assurance, that all conditions precedent to the Flash Agreement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. If the Acquisition and Offers are not completed for any reason, there are risks that the announcement of the Acquisition and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's current business relationships (including with future and prospective employees and suppliers) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. In addition, failure to complete the Acquisition for any reason could materially negatively impact the market price of the Shares and Quoted Options.

(f) **Development, commercialisation and marketing of the FJH Technology**

The success of the Company post-completion of the Acquisition will partially depend upon the Company's ability to develop and commercialise the FJH Technology. A failure to successfully develop and commercialise the FJH Technology could lead to a loss of opportunities and materially adversely impact on the Company's operating results and financial position.

If the Company is successful in developing the FJH Technology, there may be further additional risks associated with how the technology fits within industry standards and issues faced with production which may affect yields.

The global marketplace for most products is ever-changing due to new technologies, new products, changes in preferences, changes in regulation and other factors influencing market acceptance or market rejection. This market volatility and risk exists despite the best endeavours of market research, promotion and sales and licensing campaigns. There is a risk that if the FJH Technology is not accepted by the market, the Company will not be able to commercialise its products, which could materially adversely impact the Company's operations.

The FJH Option can be exercised anytime until 16 March 2024 (**FJH Option Expiry Date**). If the FJH Option is not exercised, or the fees set out in note 4 of Section 4.2 are not paid, before the FJH Option Expiry Date, the Company will not have any interest in the FJH Technology.

By its nature, there is no guarantee that the FJH Technology development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the FJH Technology. This may have an adverse impact on the Company's potential to generate revenue. Even if the Company does successfully commercialise the FJH Technology, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

(g) **Protection of intellectual property rights**

If the Company fails to protect its intellectual property rights adequately, competitors may gain access to the FJH Technology which may harm its business. Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value from the development of technology such as the FJH Technology. Competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in all countries where the FJH Technology may eventually be sold. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating the intellectual property.

Market conditions depending, the Company may be required to incur significant expenses in monitoring and protecting future intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

As the FJH Technology will be licenced from Rice University, there is an additional risk that Rice University fails to maintain valid intellectual property protections in respect of the FJH Technology, which may result in competitors being entitled to apply for patents in the same area. In addition, unauthorised use of the FJH Technology in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

5.2 Mining industry risks

(a) Title and grant risk

There can be no guarantee that the Company's tenement applications will be granted, or if they are granted, that they will be granted in their entirety. If the tenement applications are not granted, the Company will not acquire an interest in these tenements. The tenement applications therefore should not be considered as assets or projects of the Company. Unless and until these tenements are granted and transferred to the Company, the Company has limited rights and can undertake only preliminary exploration work on those tenements.

Interests in all tenements in Western Australia and Canada are governed by state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine the Tenements reduced or lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

(b) Exploration and development risks

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

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

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its Projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its Projects.

(c) **Operating risk**

There are significant risks in developing a mine and there is no guarantee that the Company will be able to achieve economic production from any of the Tenements. In addition, the operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Projects. Unless and until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.

(d) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(e) **Resource estimation risks**

Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the determination of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.

(f) **Payment obligations**

Pursuant to the licences comprising the Company's Projects, the Company will become subject to payment and other obligations. In particular, holders are required to expend the funds necessary to meet the minimum work commitments attaching to the Tenements. Failure to meet these work commitments may render the Tenements subject to forfeiture or result in the holders being liable for fees. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of the Company's interest in the Projects.

(g) **Metals and currency price volatility**

The Company's ability to proceed with the development of its Projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of Rare Earth Elements (**REE**) and other metals. Consequently, any future earnings are likely to be closely related to the price of individual REE's (predominantly Neodymium and Praseodymium) and other mined commodities and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for metals that may be mined commercially in the future from the Company's project areas, technological advancements, forward selling activities and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency. As a result, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets, which could have a material effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(h) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition, including major mineral exploration and production companies. 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.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities or technical staff. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(i) **Tenure and land access risk**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements.

As the Company's rights in the Tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the Tenements. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts. Additionally, the Company may not be able to access the Tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

(j) **Farm-in or joint venture risk**

The Company operates certain projects with third parties through farm-ins or joint ventures and the Company may be adversely affected by the financial failure, withdrawal or default of a farm-in or joint venture party. This may have an adverse effect on the operations and performance of the Company.

(k) **Native title risks**

The Company is aware that there are three registered native title determinations (in the names of Ngurrurpa, Kiwirrkurra People and Marlinyu Ghoorlie) within the area covered by the Tenements.

Accordingly, there is a risk that, if negotiations with the relevant native title parties are not progressed in a timely manner, or are unsuccessful, the grant of the pending Tenements may be delayed or they may be refused.

There remains a risk that in the future, native title and/or registered native title claims may affect the land the subject of the Tenements or in the vicinity of the Tenements.

The existence of native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights or interests of the holder under the Tenements provided the Tenements have been validly granted in accordance with the *Native Title Act 1993* (Cth) (**Native Title Act**).

However, if any Tenement was not validly granted in compliance with the Native Title Act, this may have an adverse impact on the Company's activities.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act.

(l) **Aboriginal Heritage Risk**

The Company is aware that there is a Heritage Survey 18116 which has been either registered or lodged within Tenement ELA80/5875.

Accordingly, there is a risk that the existence of such sites may preclude or limit mining activities in certain areas of the Tenements. However, the location of any 'heritage places' do not interfere with the Company's proposed exploration activities. Heritage surveys will need to be carried out over the remainder of the Tenements before exploration can proceed.

