

ASX RELEASE

28 March 2024

**FLASH METALS ACQUISITION, TRANCHE 2 OF THE
PLACEMENT AND CONVERTIBLE NOTE SETTLEMENT
COMPLETED****Highlights:**

- The all scrip 100% acquisition of Flash Metals Pty Ltd has been completed with allotment of securities following shareholder approval at a meeting on 14th March 2024.
- Control and management of tenements in the West Arunta and Mukinbudin areas of Western Australia has been secured which will enable Native Title and freehold land access to be progressed to enable in-field exploration planning to progress.
- Progress with Rice University to secure the Flash Joule Heating license agreement continues and has been assumed through the ownership of FJ Processing Pty Ltd, a wholly owned subsidiary of Flash Metals Pty Ltd.
- Tranche 2 of the Placement has been completed raising \$3.4 million (before costs) resulting in the issue of approximately 42.6 million shares at \$0.08 per share with one free attaching option (MTMO) for every two shares issued.
- Tranche 2 of the Convertible Note converted to equity with the allotment of approximately 10.7 million shares and 5.3 million options.

MTM Critical Metals Limited (ASX:MTM) (MTM or the Company) is pleased to advise that it has completed the acquisition of Flash Metals Pty Ltd (Flash Metals). The closing of this transaction results in MTM securing exploration licenses in the West Arunta and Mukinbudin regions of Western Australia and the negotiation of the exclusive rights to Flash Joule Heating technology with Rice University.

Completion of the Flash Metals acquisition sees control of three exploration licenses in the West Arunta area (E80/5858, E80/5754 and E80/5875) (Figure 1) and two tenements in the Mukinbudin area (E70/6048 & E70/6359) (Figure 2) transferred to MTM (together the **WA REE Tenements**).

MTM will assume the rights to the Flash Joule Heating licensing option which has been exercised by Flash Metals (refer ASX announcement dated 13 March 2024) and negotiations are under way to complete a licensing agreement with Rice University.

MTM Managing Director, Mr Lachlan Reynolds said *"We are very pleased to have completed the Flash Metals acquisition which provides the Company with significant exploration and development opportunities through the acquisition of the REE focused exploration licenses in Western Australia."*

"The new tenements in West Arunta provide us with an opportunity to discover new niobium-rare earth deposits in historically untested ground, right next door to some emerging mineralised carbonatite projects identified by both WA1 Resources and Encounter Resources. With the acquisition of Flash Metals now completed, we can progress the discussions with Native Title parties to enable us to access the tenements for in-field exploration .

"The Flash Joule Heating technology is complimentary to MTM's exploration activities but also has the potential to be transformational at a bigger scale for the extraction of both precious and industrial metals.. We are very excited to be entering into a commercialisation partnership with Rice University and have closed the Flash Metals transaction at a time when the Flash Joule Heating prototype development has been well advanced by a Houston based engineering company under the stewardship of the Vendors of Flash Metals and KnightHawk Engineering.

The overwhelming support that we have received from existing and new shareholders who have participated in the Placement and the Convertible Note issue has been strong. The proceeds raised place MTM in a strong financial position to progress the mineral exploration and Flash Joule Heating technology development."

