

**RED METAL LIMITED**  
**ACN 103 367 684**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a pro-rata non-renounceable entitlement issue of one (1) Share for every seven (7) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.085 per Share together with one (1) free attaching New Option for every two (2) Shares applied for and issued to raise up to \$2,982,185 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

This Prospectus also contains secondary offers which are detailed further in Section 2.2 of this Prospectus.

### **IMPORTANT NOTICE**

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

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

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## IMPORTANT NOTICE

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This Prospectus is dated 18 September 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

The Placement Options Offer is only available to the Placement Participants. Only the Placement Participants will be eligible to apply for the New Options under the Placement Options Offer. The application form for the Placement Options Offer will be completed by the Lead Manager on behalf of the Placement Participants (or their respective nominee/s).

The Broker Offer is only available to the Lead Manager. Only the Lead Manager (or their respective nominee/s) will be eligible to apply for the New Options under the Broker Offer. Accordingly, the application form for the Broker Offer will be provided by the Company to the Lead Manager (or their respective nominee/s) only.

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

effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

### No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

### Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and

investors are cautioned not to place undue reliance on these forward-looking statements.

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

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

### Overseas Shareholders

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

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

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

### Continuous disclosure obligations

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

This Prospectus is intended to be read in conjunction with the publicly available information in relation to

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

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

Please refer to Section 6.2 for further details.

#### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website ([www.redmetal.com.au](http://www.redmetal.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.

#### **Electronic Prospectus**

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 2 9281 1805 during office hours or by

emailing the Company at [info@redmetal.com.au](mailto:info@redmetal.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **Company Website**

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

#### **Financial forecasts**

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

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

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

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

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

#### **Definitions and Time**

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Eastern Daylight Time.

#### **Privacy statement**

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

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

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

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

#### **Enquiries**

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers please call the Company Secretary on +61 2 9281 1805.

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## CORPORATE DIRECTORY

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### Directors

Russell Christopher Barwick  
*Non-Executive Chairman*

Robert Alexander Rutherford  
*Managing Director*

Joshua Norman Pitt  
*Non-Executive Director*

### Company Secretary

Patrick John Flint

### Registered Office

Level 15  
323 Castlereagh Street  
SYDNEY NSW 2000

Telephone: +61 (0)2 9281 1805

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

### Auditor\*

HLB Mann Judd (NSW Partnership)  
Level 5  
10 Shelley Street  
SYDNEY NSW 2000

### Share Registry\*

Boardroom Pty Limited  
Level 8  
210 George Street  
SYDNEY NSW 2000

Telephone: +61 (0)2 9290 9600  
Facsimile: +61 (0)2 9279 0664

### Legal Advisers

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

### Lead Manager

Veritas Securities Limited  
Level 4  
175 Macquarie Street  
SYDNEY NSW 2000

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

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## 1. KEY OFFER INFORMATION

### 1.1 Timetable

Announcement of Placement and Rights Issue and lodgement of Appendix 3B with ASX	15 September 2023
Lodgement of Prospectus with the ASIC	18 September 2023
Lodgement of Prospectus with ASX	18 September 2023
Ex date	21 September 2023
Record Date for determining Entitlements	22 September 2023
Issue of Placement Shares	25 September 2023
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	27 September 2023
Issue of Placement Options	27 September 2023
Last day to extend the Closing Date	13 October 2023
Closing Date as at 5:00pm (AEDT)*	18 October 2023
Shares quoted on a deferred settlement basis	19 October 2023
Announcement of results of issue	23 October 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	25 October 2023
Quotation of Shares issued under the Entitlement Offer*	26 October 2023

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

### 1.2 Summary of Placement and Entitlement Offer

As announced on 15 September 2023, the Company is undertaking a placement and a non-renounceable entitlement offer in order to raise up to approximately \$4,482,185 (before costs).

#### **Placement**

The Company has received firm commitments to raise \$1,500,000 (before costs) under a placement to sophisticated and professional investors via the issue of 17,647,060 Shares at an issue price of \$0.085 per Share (**Placement**). Participants in the Placement (**Placement Participants**) are also entitled to receive 1 free-attaching New Option for every 2 Shares subscribed for under the Placement for a total of 8,823,530 New Options.

The Company intends to issue the Placement Shares on 25 September 2023 and New Options on 27 September 2023 to Placement Participants pursuant to the Company's existing placement capacity under Listing Rule 7.1. The Placement Shares will be issued after the Record Date for the Entitlement Offer and accordingly, Placement Participants will not be eligible to participate in the Entitlement Offer on the basis of their Placement participation.

The New Options to be issued to Placement Participants will be issued pursuant to this Prospectus (**Placement Options Offer**) on the terms and conditions set out in Section 4.2 of this Prospectus.

The intended use of funds raised under the Placement, together with funds raised under the Entitlement Issue, is set out in Section 3.

### **Entitlement Offer**

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement offer of one (1) Share for every seven (7) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.085 per Share together with one (1) free attaching New Option for every two (2) Shares applied for and issued to raise up to \$2,982,185.

## **1.3 Key statistics of the Offers**

### **Shares**

	<b>Maximum Subscription (\$2,982,185)<sup>1</sup></b>
Offer Price per Share	\$0.085
Entitlement Ratio (based on existing Shares)	1:7
Shares currently on issue	245,591,743
Shares to be issued under the Placement	17,647,060
Shares to be issued under the Entitlement Offer	35,084,535
Gross proceeds of the issue of Shares under the Entitlement Offer	\$2,982,185
<b>Shares on issue Post-Entitlement Offer</b>	<b>298,323,338</b>

#### **Notes:**

1. Assuming the Maximum Subscription of \$2,982,185 is achieved under the Entitlement Offer.
2. Refer to Section 4.1 for the terms of the Shares.