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may further preclude or limit mining activities in certain areas of the Tenements.

(m) **Third party risks**

Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Tenements.

Whilst the Company does not presently consider this to be a material risk to its planned exploration, there is a risk that any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(n) **Environmental risk**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field 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.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

(o) **Licences, permits and approvals**

Many of the mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the

Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

(p) **Heritage and sociological risk**

Some of the Tenements which the Company proposes to mine may be of significance from a heritage or sociological perspective, including Native Title issues. Some sites of significance may be identified within the Tenements and the Company may be hindered by legal and cultural restrictions on mining those Tenements. The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

(q) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(r) **Conflicts of interest**

Certain Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to the Company in the first instance. Although these Directors have been advised of their fiduciary duties to the situations that could arise in which their obligations to, or interests in, the Company, there exists actual and potential conflicts of interest among these persons.

5.3 **General risks**

(a) **Economic risks**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices 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.

As with any exploration or mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for minerals, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

(b) **Market conditions**

The market price of the Shares and Quoted Options 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.

Further, market conditions may affect the value of the Company's Shares and Quoted Options regardless of the Company's operating performance. Market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Force majeure**

The Company's Projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, subversive activities or sabotage, fires, floods, explosions or other catastrophes.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect the Projects. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its Projects. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Litigation risks**

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

(f) **Insurance risks**

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. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(g) **Taxation**

The acquisition and disposal of Securities 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 Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(h) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(i) **Climate change risks**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks 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.

(j) **Infectious diseases**

The outbreak of the coronavirus disease (COVID-19) is continuing to impact global economic markets. The price of the Company's Shares and Quoted Options may be adversely affected in the short to medium term by the economic uncertainty caused

by COVID-19. Further, any government or industry measures to limit the transmission of the virus (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

5.4 Investment speculative

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

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

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

6. Additional information

6.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (copies of which are available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) **General meeting and notices**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a general meeting of the Company every holder of fully paid Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.

(c) **Issues of further Shares**

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

(d) **Variation of rights**

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued Shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, a member may transfer a Share by any means permitted by the Corporations Act or by law.

(f) **Dividends**

Subject to the Corporations Act, the Listing Rules, the Constitution and the rights attaching to Shares issued on special conditions, the Directors may from time to time

declare that a dividend is payable to the holders of ordinary Shares and fix the time for payment.

(g) **Winding up**

Subject to the Constitution, the Corporations Act and the rights of holders of Shares with special rights, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Company, divide among the members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.

(h) **Dividend reinvestment and share plans**

The Directors may establish a dividend reinvestment plan on any terms, under which participants may elect in respect of all or part of their Shares to apply the whole or any part of a dividend from the Company in subscribing for Securities of the Company.

(i) **Directors**

The Company must have not less than 3 Directors.

(j) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors may exercise all the powers of the Company except any powers that the Corporations Act or the Constitution requires the Company to exercise in general meeting.

(k) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the members, in the same proportions as the members are entitled to a distribution by dividend.

6.2 Terms and Conditions of Quoted Options

The terms and conditions of the Quoted Options are as follows:

- (a) **(Entitlement):** Each Quoted Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date):** The Quoted Options will expire at 5.00pm (WST) on 26 November 2024. A Quoted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price):** Subject to paragraph (j), the amount payable upon exercise of each Quoted Option is \$0.25 per Quoted Option.
- (d) **(Exercise):** A holder may exercise their Quoted Option by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Quoted Option specifying the number of Quoted Options being exercised; and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Quoted Options being exercised.

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- (e) **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Quoted Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.
 - (f) **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Quoted Options specified in the Exercise Notice.
 - (g) **(Transferability)**: The Quoted Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
 - (h) **(Ranking of Shares)**: All Shares allotted upon the exercise of Quoted Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.
 - (i) **(Quotation)**: the Company will apply for quotation of the Quoted Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Quoted Options on ASX within 5 Business Days after the date of allotment of those Shares.
 - (j) **(Reconstruction)**: If at any time the issued capital of the Company is reconstructed, all rights of a holder of Quoted Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
 - (k) **(Participating rights)**: There are no participating rights or entitlements inherent in the Quoted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Quoted Options without exercising the Quoted Options.
 - (l) **(Amendments)**: A Quoted Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Quoted Option can be exercised.

6.3 Terms and conditions of Consideration Performance Rights

The terms and conditions of the Consideration Performance Rights are as follows:

- (a) **(Entitlement)**: Subject to the terms and conditions set out below, each Consideration Performance Right entitles the Holder on conversion to the issue of one Share.
- (b) **(Milestone)**: The Consideration Performance Rights vest in accordance with the milestones in the table below:

Consideration Performance Rights	Milestone	Expiry Date
12,500,000	The receipt of drilling results at >10m at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements	3 years from the date of issue.
12,500,000	Delineation of a JORC compliant Inferred Mineral Resource of > 10MT at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.	5 years from the date of issue.
12,500,000	Delineation of a JORC compliant Inferred Mineral Resource of >20MT at > 1,000 ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.	5 years from the date of issue.

Notes:

1. **JORC** means Australasian Joint Ore Reserves Committee.
2. **Inferred Mineral Resource** has the meaning given in the JORC Code.
3. **JORC Code** means The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

- (c) **(Independent Verification):** The Milestone set out above must be independently verified prior to the Consideration Performance Rights being able to be converted into Shares.