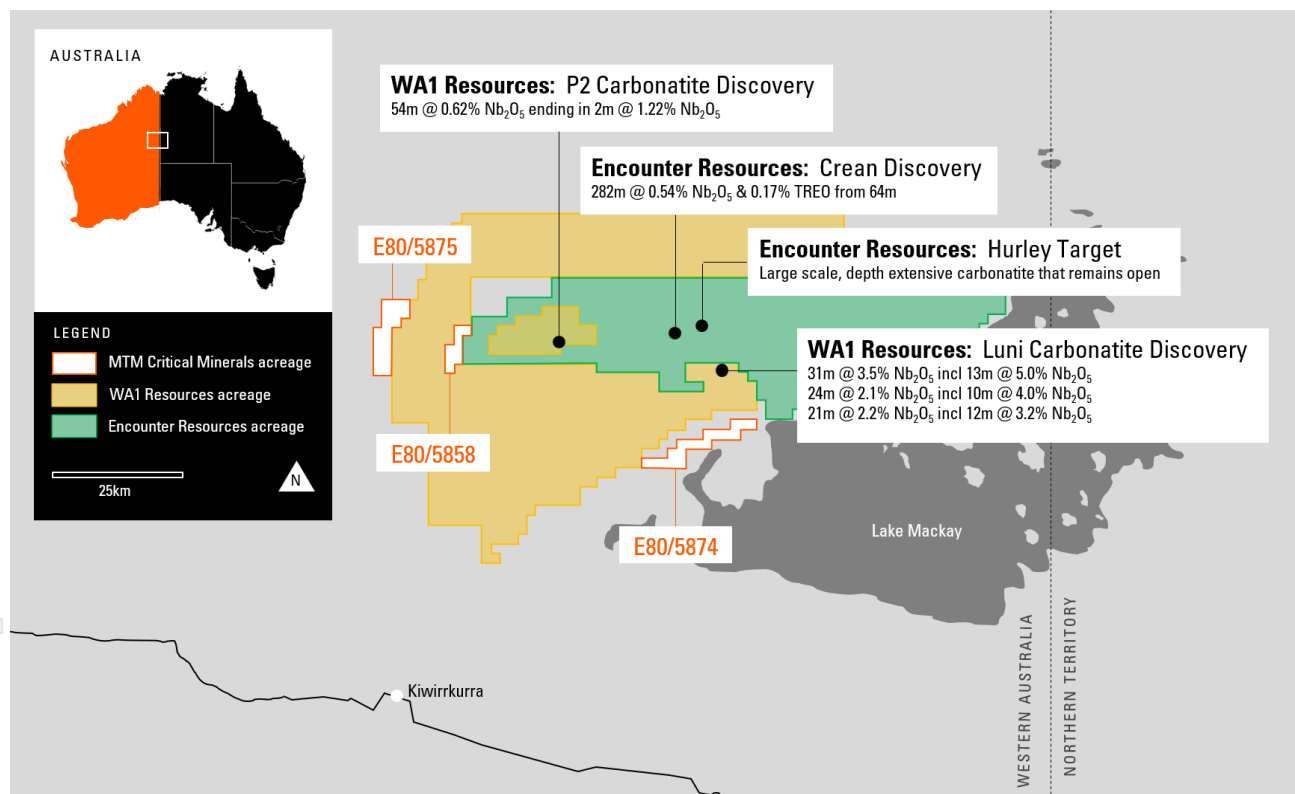


Figure 1: The West Arunta Niobium-REE Project comprises three granted exploration licences in eastern central Western Australia, located within the Gibson Desert about 130km west of the Northern Territory/ Western Australia border in the East Kimberley Mineral Field.