## Options

	Maximum Subscription (\$2,982,185) <sup>1</sup>
Offer Price per New Option	nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2
Options currently on issue	18,550,000
New Options to be issued under the Placement <sup>2</sup>	8,823,530
New Options to be issued under the Entitlement Offer <sup>2</sup>	17,542,267
New Options to be issued to Lead Manager under the Broker Offer <sup>2</sup>	6,561,249 <sup>3</sup>
Gross proceeds of the issue of Options	Nil
<b>Options on issue Post-Offers</b>	<b>51,477,046</b>

### Notes:

1. Assuming \$2,982,185 is raised under the Entitlement Offer.
2. Refer to Section 4.2 for the terms of the New Options.
3. Comprising:
  - (a) 4,000,000 New Options;
  - (b) up to 857,143 New Options to be issued on the basis of 1 New Option for every \$1.75 raised under the Placement (assuming \$1,500,000 is raised under the Placement); and
  - (c) up to 1,704,106 New Options to be issued on the basis of 1 New Option for every \$1.75 raised under the Shortfall Offer (being the maximum number of New Options that would be issued if the Shortfall represents 100% of the Entitlement Offer) pursuant to the Broker Offer. Refer to Section 2.2 for further details of the Broker Offer.

## 1.4 Key Risk Factors

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

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

Risk	Description	Further Information
<b>Exploration</b>	The Company's Key Projects are at various stages of exploration and potential investors should understand that mineral exploration and development are high-risk undertakings.	Section 5



Risk	Description	Further Information
	<p>There can be no assurance that future exploration and development of the Key Projects, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource that is capable of being economically exploited.</p> <p>Refer to Section 5 for further risk disclosure applicable to the Company's currently anticipated exploration activities.</p>	
<b>Tenure and access</b>	<p>The Key Projects comprise various licences that are subject to periodic renewal, and are currently scheduled to variously expire between 2025 and 2027. The renewal of the term of these granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority.</p> <p>The Key Projects are situated on or nearby to areas which are subject to either native title determinations (Pardoo and Nullarbor Projects) or native title claims (Gidyca and Sybella Projects). Agreements are in place governing amongst other things the requirement for heritage surveys and access for exploration and related monitoring works.</p>	Section 5
<b>Joint Venture</b>	<p>The Greenfields Discovery Alliance (<b>Alliance</b>) between the Company and BHP Group Limited (<b>BHP</b>) provides BHP with an option to fund a series of mutually agreed, proof of concept work programs on the Company's Yarric, Gulf and Lawn Hill projects. The Company is subject to the risk that changes in the status of the Alliance may adversely affect the operations and performance of the Company.</p> <p>The withdrawal by BHP or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising, the resolution of which could lead to delays in the Company's proposed exploration activities or financial loss.</p>	Section 5
<b>Additional requirements for capital</b>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it</p>	Section 5

Risk	Description	Further Information
	may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.	
<b>Regulatory compliance</b>	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including mineral licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of the existing permit, which could have a material adverse impact on the Company's current operations or planned development projects.</p>	Section 5
<b>Other risks</b>	The risks factors set out in Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.	Section 5

## 1.5 Directors' Interests in Securities

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

Director	Shares <sup>1</sup>	Options	Share Entitlement	\$
Robert Rutherford	12,153,753 <sup>2</sup>	8,000,000 <sup>3</sup>	1,736,250	\$147,581
Joshua Pitt	20,122,692 <sup>4</sup>	2,000,000 <sup>5</sup>	2,874,670	\$244,347
Russell Barwick	3,922,400 <sup>6</sup>	2,000,000 <sup>7</sup>	560,343	\$47,629

**Notes:**

1. Fully paid ordinary shares in the capital of the Company (ASX:RDM).
2. Held directly by Mr Rutherford.
3. Held directly by Mr Rutherford and comprising:
  - (a) 1,000,000 Options exercisable at 14 cents expiring 22 November 2023;
  - (b) 5,000,000 Options exercisable at 13 cents expiring 30 November 2024; and
  - (c) 2,000,000 Options exercisable at 9 cents expiring 28 November 2025.
4. Comprising:
  - (a) 19,811,442 Shares held by Perth Capital Pty Ltd, an entity of which Mr Pitt is a director and shareholder;
  - (b) 11,250 Shares held by Wythenshawe Pty Ltd, an entity of which Mr Pitt is a director and shareholder; and
  - (c) 300,000 Shares held directly by Mr Pitt.
5. Held directly by Mr Pitt and comprising:
  - (a) 500,000 Options exercisable at 14 cents expiring 22 November 2023;
  - (b) 500,000 Options exercisable at 13 cents expiring 30 November 2024; and
  - (c) 1,000,000 Options exercisable at 9 cents expiring 28 November 2025.
6. Comprising:
  - (a) 2,922,400 Shares held directly by Mr Barwick; and
  - (b) 1,000,000 Shares held by Ellie Sunshine Pty Ltd, an entity of which Mr Barwick is a director and shareholder.
7. Comprising:
  - (a) 500,000 Options exercisable at 14 cents expiring 22 November 2023 (held by Ellerslie Holdings Pty Ltd, an entity of which Mr Barwick is a director and shareholder);
  - (b) 500,000 Options exercisable at 13 cents expiring 30 November 2024 (held directly by Mr Barwick); and
  - (c) 1,000,000 Options exercisable at 9 cents expiring 28 November 2025 (held by Ellerslie Holdings Pty Ltd, an entity of which Mr Barwick is a director and shareholder).