Subject to the satisfaction of the Milestone, the Company will notify the Holder in writing (**Vesting Notice**) immediately upon becoming aware that the Milestone has been satisfied.

- (d) **(Exercise Price):** The exercise price of each vested Consideration Performance Right is nil.
- (e) **(Expiry Date):** The Consideration Performance Rights will expire and lapse at 5:00pm (AWST) on the date specified in clause (b) above.
- (f) **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date, the Holder may apply to exercise Consideration Performance Rights by delivering a signed notice of exercise to the Company Secretary of the Company (in a form provided by the Company Secretary of the Company). The Holder is not required to pay a fee to exercise the Consideration Performance Rights.
- (g) **(Timing of Issue of Shares and Quotation of Shares on Exercise):** On conversion of the Consideration Performance Rights, the Company will:
- (i) issue, allocate or cause to be transferred to the Holder the number of Shares to which the Holder is entitled within 5 business days of exercise of the Consideration Performance Rights;
 - (ii) if required, issue a substitute certificate for any remaining unexercised Consideration Performance Rights held by the Holder;
 - (iii) if required and subject to paragraph (h), give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

- (iv) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
- (h) **(Cleansing Prospectus)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice 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 issue a prospectus pursuant to section 708A(11) of the Corporations Act within 15 Business Days following the issue of Shares.
- (i) **(Shares Issued on Exercise)**: All Shares issued upon the exercise of Consideration Performance Rights will upon issue rank equally in all respects with the then Shares of the Company.
- (j) **(Transfer)**: The Consideration Performance Rights are not transferable.
- (k) **(Quotation)**: No application for quotation of the Consideration Performance Rights will be made by the Company.
- (l) **(Voting Rights)**: The Consideration Performance Rights do not confer on the Holder an entitlement to vote at general meetings of the Company.
- (m) **(Dividend Rights)**: The Consideration Performance Rights do not entitle the Holder to any dividends.
- (n) **(Participation In Entitlements and Bonus Issues)**: Subject to the rights under paragraph (o) below and, unless and until the Milestone is achieved and the Consideration Performance Rights are converted into Shares, the Holder is not entitled to participate in any new issue of Shares such as bonus issues and entitlement issues, as a result of their holding of the Consideration Performance Rights.
- (o) **(Adjustment for Bonus Issue)**:
- (i) If Shares are issued by the Company pro rata to the Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of the Consideration Performance Rights is entitled, upon exercise of the Consideration Performance Rights, to receive, in addition to the Shares in respect of which the Consideration Performance Rights are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Consideration Performance Rights are exercised.
- (ii) Additional Shares to which the holder of the Consideration Performance Rights becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Consideration Performance Rights are exercised for the purposes of subsequent applications of paragraph (o)(i) above, and any adjustments which, after the time just mentioned, are made under paragraph (p) below to the number of Shares, will also be made to the additional Shares.

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- (p) **(No rights to return of capital):** The Consideration Performance Rights do not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
 - (q) **(Rights on winding up):** The Consideration Performance Rights do not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
 - (r) **(Reorganisation of Capital):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each holder of Consideration Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
 - (s) **(Change of Control):**
 - (i) If prior to the earlier of the conversion of the Consideration Performance Rights and the Expiry Date a Change in Control Event occurs, then each Consideration Performance Right will automatically and immediately convert into a Share.
 - (ii) A "**Change of Control Event**" occurs when:
 - (A) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of more than 50.1% of shares and that takeover bid has become unconditional; or
 - (B) **scheme of arrangement:** Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all the securities are to be either cancelled or transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.
 - (t) **(Takeovers prohibition):**
 - (i) the issue of Shares on exercise of the Consideration Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Consideration Performance Rights.
 - (u) **(Amendments required by ASX):** The terms of the Consideration Performance Rights may be amended as considered necessary by the Board of the Company in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the securityholder are not diminished or terminated.

6.4 Terms and conditions of Unquoted Consideration Options

The terms and conditions of the Unquoted Consideration Options are as follows:

- (a) **(Entitlement):** Each Unquoted Consideration Option gives the holder the right to subscribe for one Share.

- (b) **(Milestone):** The Unquoted Consideration Options vest in accordance with the milestones in the table below:

Unquoted Consideration Options	Milestone	Expiry Date
5,000,000	The receipt of drilling results at >10m at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements	30 December 2026
5,000,000	Delineation of a JORC compliant Inferred Mineral Resource of > 10MT at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.	30 December 2026
5,000,000	Delineation of a JORC compliant Inferred Mineral Resource of >20MT at > 1,000 ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.	30 December 2026

Notes:

1. **JORC** means Australasian Joint Ore Reserves Committee.
2. **Inferred Mineral Resource** has the meaning given in the JORC Code.
3. **JORC Code** means The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

- (c) **(Independent Verification):** The Milestone set out above must be independently verified prior to the Unquoted Consideration Options being able to be exercised into Shares.

Subject to the satisfaction of the Milestone, the Company will notify the Holder in writing (**Vesting Notice**) within a reasonable period of time of becoming aware that the Milestone has been satisfied and the Unquoted Consideration Options can be exercised.

- (d) **(Expiry Date):** The Unquoted Consideration Options will expire and lapse at 5:00pm (AWST) on the date specified in clause (b) above.
- (e) **(Exercise Price):** Subject to paragraph (n), the amount payable upon exercise of each Unquoted Consideration Option is \$0.25 per Unquoted Consideration Option.
- (f) **(Exercise):** A holder may exercise their Unquoted Consideration Option by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Unquoted Consideration Option specifying the number of Unquoted Consideration Option being exercised; and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Unquoted Consideration Option being exercised.
- (g) **(Exercise Notice).** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Unquoted Consideration Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.
- (h) **(Timing of issue of Shares on exercise):** Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the

number of Shares required under these terms and conditions in respect of the number of Unquoted Consideration Options specified in the Exercise Notice.

