

Red Dirt Receives Firm Commitments to Raise \$55.0 Million to Fund Aggressive Growth Plans

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

Highlights:

- The Company has received firm commitments from sophisticated and institutional investors to raise \$55.0M (before costs)
- Strong support from a number of existing and new institutions
- Proceeds of the Placement, together with existing cash, to be used to accelerate exploration, feasibility and development works at the Company's Mt Ida and Yinnetharra Lithium Projects
- Significant work programs at Mt Ida to progress parallel studies relating to completion of DSO mining studies
- Yinnetharra funds allocated toward a significant drilling programme to follow up encouraging exploration targets
- Red Dirt is now strongly positioned with pro-forma cash of >\$65M on completion of the Placement
- Up to an additional \$5M via a Share Purchase Plan for eligible shareholders at the same Offer Price as the Placement

Red Dirt Metals Limited (ASX: RDT) ("**Red Dirt**" or the "**Company**") is pleased to announce that it has received firm commitments to raise \$55.0 million (before costs) via a two-tranche placement of new fully paid ordinary shares ("**New Shares**") at an offer price of \$0.50 per New Share ("**Placement**"). The Placement was strongly supported by both existing and new shareholders from Australia and offshore jurisdictions. The Company is particularly pleased to introduce a number of new offshore institutions to the register.

In addition to the Placement, the Company will offer existing eligible shareholders the opportunity to subscribe for up to a maximum of \$30,000 worth of fully paid ordinary shares in the Company each at an issue price of \$0.50 per share under a Share Purchase Plan ("**SPP**"), to raise an additional \$5.0 million (before costs). Further details on the SPP are provided below.

The Placement and SPP together comprise the "**Capital Raising**".

Red Dirt Executive Chairman, David Flanagan commented:

"We are very pleased by the strong interest shown in the Placement and would like to thank existing shareholders for their support, as well as welcome several new shareholders to the Company. Red Dirt is now very well-funded to undertake a substantial programme of feasibility and development activities combined with accelerated exploration across both the Mt Ida and Yinnetharra Lithium Projects."

"The funds raised will drive our growth plans for 2023. In the new year, investors can look forward to the completion of a Scoping Study investigating a DSO development at Mt Ida, as well as funding expanded exploration activities at Yinnetharra. I am looking forward to an exciting year ahead with the Red Dirt team."

Use of Proceeds:

Funds from the Capital Raising will be used to accelerate feasibility and development activities in conjunction with exploration at the Company's Mt Ida and Yinnetharra Lithium Projects. Specifically, funds raised from the Capital Raising will be applied to:

- Mt Ida
 - Drilling – resource infill drilling and resource expansion drilling,
 - Completion of DSO mining studies
 - Metallurgical testwork, engineering design and completion of PFS to investigate a spodumene concentrate production pathway
 - Pre-development site works & camp upgrades
 - Completion of feasibility studies & environmental approvals
- Yinnetharra
 - Staged Lithium exploration and resource definition drilling and regional Lithium target delineation drilling
 - Metallurgical testwork and engineering design to support DSO and investigate a spodumene concentrate production pathway
 - Logistics support, approvals, camp and heritage and environmental surveys
- General working capital and transaction costs

Placement Details:

The Placement comprises the issue of 110 million New Shares to be issued at \$0.50 per Share ("**Offer Price**") to raise \$55.0 million. The Placement will take place in two tranches:

- Tranche 1 to raise \$41.5 million via the issue of 83.0 million New Shares utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and 7.1A ("**Tranche 1**")
- Tranche 2 to raise \$13.5 million via the issue of 27 million New Shares subject to shareholder approval to be sought at an Extraordinary General Meeting ("**EGM**") expected to be held in mid-January 2023 ("**Tranche 2**")

The Offer price of \$0.50 per New Share represents 11.5% discount to the last traded price on 29 November 2022 of \$0.565 and a 12.36% discount to the 5-day volume weighted average price of \$0.571.

Canaccord Genuity (Australia) Limited acted as Global Coordinator, Joint Lead Manager and Joint Bookrunner to the Placement. Bell Potter Securities Limited acted as Joint Lead Manager and Joint Bookrunner to the Placement. Salient Corporate acted as Independent Financial Advisor to Red Dirt. Thomson Geer acted as Legal Adviser to Red Dirt.

Further details of the EGM time and venue will be provided in the notice of meeting, expected to be dispatched to shareholders shortly as per the indicative timetable below in Annexure 1.