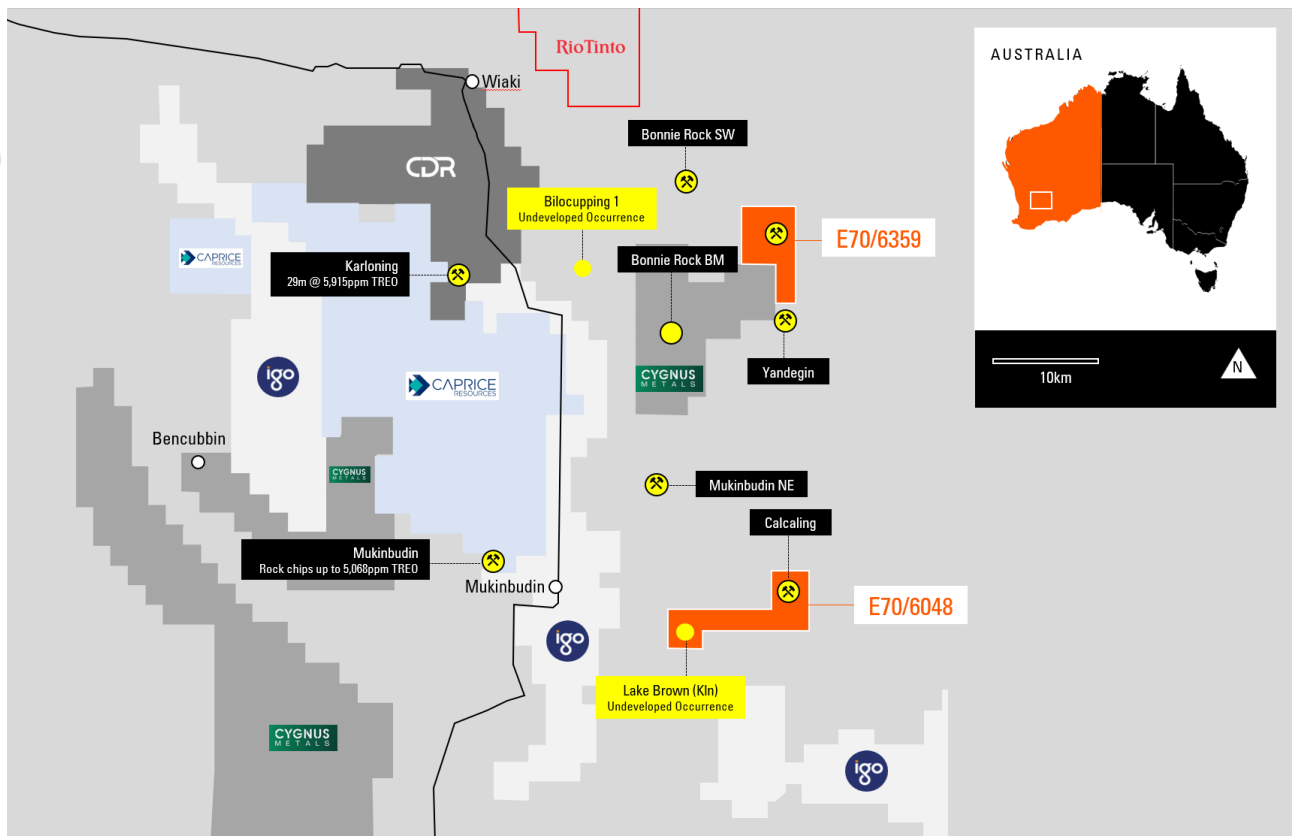


Figure 2: Location of the Mukinbudin Project, approximately 250 km NE of Perth.

Flash Metals Acquisition Consideration

With all conditions precedent having been satisfied, the all scrip consideration to acquire all of the ordinary shares in Flash Metals has been issued as follows:

- a) 100 million fully paid ordinary shares in MTM (**Shares**) (**Consideration Shares**) issued to the shareholders of Flash Metals (the **Vendors**) (Note – 73,497,088 Shares are subject to six (6) month voluntary escrow);
- b) 50 million quoted options with an exercise price of \$0.25 and expiring 26 November 2024 (ASX:MTMO) issued to the Vendors (**Quoted Consideration Options**) (Note – 36748542 Options are subject to six (6) month voluntary escrow);
- c) 37.5 million performance rights (**Consideration Performance Rights**) issued to Sandton Capital Pty Ltd (or its nominees), of which:
 - i. 12.5 million will vest and convert to Shares following the receipt of drilling results of >10m at >1,000ppm total rare earth oxide (**TREO**) and/or >0.5% Nb₂O₅ on the WA REE Tenements (**Milestone 1**);
 - ii. 12.5 million 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
 - iii. 12.5 million 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 WA REE Tenements (**Milestone 3**); and
- d) 15 million unquoted options to acquire Shares with an exercise price of \$0.25 and an expiry date of 30 December 2026 (**Unquoted Consideration Options**) issued to Sandton Capital Pty Ltd (or its nominees), of which:

- i. 5 million vest upon achieving Milestone 1;
- ii. 5 million vest upon achieving Milestone 2; and
- iii. 5 million vest upon achieving Milestone 3.

Nine (9) of the Vendors who have collectively been issued with 73,467,088 Consideration Shares and 36,733,544 Quoted Consideration Options have entered into six month voluntary escrow agreements with the Company.

Flash Metals owns all of the shares in FJ Processing Pty Ltd which holds the Flash Joule Heating technology licensing option and which has funded the initial development of the prototype of the Flash Joule Heating test module.

Placement Results

The Company has now completed the two-tranche placement to professional and sophisticated investors that was announced on 12 January 2024, raising a total of \$5.0 million (before costs), by the issue of 62,500,000 Shares at an issue price of \$0.08 each and 31,250,000 attaching quoted options, exercisable at \$0.25 each and expiring on 26 November 2024 (**Placement Options**) (**Placement**). The second tranche was completed following shareholder approval at the Company's meeting held on 14 March 2024 (**General Meeting**). A summary of the Placement is as follows:

Allotment	Funds Raised	Shares Issued	Options Issued
Tranche 1	\$1,590,993	19,887,416	-
Tranche 2	\$3,409,007	42,612,584	31,250,000
Lead Manager	(\$ 300,000)	-	12,000,000
	\$4,700,000	62,500,000	43,250,000

All proceeds from the Placement have been received and the Shares and options have been allotted to participants. All the Directors of the Company participated in the Placement, which was approved at the General Meeting. Shares and options have been allotted by the share registry.

Sandton Capital Advisory Pty Ltd acted as lead manager to the Placement and received a cash fee of 6% of funds raised under the Placement and 12,000,000 options on the same terms as the Placement Options.

Convertible Note paid out with conversion to equity

As announced on 21 November 2023, the Company issued 1,000,000 convertible notes (**Convertible Notes**) to sophisticated and institutional investors, for an investment in the Company of \$1,000,000. The Convertible Notes converted into 15,625,000 Shares which rank pari passu with other Shares and 7,812,500 options, as follows:

- a) 4,971,854 Shares issued on 18 January 2024 utilising the Company's placement capacity under Listing Rule 7.1 (**Tranche 1 Conversion**);
- b) 10,653,146 Shares to be issued shortly following shareholder approval at the General Meeting (**Tranche 2 Conversion**); and
- c) 7,812,500 options on the same terms as the Placement Options.

All the investors who participated in the Convertible Note issued by the Company converted their debt to equity. A summary of the securities issued on conversion of the Convertible Notes is as follows:

Event	Funds Raised	Shares Issued	Options Issued
Convertible Note Issue	\$1,000,000	-	-
Tranche 1 Conversion	(\$ 318,199)	4,971,854	-
Tranche 2 Conversion	(\$ 681,801)	10,653,146	7,812,500
	\$ Nil	15,625,000	7,812,500

This announcement has been authorised for release by the Board of Directors.

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About MTM Critical Metals Limited

MTM Critical Metals Limited is an exploration company which is focused on searching for niobium (Nb) and rare earth elements (REE) in Western Australia and Québec. Additionally, the Company has acquired an option to exclusively negotiate the licencing rights to an early-stage processing technology for REE and precious metals known as Flash Joule Heating, which has been developed by researchers at Rice University, USA. MTM's West Arunta Nb-REE licences lie within one of Australia's critical metal exploration hotspots where over \$60m in exploration expenditure has been collectively invested in the district by a number of ASX companies including WA1 Resources Limited (ASX:WA1), Encounter Resources Limited (ASX:ENR), Rio Tinto Limited (JV with Tali Resources Pty Ltd) (ASX:RIO), CGN Resources Limited (ASX:CGR), and IGO Limited (ASX:IGO). The Company also holds tenements in other prolific and highly prospective mineral regions in Western Australia. The Mukinbudin Nb-REE Project comprises two exploration licences located 250km northeast of Perth in the South West Mineral Field of Western Australia. The East Laverton Projects is made up of a regionally extensive package of underexplored tenements prospective for REE, gold and base metals. The Mt Monger Gold Project comprises an area containing known gold deposits and occurrences in the Mt Monger area, located ~70km SE of Kalgoorlie and immediately adjacent to the Randalls gold mill operated by Silver Lake Resources Limited. In Québec, the Pomme Project is a known carbonatite intrusion that is enriched in REE and niobium and is considered to be an extremely prospective exploration target adjacent to a world class REE resource (Montviel deposit). The Company has an experienced Board and management team which is focused on discovery to increase value for shareholders.

Previous Disclosure

The information in this announcement is based on the following MTM Critical Metals Limited ASX announcements, which are all available from the MTM Critical Metals Limited website www.mtmcriticalmetals.com.au and the ASX website www.asx.com.au.

Date	Description
29 November 2023	MTM Secures \$1 million convertible note
19 December 2023	MTM to acquire West Arunta Niobium-REE Project
12 January 2024	\$7 million Capital Raise to accelerate exploration and future project development
19 January 2024	Cleansing Notice and Applications for quotation of Tranche 1 Placement and Convertible Note shares

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements and that all material assumptions and technical parameters underpinning the relevant ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original ASX announcements.

Cautionary Statement Regarding Values & Forward-Looking Information

The figures, valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis and assumption. MTM Critical Metals does not accept any liability in relation to any such matters, or to inform the Recipient of any matter arising or coming to the company's notice after the date of this document which may affect any matter referred to herein. Any opinions expressed in this material are subject to change without notice, including as a result of using different assumptions and criteria. This document may contain forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", and "intend" and statements than an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Such factors include, among other things, risks relating to property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental risks. Forward-looking statements are based upon estimates and opinions at the date the statements are made. MTM Critical Metals undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. The Recipient should not place undue reliance upon forward-looking statements. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of MTM Critical Metals from information available as of the date of this document. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. MTM Critical Metals, its affiliates, directors, employees and/or agents expressly disclaim any and all liability relating or resulting from the use of all or any part of this document or any of the information contained herein.

Status of WA REE Tenements

The Company has received confirmation that all five of the WA REE Tenements have been transferred to Flash Metals Pty Ltd (**Flash**) and are therefore controlled by MTM through its 100% ownership of Flash.