- (i) **(Transferability)**: The Unquoted Consideration Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws or under any voluntary restriction deed.
- (j) **(Ranking of Shares)**: All Shares allotted upon the exercise of Unquoted Consideration Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.
- (k) **(Quotation)**: The Company will not apply for quotation of the Unquoted Consideration Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Unquoted Consideration Options on ASX within 5 Business Days after the date of allotment of those Shares.
- (l) **(Quotation of Shares on Exercise)**: if required and subject to paragraph (m), the Company must give ASX a notice that complies with section 708A(5)(e) of the Corporations Act in respect of any Shares issued on exercise of the Unquoted Consideration Options and do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
- (m) **(Cleansing Prospectus)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice 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 issue a prospectus pursuant to section 708A(11) of the Corporations Act within 15 Business Days following the issue of Shares issued on exercise of the Unquoted Consideration Options.
- (n) **(Reconstruction)**: If at any time the issued capital of the Company is reconstructed, all rights of a holder of Unquoted Consideration Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (o) **(Participating rights)**: There are no participating rights or entitlements inherent in the Unquoted Consideration Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Unquoted Consideration Options without exercising the Unquoted Consideration Options.
- (p) **(Amendments)**: An Unquoted Consideration Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Unquoted Consideration Option can be exercised.

6.5 Terms and conditions of the Director Options, Adviser Options and Director Appointment Options

The terms and conditions of the Director Options, Adviser Options and Director Appointment Options (referred to in this Schedule as **Options**) are as follows:

- (a) **(Entitlement)**: Each Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date)**: The Options will expire and lapse at 5:00pm (AWST) on the date that is 3 years from the date of issue.
- (c) **(Exercise Price)**: Subject to paragraph (l), the amount payable upon exercise of each Option is \$0.25 per Option.
- (d) **(Exercise)**: A holder may exercise their Option by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Option specifying the number of Option being exercised; and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Option being exercised.
- (e) **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (g) **(Transferability)**: The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws or under any voluntary restriction deed.
- (h) **(Ranking of Shares)**: All Shares allotted upon the exercise of Options will upon allotment be fully paid and rank pari passu in all respects with other Shares.
- (i) **(Quotation)**: The Company will not apply for quotation of the Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 5 Business Days after the date of allotment of those Shares.
- (j) **(Quotation of Shares on Exercise)**: if required and subject to paragraph 13, the Company must give ASX a notice that complies with section 708A(5)(e) of the Corporations Act in respect of any Shares issued on exercise of the Options and do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.
- (k) **(Cleansing Prospectus)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice 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 issue a prospectus pursuant to section 708A(11) of the Corporations Act within 15 Business Days following the issue of Shares issued on exercise of the Options.

- (l) **(Reconstruction)**: If at any time the issued capital of the Company is reconstructed, all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) **(Participating rights)**: There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) **(Amendments)**: An Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

6.6 Lead Manager Mandate

Pursuant to a lead manager mandate (**Lead Manager Mandate**), the Lead Manager has been appointed to lead manage the Placement and place any shortfall under the Entitlement Offer (**Shortfall Securities**). Pursuant to the Lead Manager Mandate, the Lead Manager will receive the following fees:

- (c) 6% of funds raised under the Placement;
- (d) 6% of funds raised pursuant to the placement of the Shortfall Securities; and
- (e) subject to Shareholder approval at the General Meeting, 12,000,000 Quoted Options (**Lead Manager Options**) subject to the terms and conditions in Section 6.2.

The Lead Manager Mandate contains additional provisions considered standard for agreements of this nature. The Lead Manager engaged State One Equities to act as a co-manager to the Placement.

6.7 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.9 below). Copies of all documents announced to the ASX can be found at <https://mtmcriticalmetals.com.au/asx-announcements>.

6.8 Dividend Policy

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

6.9 Copies of documents

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

- (a) the annual report of the Company for the financial year ended 30 June 2023 as lodged with ASX on 29 September 2023 (**Annual Financial Report**), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from balance date of the Annual Financial Report referred to in Section 6.9(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
9 February 2024	Notice of General Meeting/Proxy Form
31 January 2024	Updated – Proposed issue of securities - MTM
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
29 January 2024	Notification of cessation of securities - MTM
25 January 2024	Release of Escrow Securities – Geomega Resources
19 January 2024	Cleansing Notice – Tranche 1 Placement and Con Note
19 January 2024	Application for quotation of securities - MTM
19 January 2024	Application for quotation of securities - MTM
19 January 2024	Update – Proposed issue of securities - MTM
12 January 2024	Flash Metals Presentation Deck
12 January 2024	Proposed issue of securities - MTM
12 January 2024	Proposed issue of securities - MTM
12 January 2024	Proposed issue of securities - MTM
12 January 2024	Placement and Rights Issue
10 January 2024	Trading Halt
3 January 2024	Response to ASX Price and Volume Query
3 January 2024	REE-Niobium mineralization at Pomme carbonatite complex
2 January 2024	Trading Halt
2 January 2024	Pause in Trading
19 December 2023	Proposed issue of securities - MTM
19 December 2023	Proposed issue of securities - MTM
19 December 2023	Proposed issue of securities - MTM
19 December 2023	MTM to acquire West Arunta Niobium-REE Project
18 December 2023	Trading Halt
13 December 2023	Application for quotation of securities - MTM
1 December 2023	Encouraging beneficiation results for REE clays E Laverton
29 November 2023	Results of AGM

