

RED MOUNTAIN MINING LTD

ACN 119 568 106

ENTITLEMENT ISSUE PROSPECTUS

This Prospectus contains the offer of a pro-rata non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per Share together with one (1) free New Option for every two (2) Shares applied for and issued to raise up to approximately \$891,192 (based on the number of Shares on issue as at the Record Date) (**Offer**).

This Offer is partially underwritten by Still Capital Pty Ltd (ACN 647 521 604) (AFSL 519872) (**Underwriter**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 26 March 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

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

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

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

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

Continuous disclosure obligations

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

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

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

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.redmountainmining.com.au). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6559 1792 during office hours or by emailing the Company at mp@miradorcorporate.com.

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

Company Website

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

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

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

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

Definitions and Time

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

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

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

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office,

authorised securities brokers, print service providers, mail houses and the share registry.

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 8 6559 1792.

CORPORATE DIRECTORY

Directors

Troy Flannery
Non-Executive Chairman

Lincoln Ho
Non-Executive Director

Robert Parton
Non-Executive Director

Company Secretary

Mauro Piccini

Registered Office

Suite 11, Level 2
23 Railway Road
SUBIACO WA 6008

Telephone: +61 8 6559 1792
Email: mp@miradorcorporate.com
Website: www.redmountainmining.com.au

Auditor

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Share Registry*

Automic
Level 5
126 Phillip Street
SYDNEY NSW 2000

Telephone: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)

Website: www.automicgroup.com.au/

Legal Advisers

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

Lead Manager

Xcel Capital Pty Ltd (ACN 617 047 319)
Suite 1
38 Colin Street
WEST PERTH WA 6005

Underwriter

Still Capital Pty Ltd (ACN 647 521 604)
AFSL 519872
10 Direction Way
NORTH FREMANTLE WA 6012

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Announcement of Offer and lodgement of Appendix 3B with ASX	Friday, 22 March 2024
Lodgement of Prospectus with ASIC and ASX and lodgement of updated Appendix 3B with ASX	Tuesday, 26 March 2024
Ex date	Friday, 5 April 2024
Record Date for determining Entitlements	Monday, 8 April 2024
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Thursday, 11 April 2024
Last day to extend the Closing Date	Wednesday, 17 April 2024
Closing Date as at 5:00pm*	Monday, 22 April 2024
Securities quoted on a deferred settlement basis	Tuesday, 23 April 2024
ASX and Underwriter/Sub-Underwriter notified of under subscriptions	Wednesday, 24 April 2024
Underwriter subscribes for Shortfall under terms of Underwriting /Sub-Underwriting Agreement	Wednesday, 24 April 2024
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities	By no later than Tuesday, 30 April 2024 (before noon Sydney time)
Quotation of Securities issued under the Offer**	Wednesday, 1 May 2024

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

1.2 Key statistics of the Offer

Shares

	Maximum Subscription (\$891,192)²
Offer Price per Share	\$0.001
Entitlement Ratio (based on existing Shares)	1:3
Shares currently on issue	2,673,576,037
Shares to be issued under the Offer	891,192,013
Gross proceeds of the issue of Shares	\$891,192
Shares on issue Post-Offer	3,564,768,050

Notes:

1. Assuming the Maximum Subscription of \$891,192 is achieved under the Offer.
2. Refer to Section 4.1 for the terms of the Shares.

Options

	Maximum Subscription (\$891,192) ²
Offer Price per New Option	Nil
Option Entitlement Ratio (based on Shares subscribed for)	1:2
Options currently on issue	374,087,106
New Options to be issued pursuant to the Offer	445,596,007
Options to be issued under the Options Offers	310,000,000
Gross proceeds of the issue of Options	Nil
Options on issue Post-Offer	1,129,683,113

Notes:

1. Assuming the Maximum Subscription of \$891,192 is achieved under the Offer.
2. Refer to Section 4.2 for the terms of the New Options.