The Board recommends all Shareholders take up their Entitlements.

The Board advises that Mr Pitt has indicated he will take up his full Entitlement under the Entitlement Offer. In addition, subject to Shareholder approval to be sought at the Company's upcoming annual general meeting for the financial year ended 30 June 2023 to be held on 17 November 2023 (**Annual General Meeting**), Mr Pitt has indicated his intention to participate in any Shortfall pursuant to the Shortfall Offer up to an amount of \$240,000 worth of Shortfall Securities, as further detailed below and in Section 2.7.

All other Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

## 1.6 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Perth Capital Pty Ltd, Wythenshawe Pty Ltd and Mr Joshua Pitt	20,122,692 <sup>1</sup>	8.19%

**Notes:**

1. Comprising:
  - (a) 19,811,442 Shares held by Perth Capital Pty Ltd, an entity of which Mr Pitt is a director and shareholder;
  - (b) 11,250 Shares held by Wythenshawe Pty Ltd, an entity of which Mr Pitt is a director and shareholder; and
  - (c) 300,000 Shares held directly by Mr Pitt.

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

Mr Pitt, a director of the Company, has indicated his intention to subscribe for his, and to procure that his associates subscribe for their, Entitlements under the Offer and up to \$240,000 under the Shortfall Offer (being up to 2,823,529 Shares and 1,411,764 New Options), provided that Eligible Shareholders applying for Securities under the Shortfall Offer will have priority to Mr Pitt under the Shortfall Offer. Refer to Sections 1.5 and 2.7 for further details.

## 1.7 Lead Manager

Veritas Securities Limited (ACN 117 124 535) (AFSL number: 297 043) (**Veritas** or **Lead Manager**) has been appointed to act as the lead manager to the Placement and Entitlement Offer pursuant to a mandate entered into between the Company and Veritas (**Lead Manager Mandate**).

Refer to Section 6.3.1 for a summary of the terms of the Lead Manager Mandate.

## 1.8 Underwriting

The Entitlement Offer is not underwritten.

## 1.9 Effect on Control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the amount raised under the Entitlement Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.7, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Entitlement Offer.

## 1.10 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 12.5% (as compared with their holdings and number of Shares on issue as at the date of this Prospectus).

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

Holder	Holding as at Record date	% at Record Date	Entitlements under the Entitlement Offer	Holdings if Entitlement Offer not taken Up	% post Entitlement Offer
Shareholder 1	10,000,000	4.07%	1,428,571	10,000,000	3.56%
Shareholder 2	5,000,000	2.04%	714,286	5,000,000	1.78%
Shareholder 3	1,500,000	0.61%	214,286	1,500,000	0.53%
Shareholder 4	400,000	0.16%	57,143	400,000	0.14%
Shareholder 5	50,000	0.02%	7,143	50,000	0.02%
<b>Total</b>	<b>245,591,743</b>		<b>35,084,534</b>		<b>280,676,277</b>

**Notes:**

1. This is based on a share capital of 245,591,743 Shares as at the date of the Prospectus and assumes no Options currently on issue are converted into Shares or other Shares are issued including New Options. The above table does not contemplate the Placement, which will have a dilutive effect on Shareholders.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

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## **2. DETAILS OF THE OFFERS**

### **2.1 The Entitlement Offer**

The Entitlement Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) for every seven (7) Shares held by Shareholders registered at the Record Date at an issue price of \$0.085 per Share together with one (1) New Option for every two (2) Shares subscribed for and issued. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 35,084,534 Shares and 17,542,267 New Options may be issued under the Entitlement Offer to raise up to \$2,982,185.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.13 on or before 25 October 2025 and otherwise on the terms set out in Section 4.2.

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

### **2.2 Secondary Offers**

#### **(a) Placement Options Offer**

The background to the Placement is set out above in Section 1.2.

The Company is offering Placement Participants 17,647,060 Shares together with one (1) free attaching Option for every two (2) Shares subscribed for and issued under the Placement. The Company intends to issue the Shares and New Options under the Placement pursuant to its existing Listing Rule 7.1 placement capacity.

The Placement Options Offer under this Prospectus is only made available to Placement Participants (and/or their nominees) and an Application Form will be completed by the Lead Manager on behalf of the Placement Participants.

The 8,823,530 New Options to be offered to the Placement Participants will be exercisable at \$0.13 each on or before 25 October 2025 and otherwise on the terms set out in Section 4.2.

The purpose of the Placement Options Offer is to facilitate the secondary trading of the Shares to be issued upon exercise of the New Options issued to the Placement Participants (or their nominee/s).

The issue of the New Options under the Placement Options Offer with disclosure under this Prospectus means that the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

#### **(b) The Broker Offer**

As set out in Section 1.7, the Company has engaged Veritas to act as the lead manager to the Placement and Entitlement Offer.

In addition to the fees payable pursuant to the Lead Manager Mandate (the terms of which are summarised in Section 6.3.1), the Company has agreed to issue up to 6,561,249 New Options to Veritas, comprising:

- (i) 4,000,000 New Options; and
- (ii) 1 New Option for every \$1.75 raised under the Placement and Shortfall Offer.

The Broker Offer under this Prospectus is only made available to Veritas (and/or its nominees) and a personalised Application Form will be sent to Veritas.

The Company intends to issue the New Options under the Broker Offer pursuant to its existing Listing Rule 7.1 placement capacity. The purpose of the Broker Offer is to facilitate the secondary trading of the Shares to be issued upon exercise of the New Options issued to Veritas (or its nominee/s).

The issue of the New Options under the Broker Offer with disclosure under this Prospectus means that the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

### 2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at [www.investorserve.com.au](http://www.investorserve.com.au). Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
<b>Take up all of your Entitlement</b>	<ul style="list-style-type: none"> <li>• Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at <a href="http://www.investorserve.com.au">www.investorserve.com.au</a>. Please read the instructions carefully.</li> <li>• Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	Section 2.4 and Section 2.5.
<b>Take up all of your Entitlement and also apply for Shortfall Securities</b>	<ul style="list-style-type: none"> <li>• Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be</li> </ul>	Sections 2.4, 2.5 and 2.7.

Option	Key Considerations	For more information
	<p>accessed at <a href="http://www.investorserve.com.au">www.investorserve.com.au</a>. Please read the instructions carefully.</p> <ul style="list-style-type: none"> <li>• Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying.</li> <li>• If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back.</li> <li>• The Company's decision on the number of Shortfall Securities to be allocated to you will be final.</li> </ul>	
<p><b>Take up a proportion of your Entitlement and allow the balance to lapse</b></p>	<ul style="list-style-type: none"> <li>• If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which can be accessed at <a href="http://www.investorserve.com.au">www.investorserve.com.au</a> for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.</li> </ul>	<p>Section 2.4 and Section 2.5</p>
<p><b>Allow all or part of your Entitlement to lapse</b></p>	<ul style="list-style-type: none"> <li>• If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse.</li> </ul>	<p>N/A</p>

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

## 2.4 Payment options

### (a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution



that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00 pm (AEDT) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

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

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

#### **(b) By Electronic Funds Transfer (New Zealand applicants)**

For payment by Electronic Funds Transfer (**EFT**) for Eligible Shareholders resident in New Zealand (**New Zealand Shareholders**), please follow the instructions on the letter accompanying your Entitlement and Acceptance Form, including forwarding a copy of the remittance advice and Entitlement and Acceptance Form by email to the Company's share registry ([corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)) as soon as the payment is made. You can only make a payment via EFT if you are a New Zealand Shareholder and the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and

- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

## 2.5 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® (or EFT for New Zealand Shareholders) will be taken to constitute a representation by you that:

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

## 2.6 Minimum subscription

There is no minimum subscription.

## 2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.085 being the price at which Shares have been offered under the Entitlement Offer, with one (1) free attaching New Option for every two (2) Shares applied for and issued.

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

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by making payment for such Shortfall Securities in accordance with Section 2.4, or by completing the appropriate section on their Entitlement and Acceptance Form (for New Zealand shareholders).

Mr Pitt has indicated his intention, subject to shareholder approval, to participate for up to \$240,000 worth of Shortfall Securities. The Company intends to seek Shareholder approval at the Annual General Meeting to approve Mr Pitt's participation in the Shortfall Offer.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to Mr Pitt, up to \$240,000 worth of Shortfall Securities; and then

- (c) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors (in collaboration with the Lead Manager) and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

## **2.8 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

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

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

## **2.9 Issue of Securities**

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

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

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act.

The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

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

## **2.10 Overseas shareholders**

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

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

### **New Zealand**

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

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

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

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

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

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

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

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

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

### ***Nominees and custodians***

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

### 3. PURPOSE AND EFFECT OF THE ENTITLEMENT OFFER

#### 3.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise up to \$2,982,185 before costs.

The funds raised from the Entitlement Offer and the Placement (assuming \$1,500,000 is raised under the Placement) are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Entitlement Offer and Placement	Full Subscription (\$)	%
1.	<b>Sybella project, Queensland (Rare Earth Elements (REE))</b> - Drill test and metallurgical test work of unique rare earth element enriched granite exposed at surface over a 14 kilometre by 2 kilometre area.	800,000	17.9%
2.	<b>Pardoo project, Western Australia (Gold, Lithium)</b> - Drill test of discrete bullseye magnetic targets offering potential for Hemi-style intrusion related gold mineralisation and pegmatite-associated lithium.	700,000	15.6%
3.	<b>Gidyea project, Queensland (Copper, Gold)</b> - Drill test of high priority IOCG targets in an under explored extension of the Cloncurry terrain. Company has been awarded a \$275,000 grant from Queensland Geological Survey towards a drill test of priority target GT19.	400,000	8.9%
4.	<b>Nullarbor project, Western Australia (Copper-Nickel and Niobium-REE)</b> - Drill test of regionally significant gravity and magnetic target at Forrest prospect. Company has been awarded a \$220,000 drilling grant under the Western Australia Government's Exploration Incentive Scheme.	300,000	6.7%
5.	<b>Other (existing and new) projects (Base Metals)</b> - Title maintenance, target generation and ongoing proof of concept geophysical or drilling tests	750,000	16.7%
6.	<b>Lead manager fees</b>	149,644	3.3%
7.	<b>Working capital</b>	1,312,541	29.3%
8.	<b>Other expenses of the Offers</b> - including Prospectus preparation fees, share registry, ASIC and ASX fees, printing and miscellaneous expenses. <sup>1</sup>	70,000	1.6%
	<b>Total</b>	<b>4,482,185</b>	<b>100%</b>

**Notes:**

1. Refer to Section 6.7 for further details relating to the estimated expenses of the Offers.

On completion of the Placement and Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available for Item 5 (Other (existing and new) projects (Base Metals)) and Item 4 (Nullarbor project, Western Australia (Copper-Nickel and Niobium-REE)).