Date lodged	Subject of Announcement
21 November 2023	MTM secures \$1M funding
15 November 2023	New zones of REE and Niobium at Pomme
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
30 October 2023	Notice of Annual General Meeting/Proxy Form
24 October 2023	New Zones of REE and Niobium at Pomme
11 October 2023	East Laverton soil survey returns REE and nickel anomalies
9 October 2023	MTM intercepts further TREOs at Pomme
4 October 2023	Investor Update Presentation - Exploration success at Pomme
3 October 2023	AGM and Director Nominations
3 October 2023	Cleansing Notice Section 708A(5)(e) and 708A(6)
3 October 2023	Application for quotation of securities - MTM
3 October 2023	MTM expands REE acreage in Canada

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.17 and the consents provided by the Directors to the issue of this Prospectus.

6.10 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus and in this Section 6.10.

The Company has agreed to provide an unsecured loan facility of up to \$500,000 to Flash Metals Pty Ltd (**Flash Loan**). Interest is payable at 10% per annum on amounts drawn down by Flash Metals. Upon Completion, the Flash Loan and all amounts owing to the Company in connection with the Flash Loan will be forgiven. In the event that Completion has not occurred by 1 August 2024, Flash Metals will (at the election of the Company), repay all amounts owing in connection with the Flash Loan, either by payment of cash or by issuing the shares in Flash Metals with the equivalent value.

6.11 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing the Securities under this Prospectus.

6.12 Market price of Shares and Quoted Options

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

Closing price	Shares	Quoted Options
Highest during previous 3 months	\$0.120 on 5 January 2024	\$0.021 on 5 January 2024
Lowest during previous 3 months	\$0.021 on 15 December 2023	\$0.002 on 11 December 2023
Latest available	\$0.069 on 9 February 2024	\$0.007 on 9 February 2024

6.13 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

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

(b) Directors' interests in Securities

The relevant interests of each of the Directors in Securities as at the date of this Prospectus is set out below.

Director	Shares ⁴	Options ⁵	Performance Rights	Entitlement (Shares)	Entitlement (Quoted Options)
John Hannaford ¹	4,750,769	4,995,409	-	1,187,692	593,846
Lachlan Reynolds ²	1,001,430	3,600,762	300,000	250,357	125,178
David Izzard ³	7,014,287	6,215,952	-	1,753,571	876,785
Anthony Hadley	-	-	-	-	-

Notes:

1. Mr Hannaford's Securities are held indirectly as follows:
 - (a) Jaek Holdings Pty Ltd, of which Mr Hannaford is a director and shareholder, holds:
 - (i) 3,300,000 Shares;

- (ii) 2,500,000 Options exercisable at \$0.30 and expiring on 16 December 2024; and
- (iii) 1,499,999 Options exercisable at \$0.25 and expiring on 16 November 2024.
- (b) Riverview Corporation Pty Ltd, of which Mr Hannaford is a director and shareholder, holds:
 - (i) 667,858 Shares; and
 - (ii) 294,524 Options exercisable at \$0.25 and expiring on 16 November 2024.
- (c) John & Emma Hannaford Superannuation Pty Ltd, of which Mr Hannaford is a director and shareholder, holds:
 - (i) 354,339 Shares; and
 - (ii) 172,314 Options exercisable at \$0.25 and expiring on 16 November 2024.
- (d) Rockford Partners Pty Ltd, of which Mr Hannaford is a director and shareholder, holds:
 - (i) 428,572 Shares;
 - (ii) 300,000 Options exercisable at \$0.30 and expiring on 16 December 2024; and
 - (iii) 228,572 Options exercisable at \$0.25 and expiring on 16 November 2024.

2. Mr Reynolds' Securities are held directly.

Options held by Mr Reynolds comprise the following:

- (a) 350,762 Options exercisable at \$0.25 and expiring on 26 November 2024;
- (b) 1,750,000 Options exercisable at \$0.30 and expiring on 16 December 2024;
- (c) 500,000 Options exercisable at \$0.30 and expiring on 9 May 2024;
- (d) 500,000 Options exercisable at \$0.35 and expiring on 9 November 2024; and
- (e) 500,000 Options exercisable at \$0.40 and expiring on 9 May 2024.

Performance Rights held by Mr Reynolds will vest and convert to Shares upon Mr Reynolds remaining continually employed by the Company until 28 August 2024.

3. Mr Izzards' Securities are held indirectly as follows:

- (a) Bowman Gate Pty Ltd, of which Mr Izzard is a director and shareholder, holds:
 - (i) 5,035,715 Shares;
 - (ii) 2,500,000 Options exercisable at \$0.30 and expiring on 16 December 2024; and
 - (iii) 2,562,381 Options exercisable at \$0.25 and expiring on 26 November 2024.
- (b) Hop Valley Holdings Pty Ltd, of which Mr Izzard is a director and shareholder, holds:
 - (i) 250,000 Shares; and
 - (ii) 125,000 Options exercisable at \$0.25 and expiring on 26 November 2024.
- (c) Golden Wheelbarrow Pty Ltd, of which Mr Izzard is a director and shareholder, holds:
 - (i) 850,000 Shares; and
 - (ii) 316,666 Options exercisable at \$0.25 and expiring on 26 November 2024.
- (d) Tigers Paw Pty Ltd, of which Mr Izzard is a director and shareholder, holds:
 - (i) 450,000 Shares;
 - (ii) 183,333 Options exercisable at \$0.25 and expiring on 26 November 2024.
- (e) Rockford Partners Pty Ltd, of which Mr Izzard is a director and shareholder, holds:
 - (i) 428,572 Shares;
 - (ii) 300,000 Options exercisable at \$0.30 and expiring on 16 December 2024; and
 - (iii) 228,572 Options exercisable at \$0.25 and expiring on 26 November 2024.

4. Subject to receipt of Shareholder approval at the General Meeting, Messrs Hannaford, Reynolds, Izzard and Hadley intend to subscribe for Director Placement Shares and Director Placement Options under Tranche 2 of the Placement as follows:

- (a) Mr Hannaford intends to subscribe for up to 2,312,500 Director Placement Shares and 1,156,250 Director Placement Options;
- (b) Mr Reynolds intends to subscribe for up to 250,000 Director Placement Shares and 125,000 Director Placement Options;
- (c) Mr Izzard intends to subscribe for up to 2,312,500 Director Placement Shares and 1,156,250 Director Placement Options; and
- (d) Mr Hadley intends to subscribe for up to 125,000 Director Placement Shares and 62,500 Director Placement Options.

5. Subject to receipt of Shareholder approval at the General Meeting, Messrs Hannaford, Reynolds, Izzard and Hadley will be issued Director Options as follows:
- (a) Mr Hannaford will be issued up to 5,000,000 Director Options;
 - (b) Mr Reynolds will be issued up to 2,000,000 Director Options;
 - (c) Mr Izzard will be issued up to 2,000,000 Director Options; and
 - (d) Mr Hadley will be issued up to 1,000,000 Director Options.

Subject to receipt of Shareholder approval at the General Meeting, Mr Hadley will be issued 1,000,000 Director Appointment Options.

It is the intention of all Directors to take up most or all of their Entitlement specified above under the Entitlement Offer.

(c) **Remuneration of Directors**

The Constitution of the Company provides that the non-executive Directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$300,000. The amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described above.

The remuneration of executive Directors is to be fixed by the Board. As Managing Director, Mr Lachlan Reynolds is paid an annual base salary of \$242,000 (excl. superannuation).

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY).

Director	FY ended 30 June 2023 (\$)	FY ended 30 June 2022 (\$)
John Hannaford ¹	55,250	55,000
Lachlan Reynolds ²	321,945	367,429
David Izzard ³	39,780	39,600
Anthony Hadley ⁴	-	-

Notes:

- 1. Mr Hannaford was appointed as the Non-Executive Chairman on 15 July 2021.
- 2. Mr Reynolds was appointed as Managing Director on 15 July 2021.

3. Mr Izzard was appointed as a Non-Executive Director on 15 July 2021.
4. Mr Hadley was appointed as Non-Executive Director on 20 July 2023.

6.14 Related party transactions

Other than as disclosed in this Prospectus, as at the date of this Prospectus, there are no related party transactions involved in the Offers.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

6.15 Interests of other persons

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

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

Hamilton Locke will be paid approximately \$25,000 (plus GST) in fees for legal services in connection with the Offers. Over the previous 24 months, Hamilton Locke has been paid approximately \$123,000 (inclusive of GST) in fees in connection with other legal services.

Automic Registry Services has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Securities under the Offers, and will be paid for these services on standard industry terms and conditions.

6.16 Expenses of Offers and Placement

The estimated expenses of the Offers and Placement (assuming all of the Securities the subject of the Offers and Placement are issued) are as follows:

Estimated expenses of the Offers and Placement	\$
ASIC lodgement fee	3,000
ASX quotation fees	29,000
Lead Managers fees	449,156
Legal and preparation expenses	25,000
Printing, mailing and other miscellaneous expenses	17,000
Total	523,156

Note: Figures are rounded to the nearest \$1,000.

6.17 Consents

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

Each of the parties referred to in this Section:

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

Hamilton Locke Pty Ltd has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic Registry Services has given its written consent to being named as the share registry to the Company in this Prospectus in the form and context in which it is named. Automic Registry Services has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Sandton Capital Advisory Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus. Sandton Capital Advisory Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

6.18 Electronic Prospectus

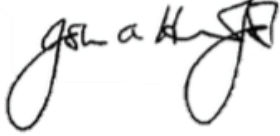
Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

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. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

7. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'John Hannaford', written over a faint rectangular box.