Share Purchase Plan ("**SPP**")

In addition to the Placement, Red Dirt will conduct an SPP to raise up to a further \$5 million (before costs).

Participation in the SPP is optional and is available exclusively to Red Dirt shareholders at the record date of 7:00pm (AEDT) on Wednesday, 30 November 2022 with a registered address in Australia or New Zealand ("**Eligible Shareholders**"). Eligible Shareholders will have the opportunity to apply for up to \$30,000 worth of Shares at the issue price of \$0.50 (being the same price under the Placement) without incurring brokerage or other transaction costs. The SPP is not underwritten.

The SPP will open on Thursday, 8 December 2022 and is expected to close at 5:00pm (AEDT) on Thursday, 22 December 2022 ("**Closing Date**").

The Company intends to raise \$5 million from the SPP and will not be accepting oversubscriptions. If total applications under the SPP exceed \$5 million, the Company reserves the right to close the SPP early and/or scale back applications in its absolute and sole discretion. Eligible Shareholders are therefore encouraged to submit their applications promptly. The Company reserves the right to extend the Closing Date at its discretion.

Subject to the ASX Listing Rules, to the extent that there is a shortfall in the subscription of Shares under the SPP ("**Shortfall**"), the Directors reserve the right (without limitation) to issue Shares that comprise the Shortfall to institutional, sophisticated and professional investors at their absolute discretion.

The full terms and conditions of the SPP will be detailed in the SPP Offer Booklet, which is expected to be released to the ASX and dispatched to Eligible Shareholders via their preferred method of contact on Thursday, 8 December 2022.

New shares to be issued under the SPP will rank equally with the Company's existing shares on issue.

An indicative timetable for the SPP can be found at Annexure 1.

Additional information in relation to the Capital Raising and use of proceeds is detailed in the investor presentation to be released to ASX today. The investor presentation details important information, including key risks, in relation to the Capital Raising.

Authorised for lodgement by the Board of Red Dirt Metals.

For further information, please contact:

Red Dirt Metals Limited

David Flanagan, Chairman
+61 8 6109 0104
info@reddirtmetals.com.au

Investor/Media enquiries

Citadel-MAGNUS
Michael Weir +61 402 347 032
Jono van Hazel +61 411 564 969

About Red Dirt Metals

Red Dirt Metals (ASX: RDT) is an exploration and development company focused on bringing the high-quality, lithium-bearing pegmatite deposits located in Western Australia into production. Red Dirt is rapidly advancing its Mt Ida Lithium Project towards production with a well-funded pathway, and the advantage of holding existing Mining Leases and heritage agreements in place. To capitalise on the prevailing buoyant spodumene and lithium pricing, Red Dirt believes that a rapid development pathway will unlock the most value for shareholders.

Beyond the Mt Ida Lithium Project, Red Dirt also holds the highly prospective Yinnetharra Lithium Project. Red Dirt will continue to assess opportunities to increase its lithium portfolio by identifying and potentially adding new potential lithium acquisitions.

Not an offer of securities

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Disclaimer

This release may include forward looking and aspirational statements. These statements are based on Red Dirt management's expectations and beliefs concerning future events as of the time of the release of this announcement. Forward looking and aspirational statements are necessarily subject to risks, uncertainties and other factors, some of which are outside the control of Red Dirt, that could cause actual results to differ materially from such statements. Red Dirt makes no undertaking to subsequently update or revise the forward looking or aspirational statements made in this release to reflect events or circumstances after the date of this release, except as required by applicable laws and the ASX Listing Rules.

Annexure 1 - Indicative Timetable:

Key dates	Date / time (Sydney time)
Record Date for SPP	7:00pm on Wednesday, 30 November 2022
Announcement of Placement and SPP	Thursday, 1 December 2022
Settlement of Tranche 1 Placement Shares	Wednesday, 7 December 2022
Allotment of Tranche 1 Placement Shares	Thursday, 8 December 2022
Dispatch of SPP Booklet and opening of SPP Offer	Thursday, 8 December 2022
Dispatch of Notice of Meeting	Friday, 15 December 2022
Closing Date for SPP	5:00pm on Thursday, 22 December 2022
Announce results of SPP	Friday, 30 December 2022
Issue of New Shares under SPP	Friday, 30 December 2022
Shareholder Meeting to approve Tranche 2 Placement	Monday, 16 January 2023
Settlement of Tranche 2 Placement	Thursday, 19 January 2023
Allotment of Tranche 2 Placement	Friday, 20 January 2023

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules.