



**DY6 Metals Ltd
ACN 663 592 318**

OPTIONS PROSPECTUS

This Prospectus is being issued for the following offers:

- (a) A non-renounceable pro-rata issue of 29,250,000 Loyalty Options on the basis of one (1) unquoted Loyalty Option for every two (2) Shares held on the Record Date at an issue price of \$0.007 to raise approximately \$204,750 (before costs) (**Loyalty Options Offer**); and
- (b) Any shortfall under the Loyalty Options Offer on the terms set out in Section 1.2 of the Prospectus (**Shortfall Offer**),

(together, the **Offers**).

The Loyalty Options Offer closes at 5:00pm (WST) on 14 January 2025.*

The Loyalty Options Offer is fully underwritten. Refer to Section 5.9 of the Prospectus for details regarding the terms of the underwriting.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

An investment in the Loyalty Options offered in connection with this Prospectus should be considered of a speculative nature.

* The Company reserves the right, subject to the Corporations Act, Listing Rules and other applicable laws to extend the Offer Closing Date without prior notice.

IMPORTANT INFORMATION

This Prospectus is dated 19 December 2024 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Loyalty Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 8, 99 St Georges Terrace, Perth WA 6000 during normal business hours.

The Prospectus will be made available in electronic form on the Company's website at <https://dy6metals.com/> and the ASX markets platform. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

The Company will not apply for Official Quotation by ASX of the Loyalty Options offered by this Prospectus.

The Loyalty Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Loyalty Options will only be accepted on an Entitlement and Acceptance Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers 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 the Offers.

No action has been taken to permit the offer of Loyalty Options under this Prospectus in any jurisdiction other than Australia and New Zealand, except to the extent below.

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

New Zealand

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

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial

Markets Conduct Act 2013. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Loyalty Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://dy6metals.com/>). 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.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4. Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

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CORPORATE DIRECTORY

Existing Board of Directors

Mr Daniel Smith	Non-Executive Chairman
Mr Myles Campion	Non-Executive Director
Mr John Kay	Non-Executive Director
Dr Nannan He	Non-Executive Director

Company Secretary

Mr John Kay

Registered and Principal Office

Level 8, 99 St Georges Terrace
Perth WA 6000

Phone: +61 8 9486 4036

Email: info@dy6metals.com

Website: <https://dy6metals.com/>

Corporate Lawyers

HWL Ebsworth Lawyers

Level 20, 240 St Georges Terrace
Perth WA 6000

Share Registry*

Computershare Investor Services Pty
Limited

Level 17, 221 St Georges Terrace
Perth, WA, Australia

Telephone: +61 8 9415 4000

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

INDICATIVE TIMETABLE

EVENT	DATE
Lodgement of Prospectus with ASIC	19 December 2024
Announcement of Loyalty Options Offer and lodgement of Appendix 3B with ASX	20 December 2024
Notice to Option holders	20 December 2024
Ex-date	27 December 2024
Record Date for the Loyalty Options Offer	30 December 2024
Notice to ineligible shareholders	3 January 2025
Despatch of Prospectus and Entitlement and Acceptance Form	3 January 2025
Opening date of Loyalty Options Offer (9.00am Perth time)	3 January 2025
Last date to extend the closing date of Loyalty Options Offer (before noon Sydney time)	9 January 2025
Closing date of Loyalty Options Offer (5.00pm Perth time)*	14 January 2025
ASX and Underwriters notified of under subscriptions	17 January 2025
Underwriters subscribe for Shortfall under terms of Underwriting Agreement	21 January 2025
Issue date and lodgement of Appendix 3G for New Options offered under the Offer (before noon Sydney time)	21 January 2025
Issue date and lodgement of Appendix 3G for New Options offered under the Shortfall Offer	22 January 2025
Expected date for despatch of new holding statements	22 January 2025

Note

* The Directors may extend the Offer Closing Date by giving at least three (3) Business Days' notice to ASX. As such the date the Loyalty Options issued under the Offers are expected to commence trading on ASX may vary.

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LETTER FROM THE BOARD

Dear Shareholders,

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Loyalty Options Offer for Loyalty Options.

Eligible Shareholders who hold Shares on the Record Date are offered the opportunity to subscribe for 1 unquoted Loyalty Option for every 2 Shares held on the Record Date.

The Loyalty Options are offered at a nominal issue price of \$0.007 each, and will be exercisable at \$0.08 each and expire 4 years from the date of issue. The full terms and conditions of the Loyalty Options are in Section 5.1 of this Prospectus.

This Prospectus also contains a Shortfall Offer of Shortfall Options to Eligible Shareholders who subscribe for their full Entitlement under the Loyalty Options Offer. Any Shortfall Options issued pursuant to the Shortfall Offer will be issued on the same terms and conditions as the Loyalty Options.

The Loyalty Options Offer is fully underwritten. Details regarding the terms of the underwriting are set out in Section 5.9 of this Prospectus.

Please read in full the details on how to submit your application for Loyalty Options and the Shortfall, which are set out in Section 2 of this Prospectus.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9486 4036. You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Loyalty Options Offer.

This Prospectus contains detailed information about the Offers and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (see Section 4).

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully



Daniel Smith
Non-Executive Chairman

INVESTMENT OVERVIEW

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

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Loyalty Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Limited operating history; • Operating in Malawi; • Grant and renewal of Tenements; • Mineral rights and licences and uncertainty of acquiring or extending the necessary mining licence, permit and access rights in Malawi; • Early-stage exploration; and • Future capital needs and additional funding. <p>Refer to Section 4.1 for further details.</p>	Section 4
<p>Loyalty Options Offer and underwriting</p> <p>The Loyalty Options Offer is a non-renounceable loyalty offer of one (1) unquoted Loyalty Option for every two (2) Shares held on the Record Date, at an issue price of \$0.007 per Loyalty Option. The Loyalty Options will have an exercise price of \$0.08 each and will expire 4 years from the date of issue.</p> <p>The Loyalty Options Offer will raise approximately \$204,750 (before costs).</p> <p>The Loyalty Options Offer is fully underwritten. Details regarding the terms of the underwriting are set out in Section 5.9 of this Prospectus.</p>	Section 1.1
<p>Shortfall Offer</p> <p>Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) will form the Shortfall Offer. Eligible Shareholders will be entitled to apply for Loyalty Options under the Shortfall Offer.</p>	Sections 1.2 and 5.9

Key Information	Further Information
<p>The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Offer Closing Date (or such shorter period as determined by the Directors). All Shortfall Options issued under the Shortfall Offer shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).</p>	
<p>Eligible Shareholders</p> <p>The Loyalty Options Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> • are the registered holder of the Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or New Zealand or, subject to the offer restrictions in Section 1.15, a jurisdiction where it would be lawful to participate in the Loyalty Options Offer. 	<p>Sections 1.15 and 1.16</p>
<p>Use of funds</p> <p>It is currently intended that any funds raised as a result of the Offers (including pursuant to the exercise of any Loyalty Options) will be used towards the expenses of the Offers, continued development of the Company's existing business strategies and for working capital purposes.</p>	<p>Section 3.2</p>
<p>Effect on control of the Company</p> <p>No investor or existing Shareholder is anticipated to hold a voting power of 20% or more as a result of the Offers or the Underwriting Agreement.</p>	<p>Section 1.7</p>

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Key Information					Further Information																				
<p>Indicative capital structure and pro-forma statement of financial position</p> <p>The indicative capital structure upon completion of the Offers is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th>Shares</th> <th>Loyalty Options</th> <th>Unquoted Options</th> <th>Unquoted Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>58,500,000</td> <td>Nil</td> <td>9,000,000</td> <td>5,300,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Loyalty Options Offer</td> <td>Nil</td> <td>29,250,000</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Total</td> <td>58,500,000</td> <td>29,250,000⁽¹⁾</td> <td>9,000,000</td> <td>5,300,000</td> </tr> </tbody> </table> <p>Notes:</p> <p>1. Assumes the Loyalty Options Offer is fully subscribed.</p> <p>The pro-forma statement of financial position showing the effect of the Offers is in Section 3.3.</p>						Shares	Loyalty Options	Unquoted Options	Unquoted Performance Rights	Balance at the date of this Prospectus	58,500,000	Nil	9,000,000	5,300,000	Maximum to be issued pursuant to the Loyalty Options Offer	Nil	29,250,000	Nil	Nil	Total	58,500,000	29,250,000⁽¹⁾	9,000,000	5,300,000	Sections 3.1 and 3.3
	Shares	Loyalty Options	Unquoted Options	Unquoted Performance Rights																					
Balance at the date of this Prospectus	58,500,000	Nil	9,000,000	5,300,000																					
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	29,250,000	Nil	Nil																					
Total	58,500,000	29,250,000⁽¹⁾	9,000,000	5,300,000																					
<p>Directors' participation</p> <p>As at the date of this Prospectus, Directors eligible to participate have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.</p> <p>As set out in Section 1.4, the Company has entered into an Underwriting Agreement with the Underwriters (each Directors), pursuant to which Mr Daniel Smith (or his nominees), Dr Nannan He (or her nominees), and Mr Myles Campion (or his nominees) have agreed to fully underwrite the Loyalty Options Offer in the following proportions:</p> <ul style="list-style-type: none"> • Mr Daniel Smith (or his nominees): 65%; • Dr Nannan He (or her nominees): 20%; and • Mr Myles Campion (or his nominees): 15%. 					Sections 1.4 and 5.10(b)																				
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p>					Important Information and Section 4																				

Key Information	Further Information
<p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

1. Details of the Offers

1.1 Loyalty Options Offer

The Company is making a non-renounceable pro rata offer of Loyalty Options at an issue price of \$0.007 each to Eligible Shareholders on the basis of one (1) unquoted Loyalty Option for every two (2) Shares held at 5:00pm (WST) on the Record Date. Each Loyalty Option will have an exercise price of \$0.08 each and expire 4 years from the date of issue.

As at the date of this Prospectus, the Company has on issue 58,500,000 Shares (of which 8,089,167 are escrowed), 9,000,000 unquoted Options (all of which are escrowed) and 5,300,000 unquoted Performance Rights (500,000 of which are escrowed).

Assuming no Options are exercised into Shares and no Performance Rights vest prior to the Record Date, the Loyalty Options Offer is for a maximum of approximately 29,250,000 Loyalty Options to raise approximately \$204,750 (before costs).

Where the determination of the entitlement of any Eligible Shareholder results in a fraction of a Loyalty Option, such fraction will be rounded down to the nearest whole Loyalty Option.

Refer to Section 5.1 for a summary of the terms and conditions of the Loyalty Options under the Loyalty Options Offer. Shares issued upon exercise of the Loyalty Options will be fully paid and will rank equally with the Company's existing Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is in Section 5.2.

Please refer to Section 2 for details on how to apply for Loyalty Options under the Loyalty Options Offer.

1.2 Shortfall Offer

Any Entitlement not taken up pursuant to the Loyalty Options Offer (if any) will form the Shortfall under the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Offer Closing Date (or such shorter period as determined by the Directors). All Shortfall Options shall be issued on the same terms as the Loyalty Options being offered under the Loyalty Options Offer (including the issue price).

Eligible Shareholders who take up their full Entitlement under the Loyalty Options Offer may apply for Shortfall Options under the Shortfall Offer by completing the prescribed section on the Entitlement and Acceptance Form designated to the Shortfall Offer and paying the appropriate Application Monies in accordance with the instructions set out on the Entitlement and Acceptance Form.

Separate application forms will be provided, together with a copy of this Prospectus, to other investors who are not currently Eligible Shareholders who are invited to participate in the Shortfall Offer (**Shortfall Application Form**).

The Board may elect to cap the number of Shortfall Options that are to be allotted to Applicants under the Shortfall Offer, having regard to:

- (a) the number of Loyalty Options that an Applicant is entitled to subscribe for pursuant to its Entitlement relative to the number of Shortfall Options that it has applied for;
- (b) the total number of Shortfall Options available for subscription; and
- (c) the number of Securities held by an Eligible Shareholder after the completion of the Loyalty Options Offer.

The Directors otherwise reserve the right to issue the Shortfall at their absolute discretion, subject to the policy above and any restrictions imposed by the Corporations Act and the Listing Rules. As such there is no guarantee that Applicants under the Shortfall Offer will receive any Shortfall Options applied for under the Shortfall Offer. The Directors reserve the right to issue to an Applicant a lesser number of Shortfall Options than the number for which the Applicant applies, or to reject an Application for Shortfall Options, or to not proceed with placing the Shortfall Options. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act. It is however a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Options in accordance with the allocation policy described above, the Applicant will be bound to accept such lesser number allocated to them.

Acceptance of a completed Application for Shortfall Options by the Company creates a legally binding contract between the relevant Applicant and the Company for the number of Shortfall Options accepted by the Company. The Application for Shortfall Options does not need to be signed to be a binding acceptance of Loyalty Options.

If the Application for Shortfall Options is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an Application for Shortfall Options as valid and how to construe, amend or complete the Application, is final.

The Shortfall Options will be issued to Mr Daniel Smith (or his nominees), Mr Myles Campion (or his nominees) and Dr Nannan He (or her nominees) in accordance with their obligation to subscribe for the Shortfall Options under their Underwriting Commitments subject to the discretion of the Directors to allocate Shortfall Options to Shareholders who apply for Shortfall Options.

The Directors note that no Securities will be issued to an applicant under this Prospectus if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act.

1.3 Opening and Closing Dates

In terms of the Loyalty Options Offer, the Company will accept Entitlement and Acceptance Forms from 3 January 2025 until 5:00pm (WST) on 14 January 2025 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Offer Closing Date**).

The Shortfall Offer will remain open for up to three (3) months following the Offer Closing Date unless closed earlier at the Directors' discretion.

1.4 Underwriting

Three of the Directors of the Company, being Mr Daniel Smith, Dr Nannan He and Mr Myles Campion (**Underwriters**), have agreed to underwrite the Loyalty Options Offer in the following proportions:

- (a) Mr Daniel Smith (or his nominees): 65%;
- (b) Dr Nannan He (or her nominees): 20%; and
- (c) Mr Myles Campion (or his nominees): 15%.

(**Underwriting Commitment**) pursuant to an underwriting agreement between the Company, Mr Daniel Smith, Dr Nannan He, and Mr Myles Campion (**Underwriting Agreement**), resulting in the Loyalty Options Offer being fully underwritten.

If the Underwriters are not required to subscribe for a total of 33% of their Underwriting Commitment due to the take up of the Loyalty Options Offer by Shareholders, being a total of 9,652,500 Loyalty Options, it is proposed that a meeting of shareholders be called to approve the grant to the Underwriters of additional Loyalty Options.

Refer to Section 5.9 of the Prospectus for further details in relation to the Underwriting Agreement.

1.5 Minimum subscription

There is no minimum subscription for the Offers.

1.6 Withdrawal of Offers

The Company reserves the right not to proceed with the Offers at any time before the issue of Loyalty Options. If the Offers do not proceed, the Company will return all Application Monies, without interest, as soon as practical after giving notice of its withdrawal.

1.7 Effect on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers or the Underwriting Agreement.

Where Loyalty Options are exercised into Shares, the voting power of the Shareholders who exercise the Loyalty Options will increase. The likelihood of Loyalty Options being exercised is dependent on the price of Shares from time to time until the Loyalty Options expire.

1.8 Substantial shareholders

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

Substantial Shareholder	Number of Shares	Voting power
Zhenshi Group (Hk) Heshi Composite Materials Co Limited	7,500,000	12.82%
Chung Nam New Material Company Limited	5,000,000	8.55%
Bridge The Gap Trading Pty Ltd & Orwellian Investments Pty Ltd	4,499,227	7.69%
First Arrow Investments Pty Ltd <The First Arrow A/C>	3,605,000	6.16%

1.9 Potential dilution

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

Holder	Holding as at Record Date	% at Record Date	Entitlement under the Loyalty Options Offer	% holdings if Entitlement taken up ⁽¹⁾	% holding if Entitlement not taken up ⁽²⁾
Shareholder 1	7,500,000	12.82%	3,750,000	12.82%	8.55%
Shareholder 2	5,000,000	8.55%	2,500,000	8.55%	5.70%
Shareholder 3	1,000,000	1.71%	500,000	1.71%	1.14%
Shareholder 4	500,000	0.85%	250,000	0.85%	0.57%
Shareholder 5	250,000	0.43%	125,000	0.43%	0.28%

Notes:

- The table assumes that all Loyalty Options are issued and exercised and that no other Shares are issued or Options exercised.
- The dilutive effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted 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.

1.10 No rights trading

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

1.11 Issue date

The Loyalty Options will be issued only after all Application Monies have been received. It is expected that Loyalty Options will be issued under the Loyalty Options Offer on 21 January 2025 and under the Shortfall Offer on 22 January 2025.

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

1.12 Application Monies held on trust

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

1.13 ASX quotation

Application will not be made for Official Quotation of the Loyalty Options offered pursuant to this Prospectus as the Loyalty Options will be unlisted options.

1.14 CHESS

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

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Loyalty Options.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will specify the number of Loyalty Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Loyalty Options, including a notice to exercise the Loyalty Options.

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

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 International Offer Restrictions

This Prospectus, and any accompanying Entitlement and Acceptance Form (including any Shortfall Application Form), do not, and is not intended to, constitute an offer of Securities in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Entitlement and Acceptance Form (including any Shortfall Application Form), may not be distributed to any person, and the

Securities offered under this Prospectus may not be offered or sold, in any country outside Australia where it would be unlawful to do so.

1.16 Ineligible Foreign Shareholders

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules, that it would be unreasonable to make offers to Shareholders in countries other than Australia and New Zealand in connection with the Loyalty Options Offer, having regard to:

- (a) the relatively small number of Shareholders in the other jurisdictions where the Loyalty Options Offer would be made;
- (b) the number and value of Loyalty Options for which such Shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Loyalty Options Offer would be made.

Shareholders in Australia and New Zealand holding Shares on behalf of persons resident overseas are responsible for ensuring that taking the Loyalty Options Offer does not breach regulations in the relevant overseas jurisdiction. 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.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia and New Zealand.

1.17 Notice to nominees and custodians

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

1.18 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.19 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Loyalty Options.

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

1.20 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2024 can be found in the Company's Annual Report announced on ASX on 30 September 2024. The Company's continuous disclosure notices (i.e. ASX announcements) since 30 September 2024 are listed in Section 5.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.21 Minimum subscription

There is no minimum subscription for the Offers.

1.22 Privacy

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

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

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

If you do not provide the information required on the Entitlement and Acceptance Form (including any Shortfall Application Form), the Company may not be able to accept or process your application.

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

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

1.23 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 9486 4036.

2. Action required by Eligible Shareholders

2.1 Action in relation to the Loyalty Options Offer

Should you wish to acquire Loyalty Options as part of the Loyalty Options Offer, you may either take up all of your Entitlement (refer to Section 2.2) or part of your Entitlement (refer to Section 2.3) as shown on the accompanying Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you may allow your Entitlement to lapse (refer to Section 0).

2.2 Acceptance of all of your Entitlement (and application for Shortfall Offer)

Your entitlement to participate in the Loyalty Options Offer will be determined on the Record Date.

The number of Loyalty Options to which you are entitled is shown on the Entitlement and Acceptance Form. If you wish to accept your Entitlement in full and apply for Loyalty Options under the Shortfall Offer, make a payment through the BPAY facility payment for all of your Entitlement and the number of additional Loyalty Options you wish to apply for in accordance with the instructions on the Entitlement and Acceptance Form. Please read the instructions carefully. Payment for your Entitlement must be by BPAY as per instructions contained in the Entitlement and Acceptance Form. The Entitlement and Acceptance Form does not have to be returned to the Company or Share Registry and should be retained for your records.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Offer Closing Date. You must follow the instructions for BPAY set out in the Entitlement and Acceptance Form.

2.3 If you wish to take up only part of your Entitlement

Should you wish to only take up part of your Entitlement under the Loyalty Options Offer, make a payment through the BPAY facility for the number of Loyalty Options for which you wish to apply (i.e. multiply the number of New Loyalty Options by the Offer Price of \$0.007) in accordance with the instructions on the Entitlement and Acceptance Form.

Please read the instructions carefully. Payment for your Entitlement must be by BPAY as per instructions contained in the Entitlement and Acceptance Form. The Entitlement and Acceptance Form does not have to be returned to the Company or Share Registry and should be retained for your records.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the

Applicant to ensure that funds are submitted through BPAY by the Offer Closing Date. You must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.4 Entitlements not taken up

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

2.5 Entitlement and Acceptance Form

Making a payment by BPAY creates a legally binding contract between the Applicant and the Company for the number of Loyalty Options accepted by the Company.

The Entitlement and Acceptance Form does not need to be returned to the Company for there to be a binding acceptance of Loyalty Options.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

By making payment via BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Loyalty Options Offer (and Shortfall Offer, if applicable);
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Loyalty Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares as at the Record Date and have a registered address in Australia or New Zealand;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Loyalty Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Loyalty Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.6 Enquiries concerning your Entitlement

Enquiries relating to this Prospectus, Entitlement and Acceptance form and your Entitlement should be directed to the Company Secretary by telephone on +61 8 9486 4036.

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3. Effect of the Offers

3.1 Capital structure on completion of the Offers

Assuming that no existing Options are exercised and no existing Performance Rights vest before the Record Date, the effect of the Offers on the Company's issued capital as at the date of this Prospectus is as shown in the following table:

	Shares	Loyalty Options	Unquoted Options	Unquoted Performance Rights
Balance at the date of this Prospectus	58,500,000	Nil	9,000,000	5,300,000
Maximum to be issued pursuant to the Loyalty Options Offer	Nil	29,250,000	Nil	Nil
Total	58,500,000	29,250,000⁽¹⁾	9,000,000	5,300,000

Notes:

1. Assumes the Loyalty Options Offer is fully subscribed.

3.2 Use of funds

Approximately \$204,750 will be raised as a result of the Offers.

The Company will receive \$0.08 for each Loyalty Option issued under the Offers if exercised. If all Loyalty Options are issued and exercised, the Company will receive approximately \$2,340,000. There is no certainty that any Loyalty Options will be exercised, and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised as a result of the Offers (including pursuant to the exercise of any Loyalty Options) will be used towards the expenses of the Offers, continued development of the Company's existing business strategies, and for working capital purposes. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs.

The Company notes there are extra costs associated with the Loyalty Options. Upon each exercise of Loyalty Options, the Company must make filings with the ASX and will, accordingly, incur further costs in this regard. The Company intends to use a portion of the funds raised from the Offers towards any payments associated with the exercise of Loyalty Options issued under the Offers.

The application of funds will depend on when Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in

which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

3.3 Pro forma consolidated statement of financial position

The unaudited pro-forma statement of financial position set out below has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the position of the Company as at 30 June 2024 pursuant to its 30 June 2024 full year audited accounts, and the change to that position as a result of the Offers. The unaudited pro-forma statement of financial position has been prepared to provide investors with information on the pro-forma assets and liabilities of the Company, and the effect of the Offers, as noted below.

	Notes	DY6 Metals Ltd Audited 30 June 2024 \$	Offer Adjustments Unaudited 30 June 2024 \$	Pro forma balance Unaudited 30 June 2024 \$
Current assets				
Cash and cash equivalents	1	2,586,813	169,473	2,756,286
Trade and other receivables		90,164		90,164
Total current assets		2,676,977	169,473	2,846,450
Non-Current assets				
Motor vehicle, plant and equipment		45,252		45,252
Exploration and evaluation expenditure		4,784,695		4,784,695
Total non-current assets		4,829,947		4,829,947
TOTAL ASSETS		7,506,924	169,473	7,676,397
Current liabilities				
Trade & other payables		259,659		259,659
Total current liabilities		259,659		259,659
TOTAL LIABILITIES		259,659	-	259,659
NET ASSETS		7,247,265	169,473	7,416,738
EQUITY				
Contributed equity		9,793,772		9,793,772
Share issue costs		(756,989)	(2,071)	(759,060)
Reserves	2	550,789	204,750	755,539
Accumulated losses		(2,340,307)	(33,206)	(2,373,513)
TOTAL EQUITY		7,247,265	169,473	7,416,738

Notes:

- Funds raised of \$204,750 less expenses of the Offers of \$35,277.
- Loyalty Options issued pursuant to the Offers, priced at \$0.007 per Loyalty Option to raise \$204,750 (before costs).

Basis of Preparation

The unaudited pro forma statement of financial position has been prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position is based on the audited financial position as at 30 June 2024 and assumes that the Offers are fully subscribed. Other than in the ordinary course of business, there have been no other material transactions between that date and the date of this Prospectus that have affected the Company's financial position.

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4. Risk Factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Loyalty Options.

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

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

4.1 Risks specific to the Company

(a) **Limited operating history**

The Company was incorporated on 3 November 2022 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the mineral exploration sector, which has a high level of inherent risk and uncertainty. No assurance can be given that the Company will achieve commercial viability through the successful exploration on, or mining development of, its projects. Until the Company is able to realise value from the projects, it is likely to incur operational losses.

(b) **Operating in Malawi**

The Company's projects are located in Malawi. The political climate in Malawi is currently stable and generally held to offer a favourable outlook for foreign investments, however there is no guarantee that it will remain so in the future and changes in the government, regulatory and legislative regimes cannot be ruled out.

DY6 may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Adverse changes in the Malawian Government's policy or legislation affecting foreign ownership of mineral interests, mining or exploration activities, taxation, imposition of additional fees, repatriation of profit, royalties, land access, labour relations, granting of approval or consent, exchange control, mine safety, export duties and environmental protection may affect the operations of the Company.

Government regulations may also change relating to employment of local staff or contractors or other requirements that require benefits to be provided to

local residents. Operating in Malawi may also involve risks relating to potential social or political instability, hyperinflation, currency non-convertibility, government participation and land claims by local people.

It is also possible that the current systems of granting exploration and mining concessions in Malawi may change, resulting in impairment of rights and possibly expropriation of one or more of the Tenements without adequate compensation.

If at any stage the Company cannot pursue its exploration and development programmes because of the abovementioned factors, the Company's financial condition and forward projections would be materially adversely affected.

(c) **Grant and renewal of Tenements**

The Company's exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities including minimum annual expenditure requirements which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements.

Although the Company has no reason to think that any Tenement will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

(d) **Future applications**

Should the Company have success with its exploration activities and decide to move forward with commercial production, the Company will need to obtain a mining licence. The Company will also be required to obtain further environmental and technical permits for the construction and development of its commercial operations. There is a risk that these further permits and licences may not be granted which would have a significant material adverse effect on the viability of the Company.

In addition, the granting of such approvals and consent may be withheld for lengthy periods or granted subject to satisfaction of certain conditions which the Company cannot or may consider impractical or uneconomic to meet. This could result in the delay or inability to exploit projects and the Company could incur additional costs or losses. Obtaining a full mining licence in Malawi is also dependent upon an applicant entering into negotiations with the Malawian Government in respect of royalties and taxes. Should the Company advance to this stage, there is no guarantee that the Company will be able to secure a favourable agreement with the Government that would secure a

commercially viable project. Difficulty in obtaining a mining licence could have a materially adverse effect on the financial prospects of the Company.

The Malawi Government also has the right to elect to acquire, without cost, up to a 10% free equity ownership interest in any mining project that will be subject to a large-scale mining licence. Should the Company apply for a mining licence, the Malawi Government exercising this right would reduce Company's share of any potential earnings from a mining project.

(e) **Mineral rights and licences and uncertainty of acquiring or extending the necessary mining licence, permit and access rights in Malawi**

Government concessions, approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. These rights, concessions and any others acquired in the future, are subject to requirements, including certain financial commitments which, if not fulfilled, could result in the suspension or ultimate forfeiture of the relevant rights, concessions or licences. The Company must also comply with existing standards, laws and regulations that may result in the Company incurring greater costs and/or suffering delays, depending on the nature of the activity to be permitted and the permitting authority.

Failure by the Company to acquire and retain the necessary mining and environmental concessions, licences, permits or government consents, revocation of an existing concession or permit, failure to renew a concession, licence or permit or failure to obtain a concession, licence or permit that is required to move from one stage of the industry cycle to another could have a material adverse effect on the Company's financial performance and may lead to a reduction in the carrying value of assets and may jeopardise the viability of its projects. Where the Company fails to comply with its work programme, expenditure commitments including the minimum expenditure requirements outlined in the relevant Malawian legislation, or other obligations in respect of any such concessions, licences or permits, then the said concession, licence or permit may be lost, forfeited or not renewed by the grantor, or the relevant surface area may be reduced.

(f) **Early-stage exploration**

A key risk, common to all exploration companies, is that the expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The Company's projects are at an early greenfields exploration stage. Considerable exploration is still required to determine the likelihood of discovery. If a discovery is made, significant work programs and studies are still required to test the potential of that discovery being economically mineable. Typically, such work programs are done by a stage gate process, with the aim of each stage to incrementally increase confidence in the mineralisation, decrease uncertainty and risks towards a decision to mine. While the Board is of the view that good potential exists at the projects for discovery, it is uncertain whether the work programs to be undertaken by DY6 will deliver positive results.

(g) **Operational risks**

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, transport delays, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(h) **Future capital needs and additional funding**

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

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the outcome of future exploration and work programs and the acquisition of any new projects.

The Company may require further funding in addition to current cash reserves to fund future exploration activities or the acquisition of new projects. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. 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 exploration operations.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

(i) **Exploration costs**

The exploration costs of the Company 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.

(j) **Currency fluctuations**

Currency fluctuations may affect the costs that the Company incurs at its operations. Rare earth elements are sold throughout the world based principally on a US dollar price, but a large portion of the Company's operating expenses are incurred in Malawian Kwacha. The appreciation of the Malawian Kwacha against the US dollar would increase the costs of production of rare earth elements which could materially and adversely affect the Company's earnings and financial condition.

(k) **Resource estimates and targets**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(l) **Reputational risk**

The Company's operations are dependent on positive relationships with a small number of organisations (including the government of Malawi). Damage to the Company's reputation in Malawi due to the actual or perceived occurrence of certain events could negatively impact the Company.

Reputation loss could lead to increased challenges in developing and maintaining community relations, decreased investor confidence, and the impediment of the Company's overall ability to advance the Tenements, thereby having a material adverse impact on financial performance.

(m) **Malawi legal system**

Malawi's legal system is less developed than in some more established countries which may result in the following risks:

- (i) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
- (ii) a higher degree of discretion held by various government officials or agencies;

- (iii) the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
- (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (v) relative inexperience of the judiciary and court in matters affecting the Company.

The commitment of local individuals and entities, government officials and the judicial system to abide by legal requirements or negotiated agreements may be subject to uncertainty, and the ability to obtain redress for infringement of the Company's rights may not be assured. As such, the effectiveness and enforcement of any such arrangements may be subject to uncertainty.

A rent resource tax of 15% after tax profit is currently legislated in the taxation act in Malawi. However, in practice it is not currently being applied to mining projects in Malawi and it is uncertain if it would apply to the Company's projects in Malawi in the future. If it were to be applied, this could have a material effect on the economics of the Company's projects in the future.

Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.

4.2 Risks relating to the industry generally

(a) Exploration risk

The Tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

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

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

(b) **Development risk**

If the Company does locate commercially viable reserves of minerals, then the future development of a mining operation at any of the Company's projects will be subject to a number of risks, including:

- (i) geological and weather conditions causing delays and interference to operations;
- (ii) obtaining all necessary and requisite approvals from relevant authorities and third parties;
- (iii) technical and operational difficulties associated with mining of minerals and production activities;
- (iv) access to necessary funding;
- (v) mechanical failure of plant and equipment;
- (vi) shortage or increases in price of consumables, and plant and equipment;
- (vii) environmental hazards, fires, explosions and other accidents;
- (viii) transportation facilities;
- (ix) costs overruns; and
- (x) the costs of extraction being higher than expected.

There is no guarantee that the Company will achieve commercial viability through the development of its projects. If the Company locates commercial reserves of minerals, it will need to apply for a mining licence over the area. The risks associated with such an application are set out in Section 4.1(d).

(c) **Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, labour, plant and equipment.

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

(d) **Metallurgy**

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

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

The economic recovery of rare earths is particularly complex. The Tenements are at an early stage, and limited work has been done on them to date. If the Company is successful in its exploration activities, there is no guarantee that it will be able to economically produce concentrate to meet its objectives (whether by accessing or developing an economic recovery process).

(e) **Environmental risk**

The operations and proposed activities of the Company are subject to laws and regulations in Malawi concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

Approvals are also required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Additionally, rare earths elements coexist with radioactive materials such as uranium and thorium. Rare earth element extraction and processing may result in radioactive exposures and radioactive waste generation. Attempts at reducing, reusing, and recycling existing rare earth elements will need to be made, irrespective of further extraction. Extraction should only take place under strict environmental guidelines recognising the potential for long-term risks of environmental, worker, and community exposures to radioactive

materials and other minerals or chemicals involved in or produced by rare earth element extraction and processing. As such, there is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

(f) **Reliance on key personnel**

The Company is reliant on technical consultants and other resource industry specialists engaged on a consultancy basis to provide analyses and recommendations on, and carry out, exploration activities in respect of its projects. The availability of suitable technical consultants and resource industry specialists may be limited and there may be delays in securing equipment and personnel required to carry out the Company's planned activities. This may result in cost and time overruns which may have a material adverse effect on the Company.

(g) **Infrastructure**

Development of the Company's projects depend to a significant degree on adequate infrastructure. In the course of developing its operations the Company may need to construct and support the construction of infrastructure, which includes, permanent water supplies, power, transport and logistics services which affect capital and operating costs. Unusual or infrequent weather phenomena, power shortages, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Company's operations, financial condition and results of operations.

(h) **Transportation delays**

Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Company's site could materially and adversely affect the Company's operations or financial condition. Furthermore, any failure or unavailability of the Company's operational infrastructure (for example, through equipment failure or disruption to its transportation arrangements) could adversely affect future operations.

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

The Company's ability to proceed with the development of its projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of rare earth elements. Consequently, any future earnings are likely to be closely related to the price of rare earth elements and the terms of any off-take agreements that the Company enters into.

The world market for minerals is subject to many variables and may fluctuate markedly. These variables include world demand for metals that may be mined commercially in the future from the Company's project areas,

technological advancements, forward selling activities and production cost levels in major mineral-producing regions. Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

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

(j) **Commodity**

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(k) **Regulatory risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, 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.

Obtaining necessary permits can be a time-consuming process and there is a risk that the 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 Tenements.

4.3 General risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) Share market conditions

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:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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.

(c) Force majeure

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

(d) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are

likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

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

(e) **Litigation risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(f) **Potential acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects although no such acquisitions or investments are currently planned. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(g) **General economic and political risks**

Changes in the general economic and political climate in Australia and Malawi and on a global basis may impact on economic growth, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any activities that may be conducted by the Company.

(h) **Insurance**

Insurance against all risks associated with the Company's business is not always available or affordable. The Company maintains insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(i) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of

any such additional expenditure requirements, if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(j) **Climate change risks**

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

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

(k) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(l) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability

and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

In addition, there may also be unforeseen tax consequences as a result of the Acquisition or exchange of shares which may be imposed on the Company as a result of change in government policy or directive, post-Admission. Despite attempts to mitigate such risks, there is no guarantee that such policies or impositions will not affect the Company in the future.

(m) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

4.4 Speculative investment

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

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

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

5. Additional information

5.1 Terms and conditions of Loyalty Options

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

- (a) **(Entitlement)**: Each Loyalty Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date)**: The Loyalty Options will expire 4 years from the date of issue at 5.00pm (WST) (**Expiry Date**). A Loyalty Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) **(Exercise Price)**: Subject to paragraph 5.1(j), the amount payable upon exercise of each Loyalty Option is \$0.08 per Loyalty Option (**Exercise Price**).
- (d) **(Exercise)**: A holder may exercise their Loyalty Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Loyalty Options specifying the number of Loyalty Options being exercised (**Exercise Notice**); and
 - (ii) an electronic funds transfer for the Exercise Price for the number of Loyalty Options being exercised.
- (e) **(Exercise Notice)**. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Loyalty Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise)**: Within 5 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Exercise Notice.
- (g) **(Transferability)**: The Loyalty Options are not transferable, except with the prior written approval of the Company.
- (h) **(Ranking of Shares)**: All Shares allotted upon the exercise of Loyalty Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
- (i) **(Quotation)**: The Company will not apply for Official Quotation of the Loyalty Options on ASX. If admitted to the Official List at the time, the Company will apply for Official Quotation of all Shares allotted pursuant to the exercise of Loyalty Options on ASX within 5 Business Days after the date of allotment of those Shares.
- (j) **(Reconstruction)**: If at any time the issued capital of the Company is reorganised or reconstructed, all rights of a holder of Loyalty Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation or reconstruction.

- (k) **(Participating rights):** There are no participating rights or entitlements inherent in the Loyalty Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Loyalty Options, without exercising the Loyalty Options.
- (l) **(Amendments):** A Loyalty Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.

5.2 Rights and liabilities attaching to Shares

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

- (a) **(Ranking of Shares):** As at the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued upon the exercise of Loyalty Options will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
 - (ii) has one vote on a show of hands; and
 - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.

- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(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.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
- (i) **(Restricted Securities):** A holder of restricted securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of restricted securities.

5.3 Dividend Policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

5.4 Company is a disclosing entity

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

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.DY6>.

5.5 Copies of documents

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

- (a) the financial statements of the Company for the financial year ended 30 June 2024, being the last financial statement for a full financial year of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the half-year financial report for the period ending 31 December 2023;
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 5.5(a) above until the date of this Prospectus:

Date lodged	Subject of Announcement
17/12/2024	Updated Securities Trading Policy
16/12/2024	Change of Director's Interest - Smith
06/12/2024	Change of Director's Interest Notice - DS
29/11/2024	Appendix 3Y - DS
22/11/2024	Results of AGM
15/11/2024	Results from Ngala Hill Sampling Program - Revised
14/11/2024	Results from Ngala Hill Sampling Program
30/10/2024	Quarterly Activities/Appendix 5B Cash Flow Report
17/10/2024	High-grade REE & P trench results returned from Tundulu
11/10/2024	Notice to Shareholders re AGM
11/10/2024	Notice of AGM
30/09/2024	Appendix 4G & Corporate Governance Statement
30/09/2024	Annual Report 2024

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.14 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

Other than as set out above and in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules.

5.7 Determination by ASIC

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

5.8 Market price of Shares

The highest and lowest closing 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:

Lowest:	\$0.045 on 30 September 2024, 16 December 2024, 18 December 2024 and 19 December 2024
Highest:	\$0.065 on 14 October 2024 and 17 October 2024

The closing sale price of the Company's Shares on ASX on 19 December 2024 (being the date immediately prior to lodgement) was \$0.045.

5.9 Underwriting Agreement

As set out in Section 1.4, the Company has entered into an Underwriting Agreement with the Underwriters (each Directors), pursuant to which Mr Daniel Smith (or his nominees), Dr Nannan He (or her nominees), and Mr Myles Campion (or his nominees) have agreed to fully underwrite the Loyalty Options Offer in the following proportions:

- (a) Mr Daniel Smith: (or his nominees): 65%;
- (b) Dr Nannan He (or her nominees): 20%; and
- (c) Mr Myles Campion (or his nominees): 15%.

If the Underwriters are not required to subscribe for a total of 33% of their Underwriting Commitment due to the take up of the Loyalty Options Offer by Shareholders, being a total of 9,652,500 Loyalty Options, it is proposed that a meeting of shareholders be called to approve the grant to the Underwriters of additional Loyalty Options.

The Underwriters may appoint sub-underwriters to sub-underwrite the Loyalty Options Offer. The appointment of any sub-underwriter and the allocation of any underwritten Securities is at the sole discretion of the Underwriters.

The Company has entered into the Underwriting Agreement on arm's length terms. Entry into Underwriting Agreement was approved by the Directors, other than Mr Daniel Smith, Dr Nannan He, and Mr Myles Campion, in accordance with the Company's Corporate Governance Plan and Board Charter. Mr Daniel Smith, Dr Nannan He, and Mr Myles Campion have warranted to the Company that they have sufficient capacity to fulfil their obligations under the Underwriting Agreement. Member approval for entry into the Underwriting Agreement is not required to be sought.

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

Fees	Nil
Reimbursement of Expenses	Nil
Termination Events	<p>The Underwriters may terminate their obligations under the Agreement if:</p> <ul style="list-style-type: none"> (a) Indices fall: the S&P ASX 200 Index is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; (b) Prospectus: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offers are withdrawn by the Company; (c) Supplementary prospectus: <ul style="list-style-type: none"> (i) the Underwriters, having elected not to exercise their right to terminate their obligations under this Agreement as a result of an occurrence as described in clause (p)(v), forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriters may reasonably require; or (ii) the Company lodges a Supplementary Prospectus without the prior written consent of the Underwriters;

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- (d) **Non-compliance with disclosure requirements:** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Underwritten Securities;
- (e) **Misleading Prospectus:** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (f) **Proceedings:** ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offers or the Prospectus, or publicly foreshadows that it may do so;
- (g) **Unable to issue Securities:** the Company is prevented from issuing the Underwritten Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (h) **Future matters:** any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriters, unlikely to be met in the projected timeframe;
- (i) **Withdrawal of consent to Prospectus:** any person (other than the Underwriters) who has previously consented to the inclusion of its, his or her name in

the Prospectus or to be named in the Prospectus, withdraws that consent;

- (j) **No Quotation Approval:** the Company fails to lodge an Appendix 3B in relation to the Underwritten Securities with ASX by the time required by the Corporations Act, the Listing Rules or any other regulation;
- (k) **ASIC application:** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;
- (l) **ASIC hearing:** ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (m) **Takeovers Panel:** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, which in the Underwriter's reasonable opinion has a Material Adverse Effect;
- (n) **Authorisation:** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriters acting reasonably;
- (o) **Indictable offence:** a director or senior manager of a Relevant Company is charged with an indictable offence; or
- (p) **Termination Events:** if any of the following events occurs:
 - (i) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan,

Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon or Israel and the Underwriters believe (on reasonable grounds) that the outbreak or escalation is likely to result in the S&P ASX 200 Index falling by the percentage contemplated by the Agreement;

- (ii) **Default:** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
- (iii) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect in a material respect;
- (iv) **Contravention of constitution or Act:** a material contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (v) **Adverse change:** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriters' reasonable opinion, unlikely to be met in the projected time;
- (vi) **Error in Due Diligence Results:** it transpires that any of the Due Diligence Results or any part of the Verification Material was, misleading or deceptive, materially false or

that there was a material omission from them;

- (vii) **Significant change:** a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (viii) **Public statements:** without the prior approval of the Underwriters, a public statement is made by the Company in relation to the Offers or the Prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (ix) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriters in respect of any aspect of the Offers or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (x) **Official Quotation qualified:** the official quotation of the Company is qualified or conditional;
- (xi) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;
- (xii) **Prescribed Occurrence:** a Prescribed Occurrence occurs, other than as disclosed in the Prospectus;
- (xiii) **Suspension of debt payments:** the Company suspends payment of its debts

generally;

- (xiv) **Event of Insolvency:** an Event of Insolvency occurs in respect of a Relevant Company;
- (xv) **Judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xvi) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company except as disclosed in the Prospectus;
- (xvii) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Underwritten Securities without the prior written consent of the Underwriters (such consent not to be unreasonably withheld);
- (xviii) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offers or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xix) **Timetable:** there is a delay in any specified date in the Timetable which is greater than 2 Business Days;
- (xx) **Force Majeure:** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xxi) **Certain resolutions passed:** a Relevant Company passes or takes any steps to pass a

	<p>resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriters;</p> <p>(xxii) Capital Structure: any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus (other than on conversion of convertible securities on issue as at the date of this Agreement or as previously notified to the Underwriters prior to the date of this Agreement); or</p> <p>(xxiii) Market Conditions: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.</p>
Indemnity	<p>The Company will indemnify and keep indemnified the Underwriters and its directors, officers, employees and agents (Related Parties) and hold them harmless from and against all prosecutions, losses (including loss of profit or losses or costs incurred in connection with any investigation, enquiry or hearing by ASIC, ASX or any governmental authority or agency but excluding indirect, special or consequential losses), penalties, actions, suits, claims, costs (including legal costs on a solicitor-and-own-client basis), demands and proceedings (whether civil or criminal) (Liability) arising out of or in respect of:</p> <ul style="list-style-type: none"> (a) non-compliance by the Company with or breach of any legal requirement or the Corporations Act or Listing Rules in relation to the Prospectus or any Supplementary Prospectus; (b) the Offers, the Prospectus or any Supplementary Prospectus; (c) any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Prospectus or any Supplementary Prospectus; or (d) any breach or failure by the Company to observe any of the terms of this Agreement.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions). Capitalised terms referred to above have the same meaning given to them in the Underwriting Agreement, unless the context provides

otherwise.

