



LIGHTNING MINERALS LTD ACN 656 005 122

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus dated 31 October 2022 (**Supplementary Prospectus**).

This Supplementary Prospectus should be, and is intended to be, read in conjunction with the Prospectus dated 5 October 2022 (**Original Prospectus**) issued by Lightning Minerals Ltd ACN 656 005 122 (**Company**).

A copy of this Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 31 October 2022. ASIC, the ASX and their respective officers do not take any responsibility as to the contents of this Supplementary Prospectus.

Other than as set out below, all details of the Original Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Original Prospectus, this Supplementary Prospectus will prevail.

Unless otherwise indicated, terms defined and used in this Supplementary Prospectus have the same meaning given to them in the Original Prospectus.

This Supplementary Prospectus will be issued with the Original Prospectus as an electronic prospectus and may be accessed on the Company's website at <https://lightningminerals.com.au/>.

This is an important document and should be read in its entirety and in conjunction with the Original Prospectus. If you do not understand it, you should consult your stockbroker, lawyer, accountant or other professional advisors without delay.

2. UPDATE ON STATUS OF THE OFFER

As at the date of this Supplementary Prospectus, the Company has received Applications in excess of the Maximum Subscription amount, being \$7,000,000, and therefore considers that it is likely it will achieve the Maximum Subscription under the Offer.

3. PURPOSE OF SUPPLEMENTARY PROSPECTUS

By this Supplementary Prospectus, the Company makes the amendments to the Original Prospectus as set out in section 4 of this Supplementary Prospectus for the purposes of providing further disclosures with regards to the Performance Rights intended to be granted to the Directors and CEO.

The amendments to the Original Prospectus outlined in section 4 below should be read in conjunction with the Original Prospectus. Other than the amendments outlined in section 4 below, there are no other changes with respect to the Original Prospectus.

The details of the Offer as stated in the Original Prospectus, including the indicative timetable set out in section 1.2.2 of the Original Prospectus, remain unchanged by this Supplementary Prospectus.

The Directors do not believe the circumstances set out in this Supplementary Prospectus to be materially adverse from the point of view of investors, and for that reason the Company does not have to comply with section 724(2) of the Corporations Act.

4. FURTHER DISCLOSURES AND AMENDMENTS TO ORIGINAL PROSPECTUS

4.1 Introduction

The Original Prospectus is amended on the basis set out in this section 4

4.2 Further Disclosures on the Performance Rights Granted to CEO and Directors

The Company makes the following further disclosures in relation to the Performance Rights in addition to those stated at section 4.3.2 of the Original Prospectus:

- (a) The Company and the Directors and CEO, respectively, have agreed to vary the terms of the Performance Rights such that:
 - (i) the 4,800,000 Performance Rights granted to the Directors and CEO in the proportions stated in the table at section 4.3.1 of the Original Prospectus, respectively, remain subject to and conditional upon the Company achieving the Maximum Subscription under the Offer, being the amount of \$7,000,000;
 - (ii) if the Company does not achieve the Maximum Subscription under the Offer, all of the Performance Rights granted to the Directors and CEO, respectively, will be relinquished with immediate effect upon closing of the Offer; and
 - (iii) the relinquishment of the Performance Rights in the event the Maximum Subscription is not achieved by the Company will take place irrespective of whether or not the Minimum Subscription is achieved or exceeded.

Subject to the above, the balance of the terms and performance milestone conditions of the Performance Rights as disclosed in section 4.3.2 of the Original Prospectus remain unchanged.

- (b) Based on the maximum raising of \$7,000,000 under the Offer, the Directors and CEO will receive in aggregate a total of 4,800,000 Performance Rights in the allocated proportions set out in the Original Prospectus at section 4.3.1.
- (c) The Company has submitted a revised Application for In-Principle Advice to ASX seeking confirmation that the terms of the Performance Rights, as varied in the manner stated above, are appropriate and equitable under ASX Listing Rule 6.1. As at the date of this Supplementary Prospectus, ASX have not made a formal determination in relation to the Company's revised application and therefore the terms of the Performance Rights remain subject to ASX's determination and final approval.
- (d) In addition to the statements contained in section 4.4.2 of the Original Prospectus with respect to the Performance Rights, the Company makes the following further disclosures as requested by ASX:
 - (i) the Performance Rights have been granted to the Directors and CEO to remunerate them for services previously provided, and which are anticipated to be provided, to the Company;
 - (ii) with respect to the services provided, or anticipated to be provided, by each Director and the CEO, the Company states the following:
 - (A) **(Francesco Cannavo):** Francesco Cannavo in his capacity as non-executive Director has provided, and is anticipated to provide the Company further, substantial time, expertise and effort prior to completion of the Company's IPO, is a founder of the Company and, most notably, was instrumental in procuring and negotiating the

Company's acquisition of the Mount Jewell Project, the Mailman Hill Project and the interest in the Mt Bartle Project.

Following completion of the IPO, Francesco will play an important role in the strategic direction and management of the Company in his capacity as a non-executive director;

- (B) **(Karen Lloyd)**: Karen Lloyd in her capacity as non-executive Director has provided the Company, and is anticipated to provide further, substantial time, expertise and effort prior to completion of the Company's IPO and, most notably, was instrumental in procuring and negotiating the acquisition of the Company's interest in the Dundas Project vended by FMG Resources Pty Ltd.

Following completion of the IPO, Karen will play an important role in providing guidance on exploration activities and geological matters concerning the Company's Projects in her capacity as a non-executive director;

- (C) **(Craig Sharpe)**: Craig Sharpe in his capacity as non-executive Director has provided the Company, and is anticipated to provide further, substantial time, expertise and effort prior to completion of the Company's IPO and, most notably, procured candidates for management positions in the Company.

Following completion of the IPO, Craig will play an important role in the strategic direction and management of the Company in his capacity as a non-executive director;

- (D) **(Peter McNeil)**: Peter McNeil, in his capacity as non-executive chairperson, has provided the Company, and is anticipated to provide further, time, expertise and effort prior to the completion of the Company's IPO.

Following completion of the IPO, Peter will play an important role in the strategic direction and management of the Company, and will provide leadership at Board level, in his capacity as non-executive Chairman of the Board; and

- (E) **(Alexander Biggs)**: Alexander Biggs, in his capacity as CEO, has provided, and is anticipated to provide further, time, expertise and effort prior to the Company's IPO, and most notably, project manage and lead the Company's IPO and roadshow presentations.

Following completion of the IPO, Alexander will play an important role in leading and managing the business of the Company, its exploration activities and corporate matters, in his capacity as CEO of the Company.

- (e) The Company's Directors and CEO (either directly or through parties or entities associated with them) **(KMP)** will play a significant role in the future prospects of the Company and whether the respective performance milestone conditions of the Performance Rights (as stated in section 4.3.2.1 of the Original Prospectus) will be met. In this regard:
- (i) the KMP will provide their expertise and experience to satisfactorily carry out their respective office, uphold responsible and good governance of the Company, be invested in the management of the Company and comply with the ASX Listing Rules which will enable the Company to maintain its listing on ASX following completion of the IPO;

- (ii) the KMP will therefore play a significant role in whether the Company will be admitted to the Official List of ASX for at least 12 months (i.e. the first arm of the performance milestone conditions of the Performance Rights); and
 - (iii) the trading price of the Shares post Official Quotation on ASX is generally considered to be reflective of the Company's financial performance and prospects. To that end, the KMP will play a significant role in the Company achieving a 20-day VWAP of at least 25% greater than the Company's Share price on Official Quotation, being \$0.20 (i.e. the second arm of the performance milestone conditions of the Performance Rights); and
 - (iv) if the KMP ceases to be an employee or director of the Company in circumstances where the cessation or termination arises from voluntary resignation or due to breach of agreement or misconduct, then *unvested* Performance Rights shall lapse and be forfeited, unless the Board otherwise decides in its discretion; hence, the KMP is rewarded for their ongoing commitment to the Company whilst the performance milestones remain outstanding.
- (f) The Company provides the following disclosures with respect to the existing total remuneration package of each Director and the CEO, and the securities in the Company held by that Director or the CEO (or any of their associates):
- (i) **(Francesco Cannavo)** The details of Francesco Cannavo's existing total remuneration package with the Company is disclosed at section 10.6(d) of the Original Prospectus. In addition to the Performance Rights granted and Options issued to Francesco Cannavo pursuant to his Director's Service Agreement, Francesco Cannavo also holds via his associates:
 - (A) 3,000,000 Shares (issued at \$0.001 per Share); and
 - (B) 100,000 Shares (issued at \$0.10 per Share);
 - (ii) **(Karen Lloyd)** The details of Karen Lloyd's existing total remuneration package with the Company is disclosed at section 10.6(b) of the Original Prospectus. Other than the Performance Rights granted and Options issued to Karen Lloyd pursuant to her Director's Service Agreement, Karen Lloyd does not hold any other securities in the Company whether personally or via her associates;
 - (iii) **(Craig Sharpe)** The details of Craig Sharpe's existing total remuneration package with the Company is disclosed at section 10.6(c) of the Original Prospectus. In addition to the Performance Rights granted and Options issued to Craig Sharpe pursuant to his Director's Service Agreement, Craig Sharpe holds via his associates 750,000 Shares (issued at \$0.10 per Share);
 - (iv) **(Peter McNeil)** The details of Peter McNeil's existing total remuneration package with the Company is disclosed at section 10.6(a) of the Original Prospectus. Other than the Performance Rights granted and Options issued to Peter McNeil pursuant to his Director's Service Agreement, Peter McNeil does not hold any other securities in the Company whether personally or via his associates;
 - (v) **(Alexander Biggs)** The details of Alexander Biggs' existing total remuneration package with the Company is disclosed at section 10.5 of the Original Prospectus. Other than the Performance Rights granted and Options issued to Alexander Biggs pursuant to his Executive Employment Agreement, Alexander Biggs does not hold any other securities in the Company whether personally or via his associates;

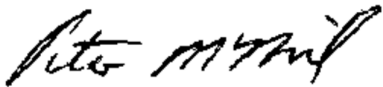
5. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Original Prospectus have not withdrawn that consent.

6. DIRECTORS' AUTHORISATION

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

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



Peter McNeil
Non-Executive Chairman
For and on behalf of the Company

Dated: 31 October 2022