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

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

### 3.2 Effect of the Entitlement Offer

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

- (a) increase the cash reserves by \$2,982,185 (before deducting the estimated expenses of the Entitlement Offer) immediately after completion of the Entitlement Offer;
- (b) increase the number of Shares on issue from 245,591,743 as at the date of this Prospectus to 280,676,277 Shares; and
- (c) increase the number of Options on issue from 18,550,000 as at the date of this Prospectus to 36,092,267 Options.

It is noted that Securities under the Placement are intended to be issued after the Record Date and will therefore not impact upon the number of Securities to be issued under the Entitlement Offer.

### 3.3 Effect on capital structure

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

#### Shares

	Number
Shares currently on issue	245,591,743
Shares offered pursuant to the Entitlement Offer	35,084,535
Shares offered pursuant to the Placement	17,647,060
<b>Total Shares on issue after completion of the Entitlement Offer</b>	<b>298,323,338</b>

## Options

	Number
<b>Total Options on issue as at the date of this Prospectus</b>	<b>18,550,000<sup>1</sup></b>
New Options to be issued pursuant to the Entitlement Offer	17,542,267
New Options to be issued pursuant to the Placement	8,823,530
New Options to be issued to the Lead Manager pursuant to the Broker Offer	6,561,249 <sup>2</sup>
<b>Total Options on issue after completion of the Offers</b>	<b>51,477,046</b>

### Notes:

1. Comprising:
  - (a) 8,250,000 Options exercisable at \$0.13 and expiring 30 November 2024;
  - (b) 3,025,000 Options exercisable at \$0.14 and expiring 22 November 2023;
  - (c) 2,475,000 Options exercisable at \$0.11 and expiring 28 July 2025; and
  - (d) 4,800,000 Options exercisable at \$0.09 and expiring 28 November 2025.
2. Comprising:
  - (a) 4,000,000 New Options;
  - (b) up to 857,143 New Options to be issued on the basis of 1 New Option for every \$1.75 raised under the Placement (assuming \$1,500,000 is raised under the Placement); and
  - (c) up to 1,704,106 New Options to be issued on the basis of 1 New Option for every \$1.75 raised under the Shortfall Offer (being the maximum number of New Options that would be issued if the Shortfall represents 100% of the Entitlement Offer) pursuant to the Broker Offer. Refer to Section 2.2 for further details of the Broker Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 264,141,743 Shares and on completion of the Placement, Broker Offer, Placement Options Offer and the Entitlement Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 349,800,383 Shares.

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

### 3.4 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2023 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not



include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED	PROFORMA <sup>1,2</sup>
	30 June 2023	Maximum Raise
	\$	\$
<b>Current assets</b>		
Cash <sup>3</sup>	6,647,847	10,910,032
Receivables	312,314	312,314
Other current assets	33,687	33,687
<b>Total current assets</b>	<b>6,993,848</b>	<b>11,256,033</b>
<b>Non-current assets</b>		
Property, plant and equipment	358,331	358,331
Receivables	107,140	107,140
Right-of-use assets	501,480	501,480
Acquisition, exploration and evaluation expenditure	444,123	444,123
<b>Total non-current assets</b>	<b>1,411,074</b>	<b>1,411,074</b>
<b>Total assets</b>	<b>8,404,922</b>	<b>12,667,107</b>
<b>Current liabilities</b>		
Trade and other payables	1,455,675	1,455,675
Lease liabilities	128,142	128,142
Employee benefits	204,279	204,279
<b>Total current liabilities</b>	<b>1,788,096</b>	<b>1,788,096</b>
<b>Non-current liabilities</b>		
Lease liabilities	439,950	439,950
<b>Total current liabilities</b>	<b>439,950</b>	<b>439,950</b>
<b>Total liabilities</b>	<b>2,228,046</b>	<b>2,228,046</b>
<b>Net assets</b>	<b>6,176,876</b>	<b>10,439,061</b>
<b>Equity</b>		
Share capital	36,352,443	40,534,628
Reserves	11,562,879	11,642,879
Retained loss	(44,408,390)	(44,408,390)
Equity attributable to the owners of Red Metal Limited	<b>3,506,932</b>	<b>7,769,117</b>
Non-controlling interest	2,669,944	2,669,944
<b>Total equity</b>	<b>6,176,876</b>	<b>10,439,061</b>

**Notes:**

1. Assumes completion of the proposed Placement (net of costs).
2. Assumes Rights Issue fully subscribed, net of broker fees including New Options to be issued to Lead Manager.
3. The Company holds a 50% shareholding in Maronan Metals Limited (**MMA**). As MMA is a controlled entity of the Company for accounting purposes, the Company's financial accounts are prepared on the basis that MMA forms part of the Company's consolidated group. As a result, the Company's financial information is reported such that all of the assets and liabilities of MMA form part of the assets and liabilities of the Company. However, MMA operates independently of the Company, with its own board, management, assets and liabilities. As a result, in the ordinary course of activities, the Company does not have access to funds held by MMA for the Company's operations, being a sum of approximately \$5.93 million as at the balance date of 30 June 2023.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

## 4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.13 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire 25 October 2025 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment

of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

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## 5. RISK FACTORS

### 5.1 Introduction

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

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

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

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

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

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

### 5.2 Company specific

Risk Category	Risk
Exploration	<p>The Company's Key Projects are at early stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:</p> <ul style="list-style-type: none"><li>(a) discovery and proving-up an economically recoverable resource or reserve;</li><li>(b) access to adequate capital throughout the discovery and project development phases;</li><li>(c) maintaining title to mineral exploration projects;</li><li>(d) obtaining required development consents and approvals necessary for the mineral exploration, development and production phases; and</li><li>(e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors,</li></ul>



Risk Category	Risk
	<p>consultants and employees.</p> <p>In particular, the Company plans to test for extensions to identified mineralisation at the Sybella Project and to drill test previously untested geophysical targets at the Gidyea, Pardoo and Nullarbor Projects. There can be no assurance that planned drilling at the Sybella Project can replicate previous drill intersections over a significant area, nor that the proposed programs at the Key Projects will be successful in the discovery of an economic mineral resource.</p> <p>In addition, the Company also plans to undertake further metallurgical testwork at the Sybella Project. Whilst results from a preliminary mineralogy study and a single leach test were promising, there can be no assurance that further metallurgical testwork will be successful and identify an effective process for extraction of rare earth oxides.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of the Company.</p> <p>The exploration costs of the Company described in Section 3.1 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
<b>Tenure and access</b>	<p><b>Renewal and Replacement</b></p> <p>The Key Projects comprise various licences that are subject to periodic renewal, and are currently scheduled to variously expire between 2025 and 2027. The renewal of the term of these granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Key Projects. The imposition of new conditions or the inability to meet those conditions</p>

Risk Category	Risk
	<p>may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Queensland, and Western Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of the Company's projects for reasons beyond the control of the Company could be significant.</p> <p><b>Access</b></p> <p>The Key Projects are situated on or nearby to areas which are subject to either native title determinations (Pardoo and Nullarbor Projects) or native title claims (Gidyeya and Sybella Projects). Agreements are in place governing amongst other things the requirement for heritage surveys and access for exploration and related monitoring works. Where native title rights exist (or in the future may be determined to exist), the ability of the Company to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>Whilst no Aboriginal heritage sites of significance have been identified to date in areas within the Key Projects where exploration activity is planned, there is a risk that there may be delays in obtaining the necessary approvals for proposed exploration activities, and that the existence of the Aboriginal heritage sites within the Key Projects may lead to restrictions on the areas that the Company will be able to explore and mine.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving the Key Projects.</p>
<b>Joint Venture</b>	<p>The Greenfields Discovery Alliance (<b>Alliance</b>) between the Company and BHP Group Limited (<b>BHP</b>) provides BHP with an option to fund a series of mutually agreed, proof of concept work programs on the Company's Yarrie, Gulf and Lawn Hill projects. The Company is subject to the risk that changes in the status of the Alliance may adversely affect the operations and performance of the Company.</p> <p>The withdrawal by BHP or any issues with their ability to perform the obligations due under the joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising, the resolution of which could lead to delays in the Company's proposed exploration activities or financial loss.</p>
<b>Maronan Metals Limited</b>	<p>The Company completed a partial spin-out of its subsidiary Maronan Metals Limited (ASX:MMA) (<b>MMA</b>) in April 2022, following which the Company retains a 50% shareholding in MMA as well as 13,500,000 performance rights that convert into MMA shares on satisfaction of</p>

Risk Category	Risk
	<p>specified hurdles.</p> <p>As MMA is a controlled entity of the Company for accounting purposes, the Company's financial accounts are prepared on the basis that MMA forms part of the Company's consolidated group. As a result, the Company's financial information is reported such that all of the assets and liabilities of MMA form part of the assets and liabilities of the Company. However, MMA operates independently of the Company, with its own board, management, assets and liabilities. As a result, in the ordinary course of activities, the Company does not have access to funds held by MMA for the Company's operations.</p> <p>Further, if the Company's interest in MMA is diluted (for example, due to capital raising activities undertaken by MMA), MMA may cease to form part of the Company's consolidated group for financial reporting purposes and the Company's interest in MMA may instead be accounted for as an investment. Should this occur, any change in the trading price of MMA shares would affect the value of the Company's investment in MMA recognised on the Company's balance sheet, which may in turn impact the price of the Company's Shares.</p> <p>The principal asset of MMA is its interest in the Maronan Project. There can be no assurance that MMA can successfully explore and develop the Maronan Project.</p>
<p><b>Reliance on key personnel</b></p>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management, including the Company's Managing Director Mr Robert Rutherford. As a junior exploration company the Company has a small number of permanent staff. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of senior management, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
<p><b>Results of Studies</b></p>	<p>Subject to the results of exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Key Projects. These studies may include scoping, prefeasibility, definitive feasibility and bankable feasibility studies.</p> <p>These studies will be completed within parameters</p>

Risk Category	Risk
	<p>designed to determine the economic feasibility of the Key Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Key Projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).</p> <p>Even if a study confirms the economic viability of the Key Projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds.</p>
<b>Third party</b>	<p>The operations of the Company require the involvement of a number of third parties, including suppliers and contractors. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.</p>
<b>Potential dilution</b>	<p><b>for</b></p> <p>In addition to potential control impacts set out in Section 1.9, Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 12.5% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by an aggregate of approximately 17.6% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company or a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.09 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p>

### 5.3 Industry specific

Risk Category	Risk
<b>Grant of Future Authorisations to Explore and Mine</b>	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
<b>Mine development</b>	<p>Possible future development of a mining operation at any of the Company's Key Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its Key Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Key Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<b>Environmental</b>	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration</p>

Risk Category	Risk
	programs or mining activities.
<b>Regulatory</b>	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it will operate in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.</p> <p>Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Company's tenements.</p>
<b>Climate Risk</b>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will</p>



Risk Category	Risk
	<p>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</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p>
<b>Coronavirus (COVID-19)</b>	<p>The outbreak of the coronavirus disease (COVID-19) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations, with the potential for further outbreaks and new strains of the virus, the ongoing nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by further outbreaks and new strains of COVID-19. Further, any new governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p>

#### 5.4 General risks

Risk Category	Risk
<b>Additional requirements for capital</b>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Entitlement Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates and currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine</p>

Risk Category	Risk
	<p>restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of Securities and its market valuation regardless of its actual performance.</p>
<p><b>Market conditions</b></p>	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) global health epidemics or pandemics;</li> <li>(e) currency fluctuations</li> <li>(f) changes in investor sentiment toward particular market sectors;</li> <li>(g) the demand for, and supply of, capital;</li> <li>(h) political tensions; and</li> <li>(i) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Potential investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p>



Risk Category	Risk
<b>Commodity price volatility and exchange rate</b>	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
<b>Government policy changes</b>	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Queensland and Western Australia may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
<b>Force Majeure</b>	<p>The Company's existing Key Projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, fires, floods, or other catastrophes, epidemics or quarantine restrictions.</p>
<b>Taxation</b>	<p>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 Shares from a taxation viewpoint 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 subscribing for Securities under this Prospectus.</p>
<b>Litigation</b>	<p>The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.</p>

Risk Category	Risk
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>

## 5.5 Speculative investment

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

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

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

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

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## 6. ADDITIONAL INFORMATION

### 6.1 Litigation

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

### 6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
15 September 2023	Red Metal Presentation Key Projects FY24
15 September 2023	Proposed issue of securities – RDM
15 September 2023	Proposed issue of securities – RDM

Date	Description of Announcement
15 September 2023	Capital raising – Placement and Rights Issue
13 September 2023	Trading halt
4 September 2023	Sybella REO Discovery Presentation
30 August 2023	Change of Director's Interest Notice
21 August 2023	Sybella Drill Assays Confirm New REO Discovery
8 August 2023	Response to ASX Query
3 August 2023	Change in substantial holding
3 August 2023	Change of Director's Interest Notice
31 July 2023	Quarterly Activities/Appendix 5B Cash Flow Report
26 July 2023	Sybella - A New REE Target - Drilling Completed
28 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
10 March 2023	Half Yearly Report and Accounts
31 January 2023	Quarterly Activities/Appendix 5B Cash Flow Report
5 December 2022	Change of Director's Interest Notices
5 December 2022	Issue of Incentive Options
5 December 2022	Notification regarding unquoted securities - RDM
5 December 2022	Notification of cessation of securities - RDM
29 November 2022	Results of 2022 Annual General Meeting
31 October 2022	Change of Registry Address
28 October 2022	Notice of Annual General Meeting/Proxy Form
28 October 2022	Quarterly Activities/Appendix 5B Cash Flow Report
4 October 2022	Date of 2022 Annual General Meeting

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website [www.redmetal.com.au/investors/asx-announcements](http://www.redmetal.com.au/investors/asx-announcements).

### 6.3 Market price of Shares

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

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

	(\$)	Date
Highest	\$0.145	24 August 2023
Lowest	\$0.057	22 June 2023
Last	\$0.09	15 September 2023

#### 6.3.1 Lead Manager Mandate

The Company has entered into the Lead Manager Mandate with Veritas, the material terms and conditions of which are summarised below:

<b>Fees</b>	<p>Under the terms of this agreement, the Company will:</p> <ul style="list-style-type: none"><li>(a) pay a management fee of 2% of total funds raised under the Entitlement Offer and Placement (plus GST) (<b>Management Fee</b>);</li><li>(b) pay a 4% selling fee on funds raised under the Placement and Shortfall Offer under the Prospectus (<b>Selling Fee</b>). Veritas will be responsible for paying all selling fees to other designated broker groups that participate in the Shortfall Offer;</li><li>(c) issue 4,000,000 New Options;</li><li>(d) issue one (1) New Option for every \$1.75 raised under the Placement and Shortfall Offer to Veritas or their nominee/s; and</li><li>(e) pay any reasonable disbursements and out of pocket expenses up to a maximum of \$10,000, which will be agreed upon between Veritas and the Company prior to their incursion.</li></ul>
<b>Termination Events</b>	<p>The Company may terminate the agreement by giving written notice to Veritas if:</p> <ul style="list-style-type: none"><li>(a) Veritas breaches the terms of the agreement in relation to its duties as set out in the agreement;</li><li>(b) Veritas is otherwise in breach under the agreement, and, if such breach is remediable, Veritas has not remedied the breach within 10 business days of the Company's notice of the breach; or</li><li>(c) Veritas goes into liquidation, becomes insolvent, ceases to carry on its business or ceases to be able to carry out its functions in relation to the engagement.</li></ul> <p>If the Company terminates the agreement for the reasons outlined above, Veritas is not entitled to the Management Fee or Selling Fee, or any other amount apart from the reimbursement of expenses properly incurred up to the time of</p>