5.10 Interests of Directors

(a) Information disclosed in this Prospectus

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

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

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

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

(b) Security holdings

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Shares are issued, no Options are converted into Shares and no Performance Rights vest), is set out below.

As at the date of this Prospectus, Directors eligible to participate have indicated that they (or their respective nominees) intend to take up all of their Entitlement under the Loyalty Options Offer.

Director	Shares	Options	Performance Rights	Entitlement
Daniel Smith	4,499,227	2,225,000	250,000	2,249,613
Myles Champion	665,000	562,500	Nil	332,500
John Kay	3,605,000	2,140,000	250,000	1,802,500
Nannan He	925,556	225,278	Nil	462,778

As set out in Section 1.4, the Company has entered into an Underwriting Agreement with the Underwriters (each Directors), pursuant to which Mr Daniel Smith (or his nominees), Dr Nannan He (or her nominees), and Mr Myles Champion (or his nominees) have agreed to fully underwrite the Loyalty Options Offer in the following proportions:

- (i) Mr Daniel Smith (or his nominees): 65%;
- (ii) Dr Nannan He (or her nominees): 20%; and
- (iii) Mr Myles Campion (or his nominees): 15%.

If the Underwriters are not required to subscribe for a total of 33% of their Underwriting Commitment due to the take up of the Loyalty Options Offer by Shareholders, being a total of 9,652,500 Loyalty Options, it is proposed that a meeting of shareholders be called to approve the grant to the Underwriters of additional Loyalty Options.

Refer to Section 5.9 of the Prospectus for further details in relation to the Underwriting Agreement.

(c) **Remuneration of Directors**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$300,000. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion of the relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

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

The remuneration of executive directors is to be fixed by the Board.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies as at the date of this Prospectus, inclusive of directors fees, consultancy fees, and share-based payments.

Director	(\$) ¹
Daniel Smith	73,015
Myles Campion	54,000
John Kay ²	73,015

Director	(\$) ¹
Nannan He	54,000

1. Exclusive of GST and statutory superannuation.
2. Mr Kay, a Non-Executive Director, also provides company secretarial services to the Company.

5.11 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offers.

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

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

5.12 Interests of other persons

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

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

HWL Ebsworth Lawyers will be paid approximately \$10,000 (plus GST) in fees for legal services in connection with the Offers. Over the past 24 months HWL Ebsworth Lawyers has provided various legal services to the Company and its subsidiaries and has been paid approximately \$64,295.95 (incl GST).

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.13 Expenses of Offers

The estimated expenses of the Offers are as follows:

Estimated expenses of the Offers	\$⁽¹⁾
ASIC lodgement fee	\$3,206
ASX fees	\$2,071
Legal and preparation expenses	\$10,000
Share Registry expenses	\$15,000
Printing, mailing and other expenses	\$5,000
Total	\$35,277

Notes:

1. All amounts are exclusive of GST.

5.14 Consents

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

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- 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.

HWL Ebsworth Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the Share Registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

6. Directors' Statement and Consent

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

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



Daniel Smith
Non-Executive Chairman

Dated: 19 December 2024

7. Definitions

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

\$ means Australian dollars.

Applicant means a person who submits an Entitlement and Acceptance Form or a Shortfall Application Form, as the context requires.

Application means a valid application for Loyalty Options made on an Entitlement and Acceptance Form or a Shortfall Application Form, as the context requires.

Application Monies means application monies for Loyalty Options received by the Company.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Company or **DY6** means DY6 Metals Ltd (ACN 663 592 318).

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

Corporations Act means *Corporations Act 2001* (Cth), as amended.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a holder of Shares who is:

- a registered holder of Shares as at 5.00pm (WST) on the Record Date; and
- has a registered address in Australia or New Zealand, or, subject to the offer restrictions in Section 1.15, a jurisdiction where it would be lawful to participate in the Loyalty Options Offer.

Entitlement means the number of Loyalty Options for which an Eligible Shareholder is entitled to subscribe under the Loyalty Options Offer, being one (1) unquoted Loyalty Option for every two (2) Shares held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the entitlement of Eligible Shareholders to subscribe for Loyalty Options pursuant to the Loyalty Options Offer.

Ineligible Foreign Shareholder means a person who is not an Eligible Shareholder.

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the listing rules of ASX.

Loyalty Option means an unquoted Option to be issued under this Prospectus on the terms and conditions in Section 5.1.

Loyalty Options Offer means an offer under this Prospectus to subscribe for Loyalty Options on the basis of 1 unquoted Loyalty Option for every 2 Shares held on the Record Date.

Offer Closing Date has the meaning given to it in Section 1.3.

Offers means the Loyalty Options Offer and Shortfall Offer.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

Performance Right means a right to subscribe for an issue share in the capital of the Company, each convertible into a Share upon the satisfaction of one or more of the relevant performance milestones.

Prospectus means this prospectus dated 19 December 2024.

Record Date means 5:00pm (WST) on the date identified in the indicative timetable on page v of this Prospectus.

Section means a section of this Prospectus.

Securities mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

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

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Shareholder or **Member** means a holder of Shares.

Shortfall means any Entitlement not taken up pursuant to the Loyalty Options Offer.

Shortfall Application Form has the meaning given in Section 1.2.

Shortfall Offer means the offer of Loyalty Options under this Prospectus which are not subscribed for by Eligible Shareholders under the Loyalty Options Offer.

Shortfall Options means Loyalty Options offered under the Shortfall Offer.

Tenements means the Company's mining exploration tenements (and tenement applications) located in Malawi.

Underwriters has the meaning given in Section 1.4.

Underwriting Agreement has the meaning given in Section 1.4.

Underwriting Commitment has the meaning given in Section 1.4.

Underwritten Securities means 29,250,000 Loyalty Options which are being offered pursuant to the Loyalty Options Offer.

TMD means the target market determination as set out on the Company's website (<https://dy6metals.com/>).

WST means Western Standard Time.

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