

IRIS METALS LIMITED
ACN 646 787 135
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 18 April 2023 (**Prospectus**) issued by IRIS Metals Limited (ACN 646 787 135) (**Company**).

This Supplementary Prospectus is dated 2 June 2023 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus in hard copy or as an electronic copy and may be accessed on the Company's website at www.irismetals.com

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

1. BACKGROUND

1.1 Timetable

The Company was required to extend the offer period to allow significant investors who expressed interest in participating in the Offer sufficient time to arrange settlement of funds and to satisfy ASX re-admission conditions.

The Company resolved to extend the proposed timetable for the Offers on this basis and has prepared this Supplementary Prospectus to provide investors with information in respect to the extension of the proposed timetable.

1.2 Use of funds

By this Supplementary Prospectus, the Company also makes the amendments to the Prospectus as set out in Section 2 by updating the use of funds in the Prospectus. The amendments to the Prospectus outlined in Section 2 below should be read in conjunction with the Prospectus.

The Company does not consider the information contained in this Supplementary Prospectus to be materially adverse to investors.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Proposed Timetable

The Indicative Timetable in Section 2 is deleted and replaced with the following:

Event	Date
Notice of Meeting for the Proposed Acquisitions sent to Shareholders	5 April 2023
Lodgement of the Prospectus with ASIC	18 April 2023
Opening date of the Priority Offer and General Offer	19 April 2023
Closing date of the Priority Offer	5 May 2023
Shareholder Meeting to approve the Proposed Acquisitions	5 May 2023
Closing date of the General Offer and Secondary Offers	7 June 2023
Completion of Proposed Acquisitions and the Public Offer	13 June 2023
Expected re-quotations on the ASX (subject to the Company re-complying with Chapters 1 & 2 of the Listing Rules)	16 June 2023

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are AEST. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Public Offer at any time before the issue of Shares to applicants.
2. The above stated date for Completion of the Proposed Acquisitions is a good faith estimate by the Directors and may be extended.
3. If the Public Offer is cancelled or withdrawn before completion of the Public Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Public Offer opens.

2.2 Use of funds

Section 5.8 of the Prospectus is deleted and replaced with the following:

To assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and to support its strategy post-completion of the Proposed Acquisitions, the Company intends, subject to Shareholder approval, to conduct the Public Offer.

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following re-admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$) (\$12,000,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$15,000,000)	Percentage of Funds (%)
Existing cash reserves ¹	201,427	2%	201,427	1%
Funds raised from the Public Offer	12,000,000	98%	15,000,000	99%

Funds available	Minimum Subscription (\$) (\$12,000,000)	Percentage of Funds (%)	Maximum Subscription (\$) (\$15,000,000)	Percentage of Funds (%)
Total	12,201,427	100%	15,201,427	100%
Allocation of funds				
Expenditure on South Dakota Project ²				
Drilling	3,999,828	32.8%	3,999,828	26.3%
Roads, Access and Rehabilitation (Equipment & People)	210,508	1.7%	210,508	1.4%
Geological consultants	354,150	2.9%	354,150	2.3%
Assaying	297,098	2.4%	297,098	2.0%
Consultants (Resource, Metallurgical, Mine Engineering and Other)	345,151	2.8%	345,151	2.3%
Light Vehicles, consumables and other	193,077	1.6%	193,077	1.3%
Mapping and Field Work	118,050	1.0%	118,050	0.8%
Annual License Fees ³	1,305,969	10.7%	1,305,969	8.6%
Subtotal	6,823,830	55.9%	6,823,830	44.9%
Expenditure on Existing Projects ⁴				
Kookynie Project	445,991	3.66%	445,991	2.93%
Expenditure on Leonora Project	414,073	3.39%	414,073	2.72%
Expenditure on Patterson Province Project	138,518	1.14%	138,518	0.91%
Subtotal	998,582	8.18%	998,582	6.57%
Other costs				
Re-compliance costs ⁵	1,251,000	10.3%	1,431,000	9.4%
New project identification and acquisitions ⁶	0	0.0%	3,000,000	19.7%
Administrative expenses ⁷	2,922,612	24.0%	2,922,612	19.2%
Working Capital ⁸	205,403	1.7%	25,403	0.2%
Subtotal	4,550,694	36%	7,550,694	50%
Total	12,201,427	100%	15,201,427	100%