	<p>termination.</p> <p>Veritas may terminate the agreement by giving written notice to the Company if:</p> <ul style="list-style-type: none"> <li>(a) the Company breaches the terms of the agreement in relation to its duties as set out in the agreement;</li> <li>(b) the Company is otherwise in breach under the agreement, and, if such breach is remediable, the Company has not remedied the breach within 10 business days of Veritas giving notice of the breach; or</li> <li>(c) the Company goes into liquidation, becomes insolvent, ceases to carry on its business or ceases to be able to carry out its functions in relation to the engagement.</li> </ul> <p>If Veritas terminates the agreement for the reasons identified above, Veritas is entitled to an amount equal to the whole of the Management Fee and Selling Fee (on the basis that Veritas placed all the Shortfall Shares), in addition to reimbursement of all expenses properly incurred up to the time of termination.</p>
<b>Right of First Refusal</b>	If the Placement and the Entitlement Offer are completed successfully, the Company grants Veritas a 12-month first right of refusal from the date of completion of the Entitlement Offer to act as lead manager to any future capital raisings.
<b>Release and Indemnity</b>	The Company agrees to indemnify and hold harmless Veritas from and against any and all direct losses, claims by third parties, damages or liability (excluding legal fees and expenses) arising out of the agreement except to the extent that Veritas is liable.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality provisions).

#### 6.4 Interests of Directors

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

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

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

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

- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
  - (i) the Entitlement Offer.

### **Security holdings**

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.5.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$150,000 per annum.

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

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

<b>Director</b>	<b>FY ended 30 June 2024</b>	<b>FY ended 30 June 2023</b>	<b>FY ended 30 June 2022</b>
Robert Rutherford	\$330,000 <sup>1</sup>	\$587,126 <sup>2</sup>	\$629,998 <sup>3</sup>
Joshua Pitt	\$24,000 <sup>4</sup>	\$47,045 <sup>5</sup>	\$40,847 <sup>6</sup>
Russell Barwick	\$48,000 <sup>7</sup>	\$71,045 <sup>8</sup>	\$64,847 <sup>9</sup>

#### **Notes:**

1. Comprising salary and fees (\$298,642) and superannuation payments (\$31,358).
2. Comprising salary and fees (\$290,255), superannuation payments (\$30,477) and share based payments (\$266,394).
3. Comprising salary and fees (\$236,834), superannuation payments (\$23,684) and share based payments (\$369,480).
4. Comprising fees of \$24,000.
5. Comprising fees (\$24,000) and share based payments (\$23,045).
6. Comprising fees (\$24,000) and share based payments (\$16,847).
7. Comprising fees of \$43,439 and superannuation payments (\$4,561).
8. Comprising salary and fees (\$43,439), superannuation payments (\$4,561) and share based payments (\$23,045).

9. Comprising salary and fees (\$43,636), superannuation payments (\$4,364) and share based payments (\$16,847).

## **6.5 Interests of experts and advisers**

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

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

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

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

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

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

Veritas has acted as the lead manager of the Placement and Entitlement Offer. The Company estimates it will pay Veritas \$59,644 (excluding GST and disbursements) for these services (assuming Veritas does not place any securities under the Shortfall Offer). Refer to Section 6.3.1 for a summary of the fees payable to Veritas. During the 24 months preceding lodgement of this Prospectus with the ASIC, Veritas has not received any fees from the Company for any other services. The Company estimates it will pay Veritas \$90,000 (excluding GST and disbursements) for the services in relation to the Placement.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Entitlement Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$7,555.50 (excluding GST and disbursements) for legal services provided to the Company.

## **6.6 Consents**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the



Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

Veritas has given its written consent to being named as the lead manager to the Offer in this Prospectus.

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

## 6.7 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Entitlement Offer are estimated to be approximately \$130,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	11,809 <sup>1</sup>
Lead Manager fees	59,644 <sup>1</sup>
Legal fees	20,000
Miscellaneous	35,341 <sup>2</sup>
<b>Total</b>	<b>130,000</b>

### Notes:

1. Calculated on the basis that the full subscription is taken up.
2. Comprising of preparation fees, share registry, printing and miscellaneous expenses.

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**7. DIRECTORS' AUTHORISATION**

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

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

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## 8. GLOSSARY

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

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual General Meeting** means the annual general meeting of the Company for the financial year ended 30 June 2023 to be held on 17 November 2023.

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

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

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

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

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

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

**Broker Offer** means the offer set out in Section 2.2.

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

**Closing Date** means the date specified in the timetable set out at Section 1 (unless extended).

**Company** means Red Metal Limited (ACN 103 367 684).

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

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

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

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

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

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

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

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

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

**Key Projects** includes the Gidyea Project (EPM27309), Pardoo Project (E45/5698 and E45/5699), Sybella Project (EPMs 28001 and 28003) and Nullarbor Project (E69/3428).

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

**Offers** means the Broker Offer, Entitlement Offer and Placement Options Offer.

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

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

**Placement Options Offer** means the offer of New Options pursuant to the Placement as set out in Section 2.2(a).

**Placement** means the offer of Shares and New Options to sophisticated and professional investors as set out in Section 1.2.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at Section 1.

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

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

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

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

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

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

**Shortfall Offer** means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.7.

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

**Veritas** means Veritas Securities Limited (ACN 117 124 535) (AFSL number: 297043).