Mr John Hannaford
Non-Executive Chairman

Dated: 11 February 2024

8. Unaudited Pro Forma Statement of Financial Position

	Notes	MTM Critical Metals Ltd (Audited) 30 June 2023	Subsequent Events ¹ (Unaudited)	Pro forma Adjustments (Unaudited)	MTM Critical Metals Ltd Pro forma Balance (Unaudited)
Current assets					
Cash and cash equivalents	2	\$2,563,066	(\$2,068,091)	\$7,105,320	\$7,600,295
Trade and other receivables		\$36,432	\$357,424	\$0	\$393,856
Other current assets		\$157,953	\$120,936	\$0	\$278,890
Total current assets		\$2,757,451	(\$1,589,730)	\$7,105,320	\$8,273,041
Non-current assets					
Exploration and evaluation expenditure	3	\$6,126,419	\$1,713,707	\$8,000,000	\$15,840,126
Property, plant and equipment		\$37,550	(\$19,232)	\$0	\$18,318
Total non-current assets		\$6,163,969	\$1,694,475	\$8,000,000	\$15,858,444
Total assets		\$8,921,420	\$104,745	\$15,105,320	\$24,131,485
Liabilities					
Current liabilities					
Trade & other payables		\$387,440	(\$46,676)	\$0	\$340,764
Loans		\$0	\$0	\$0	\$0
Other Current Liabilities		\$11,103	(\$1,692)	\$0	\$9,411
Total current liabilities		\$398,544	(\$48,368)	\$0	\$350,176
Non-current liabilities					
Other Non-Current Liabilities		\$2,631	(\$2,631)	\$0	\$0
Total non-current liabilities		\$2,631	(\$2,631)	\$0	\$0
Total liabilities		\$401,174	(\$50,999)	\$0	\$350,176
Net assets		\$8,520,246	\$155,743	\$7,105,320	\$23,781,309
Equity					
Share capital	4	\$11,688,792	\$909,246	\$15,105,320	\$27,703,358
Reserves	5	\$741,000	\$0	\$1,223,397	\$1,964,397
Accumulated loss		(\$3,909,546)	(\$753,502)	(\$1,223,397)	(5,886,445)
Total equity		\$8,520,246	\$155,743	\$15,105,320	\$23,781,309

Notes:

1. Transactions that have taken place subsequent to 30 June 2023 up to 31 December 2023 including \$1 million (before costs) raised through Convertible Note Raise (refer to Section 1.5 for further details) and expenditure relating to exploration activities and corporate overhead costs.
2. Cash received from:
 - Tranche 1 of Placement (net of costs) (refer to Section 1.2 for further details);
 - Tranche 2 of Placement (net of costs) (refer to Section 1.2 for further details); and
 - Entitlement Offer (net of costs) (refer to Section 1.3 for further details).
3. Agreement to purchase Flash Metals and issue the Consideration Securities (refer to Section 1.1 for further details).
4. Equity relating to:
 - Tranche 1 and 2 of Placement (refer to Section 1.2 for further details);
 - Entitlement Offer (refer to Section 1.3 for further details);
 - Conversion of Tranche 1 and 2 of Convertible Note to Shares (refer to Section 1.5 for further details);
 - Agreement to purchase Flash Metals and issue the Consideration Securities (refer to Section 1.1 for further details);
 - Issue of Director and Advisor Options 2.52.6
5. Value of Consideration Performance Rights and Unquoted Consideration Options to be issued in connection with the Flash Acquisition.

9. Definitions

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

\$	means Australian Dollars.
Acquisition or Flash Acquisition	has the meaning given in Section 1.1(a).
Adviser Options	has the meaning given in Section 2.6.
Adviser Options Offer	has the meaning given in Section 2.6.
Applicant	means a person who submits an Application Form or makes a BPAY® or EFT payment in accordance with the instructions set out in the Application Form.
Application	means a valid application for Securities made through an Application Form.
Application Form	means the application form accompanying this Prospectus pursuant to which an Applicant is capable of accepting the relevant Offer.
Application Monies	means application monies for new Shares received by the Company.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Operating Rules	means ASX Settlement Operating Rules of ASX Settlement.
AWST	means Australian Western Standard Time.
Board	means the Directors meeting as a board.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
CHESS	means ASX Clearing House Electronic Subregister System.
Closing Date	has the meaning given to it in Section 2.10.
Company	means MTM Critical Metals Limited (ACN 645 885 463).
Completion	means completion of the Flash Acquisition.
Consideration Offer	has the meaning given in Section 2.3.
Consideration Performance Rights	has the meaning given in Section 1.1(b).

Consideration Securities	has the meaning given in Section 1.1(b).
Consideration Shares	has the meaning given in Section 1.1(b).
Constitution	means the constitution of the Company as at the date of this Prospectus.
Conversion Options	has the meaning given in Section 1.5.
Conversion Securities	means the Conversion Shares and Conversion Options.
Conversion Shares	has the meaning given in Section 1.5.
Convertible Note Agreements	has the meaning given in Section 1.5.
Convertible Note Raise	has the meaning given in Section 1.5.
Convertible Notes	has the meaning given in Section 1.5.
Corporations Act	means <i>Corporations Act 2001</i> (Cth), as amended or modified from time to time.
Director	means a director of the Company as at the date of this Prospectus.
Director Appointment Options	has the meaning given in Section 2.7.
Director Appointment Options Offer	has the meaning given in Section 2.7.
Director Options	has the meaning given in Section 2.5.
Director Options Offer	has the meaning given in Section 2.5.
Director Placement Options	has the meaning given in Section 1.2.
Director Placement Shares	has the meaning given in Section 1.2.
EAPL Option	has the meaning given in Section 1.1(a).
EFT	means electronic funds transfer.
Eligible Shareholder	means a registered holder of Shares on the Record Date whose registered address is in Australia or New Zealand.
Entitlement Offer	has the meaning given in Section 1.3.
Entitlement Offer Securities	means the Securities being offered under the Entitlement Offer, being Shares and Quoted Options.
Existing Projects	means the Pomme Project in Quebec, the Montviel South Project in Quebec, the East Laverton Project in Western Australia, the Mt Monger Project in Western Australia and the Ravensthorpe Project in Western Australia.
FJH Option	has the meaning given in Section 1.1(a).