Notes:

1. Refer to the announcement dated 31 March 2023 for details of the Initial Raise and application of the funds raised. 2.
2. Refer to Section 5.3 and 5.4 and the Independent Technical Assessment Report in Annexure A for further details with respect to the proposed exploration programs at the Projects.

3. Of the annual license fees, \$75,144 is allocated to the Keystone unadjudicated BLM claims and \$96,535 are allocated to the Tinton unadjudicated BLM claims. To the extent that these claims are not granted, this expenditure will be allocated to exploration on other areas of the South Dakota Project.
4. Kookynie, Leonora and Paterson Province budgets are reflective of minimal expenditure until such further time that a corporate decision is made with respect to the future direction of the said projects.
5. Refer to Section 10.10 for further details.
6. The Company intends to continue to look to add complementary assets to its existing portfolio. Specifically, the company's intention is to acquire additional tenure to increase its claim portfolio (Both BLM and Patent) in the South Dakota (and neighbouring) region, which may be in the form of staking, acquisition and/or joint venture). In the event that there are no new opportunities, this money will instead be used as working capital.
7. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
8. Working capital provides for additional capital to be used for additional exploration following the planned exploration programs or grant of additional tenements applied for by the Company and investment in new mineral exploration projects not yet identified.

In the event the Company raises more than the Minimum Subscription of \$12,000,000 under the Public Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Public Offer and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. As and when further funds are required, either for existing or future developments, the Company will consider raising both additional capital from the issue of Securities and/or from debt funding.

The Current Directors and Proposed Director consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

3. AMENDMENTS TO ANNEXURE A – INDEPENDENT TECHNICAL ASSESSMENT REPORT

Valuation and Resource Management Pty Ltd has amended Section 8 of the Independent Technical Assessment Report at Annexure A of the Prospectus by replacing deleting Table 3 and replacing it with the following:

	Minimum Subscription		Maximum Subscription	
Allocation of funds	Year 1	Year 2	Year 1	Year 2
Expenditure on South Dakota Project				
Drilling	1,999,914	1,999,914	1,999,914	1,999,914

	Minimum Subscription		Maximum Subscription	
Allocation of funds	Year 1	Year 2	Year 1	Year 2
Roads, Access and Rehabilitation (Equipment & People)	105,254	105,254	105,254	105,254
Geological consultants	177,075	177,075	177,075	177,075
Assaying	148,549	148,549	148,549	148,549
Consultants (Resource, Metallurgical, Mine Engineering and Other)	172,575	172,575	172,575	172,575
Light Vehicles, consumables and other	96,539	96,539	96,539	96,539
Mapping and Field Work	59,025	59,025	59,025	59,025
Annual License Fees	652,984	652,984	652,984	652,984
Subtotal	3,411,915	3,411,915	3,411,915	3,411,915
Expenditure on Existing Projects				
Kookynie Project	222,996	222,996	222,996	222,996
Expenditure on Leonora Project	207,037	207,037	207,037	207,037
Expenditure on Patterson Province Project	69,259	69,259	69,259	69,259
Subtotal	499,291	499,291	499,291	499,291
Total	3,911,206	3,911,206	3,911,206	3,911,206

4. CONSENT

The Company confirms that as at the date of this Supplementary Prospectus, each of the advisors that have been named as having consented to being named in the Prospectus (refer to Section 10.9 of the Prospectus) have not withdrawn their consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

Valuation and Resource Management Pty Ltd has given its written consent to being named as Independent Technical Expert in this Supplementary Prospectus, the inclusion of the amendment to the Independent Technical Assessment Report in Annexure A of the Prospectus in the form and context in which the report is included.

5. 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 the ASIC.