FJH Technology	has the meaning given in Section 1.1(a).
Flash Agreement	has the meaning given in Section 1.1(a).
Flash Loan	has the meaning given in Section 6.10.
Flash Metals	has the meaning given in Section 1.1(a).
General Meeting	means the general meeting to be convened pursuant to the Notice of Meeting.
Group	means the Company and each of its subsidiaries.
Indicative Timetable	means the indicative timetable for the Offers on page 4 of this Prospectus.
Issue Price	means \$0.08 per Share.
Issuer Sponsored	means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.
Lead Manager Mandate	means the Lead Manager Mandate between the Company and the Lead Manager dated 9 January 2024 (further details in respect of which are set out in Section 6.6).
Lead Manager Offer	has the meaning given in Section 2.4.
Lead Manager Options	means 12,000,000 Quoted Options to be issued to the Lead Manager in accordance with the terms of the Lead Manager Mandate (further details in respect of which are set out in Section 6.6).
Lead Manager or Sandton	means Sandton Capital Advisory Pty Ltd.
Listing Rules	means the listing rules of ASX.
Milestone 1	means receipt of drilling results at >10m at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.
Milestone 2	means delineation of a JORC compliant inferred resource of > 10MT at > 1,000ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.
Milestone 3	means delineation of a JORC inferred resource of >20MT at > 1,000 ppm TREO and/or >0.5% Nb ₂ O ₅ on the WA REE Tenements.
Mineral Resource	has the meaning given in the JORC Code.
Mukinbudin Niobium-REE Project	means the project comprised of two granted exploration licences (E70/6359 and E70/6048) located 250km northeast of Perth in the South West Mineral Field of Western Australia.

Noteholders	has the meaning given in Section 1.5.
Notice of Meeting	means the notice of meeting expected to be dispatched to Shareholders and released on the ASX markets announcement platform on or around 14 February 2024.
Offers	means, collectively, the Entitlement Offer, Consideration Offer, Lead Manager Offer, Director Options Offer and Adviser Options Offer.
Official List	means the official list of ASX.
Official Quotation	means quotation of Securities on the Official List.
Opening Date	has the meaning given to it in Section 2.10.
Option	means the right to acquire one Share in the capital of the Company.
PEPL Option	has the meaning given in Section 1.1(a).
Performance Right	means a right to acquire a Share in the capital of the Company subject to the satisfaction of performance milestones.
Placement	has the meaning given in Section 1.2.
Placement Options	has the meaning given in Section 1.2.
Placement Securities	means the Placement Shares and Placement Options.
Placement Shares	has the meaning given in Section 1.2.
Projects	means, collectively, the Company's projects (from time to time).
Prospectus	means this prospectus dated 11 February 2024.
Quoted Consideration Options	has the meaning given in Section 1.1(b).
Quoted Options	means the Options exercisable at \$0.25 and expiring on 26 November 2024 and quoted on ASX under the code MTMO.
Record Date	means 5.00pm (AWST) on the record date identified in the Indicative Timetable.
Section	means a Section of this Prospectus.
Securities	mean any securities including Shares, Options, Performance Rights and Share Rights issued or granted by the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Share Registry	means Automatic Registry Services (ACN 152 260 814).
Share Right	means a right to acquire a Share.
Shareholder	means a holder of Shares.

Tenements	means the tenements in which the Company has an interest (from time to time).
Top-Up Offer	means the offer under this Prospectus to Eligible Shareholders to subscribe for Entitlements not subscribed for under the Entitlement Offer, or that would otherwise have been offered to Ineligible Foreign Shareholders under the Entitlement Offer, if they had a registered address in Australia or New Zealand.
Tranche 1	has the meaning given in Section 1.2.
Tranche 1 Conversion Shares	has the meaning given in Section 1.5.
Tranche 1 Placement Options	has the meaning given in Section 1.2.
Tranche 1 Placement Shares	has the meaning given in Section 1.2.
Tranche 2	has the meaning given in Section 1.2.
Tranche 2 Conversion Options	has the meaning given in Section 1.5.
Tranche 2 Conversion Securities	means the Tranche 2 Conversion Shares and the Tranche 2 Conversion Options.
Tranche 2 Conversion Shares	has the meaning given in Section 1.5.
Tranche 2 Placement Options	has the meaning given in Section 1.2.
Tranche 2 Placement Securities	means all of the Placement Securities except the Tranche 1 Placement Shares issued on 19 January 2024.
Tranche 2 Placement Shares	has the meaning given in Section 1.2.
TREO	means total rare earth oxide which includes CeO ₂ , Dy ₂ O ₃ , Er ₂ O ₃ , Eu ₂ O ₃ , Gd ₂ O ₃ , Ho ₂ O ₃ , La ₂ O ₃ , Lu ₂ O ₃ , Nd ₂ O ₃ , Pr ₆ O ₁₁ , Sm ₂ O ₃ , Tb ₄ O ₇ , Tm ₂ O ₃ , Yb ₂ O ₃ and Y ₂ O ₃ and the grade is calculated using standard oxide conversion factors for each element.
Unquoted Consideration Options	has the meaning given in Section 1.1(b).
Vendors	has the meaning given in Section 1.1(a).
VWAP	means the volume weighted average price of Shares.
WA REE Tenements	means the Mukinbudin Niobium-REE Project and the West Arunta Niobium REE Project.
West Arunta Niobium REE Project	means the project comprised of three granted exploration licences (E80/5875, E/80/5858 and E80/5874) in eastern central Western Australia, located within the Gibson Desert

about 130km west of the Northern Territory/Western Australia border in the East Kimberley Mineral Field.

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