1.3 Key Risk Factors

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

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

Risk	Description	Further Information
Potential for significant dilution	Risks relating to the dilutionary impacts of the Offer.	Section 5.2
Mining risk	Risks relating to exploration of mining tenements.	Section 5.3
Going concern	Risks relating to the financial condition of the Company.	Section 5.2
Additional requirements for capital	Risks relating to the future capital requirements of the Company and its ability to obtain suitable funding.	Section 5.2
Environmental Risk	Risks relating to environmental issues.	Section 5.2

1.4 Directors' Interests in Securities

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

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Troy Flannery	12,500,000 ¹	38,750,000 ²	4,166,667	2,083,333	\$4,166.67
Lincoln Ho	12,500,000 ³	33,416,667 ⁴	4,166,667	2,083,333	\$4,166.67
Robert Parton	Nil	6,000,000 ⁵	Nil	Nil	Nil

Notes:

- Indirectly held by Jack Rory Pty Ltd (an entity which Mr Troy Flannery is a director) and Mr Troy Anthony Flannery and Ms Joanne Flannery <Flannery Super Fund A/C> (Mr Troy Flannery is a beneficiary of the super fund).
- Indirectly held by Jack Rory Pty Ltd and Mr Troy Anthony Flannery + Ms Joanne Flannery <Flannery Super Fund A/C> comprising:
 - 15,000,000 unquoted options exercisable at \$0.015 on or before 4 February 2025;
 - 2,500,000 unquoted options exercisable at \$0.011 on or before 2 December 2025; and
 - 21,250,000 RMXOK Quoted Options at \$0.008 expiring on or before 14 September 2026.
- Comprising:
 - 4,000,000 Shares held by Saltus Corporate Pty Ltd as trustee for the LLPMH Investment Trust, an entity in which Mr Lincoln Ho is a director of the trustee and beneficiary of the trust; and
 - 8,500,000 Shares directly held by Mr Lincoln Ho.
- Comprising:
 - 5,000,000 unquoted options exercisable at \$0.011 on or before 2 December 2025, held by Saltus Corporate Pty Ltd as trustee for the LLPMH Investment Trust, an entity in which Mr Lincoln Ho is a director of the trustee and beneficiary of the trust;
 - 12,000,000 unquoted options directly held by Mr Lincoln Ho exercisable at \$0.015 on or before 4 February 2025;
 - 166,667 unquoted options directly held by Mr Lincoln Ho exercisable at \$0.011 on or before 2 December 2025; and
 - 16,250,000 RMXOK quoted options directly held by Mr Lincoln Ho exercisable at \$0.008 on or before 14 September 2026.
- Indirectly held by TPG Australasia Pty Ltd, an entity which Mr Parton is a director of, comprising:
 - 3,000,000 unquoted options directly held by Mr Parton exercisable at \$0.015 on or before 4 February 2025; and
 - 3,000,000 RMXOK quoted options directly held by Mr Parton exercisable at \$0.008 on or before 14 September 2026.

The Board recommends all Shareholders take up their Entitlements.

The Directors do not intend to take up their Entitlements under this Prospectus.

1.5 Details of Substantial Holders

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

Shareholder	Shares	%
McNeil Nominees Pty Limited	217,814,839	8.15%
Lithic Lithium LLC	154,358,974	5.77%

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

1.6 Lead Manager

Xcel Capital Pty Ltd (ACN 617 047 319) (**Lead Manager**) has been appointed as the lead manager of the Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4.3 below.

1.7 Underwriting and sub-underwriting

The Offer is partially underwritten by Still Capital Pty Ltd (ACN 647 521 604) (AFSL 519872) (**Underwriter**). Refer to Section 6.4.1 for details of the terms of the underwriting.

Subject to completion of the Offer, the Company agrees to issue the Underwriter (or their nominee/s) (1) New Option for every three (3) Shares subscribed for by the Underwriter pursuant to its underwriting obligations, to be issued under the Options Offer. Refer to Section 2.2 for further details of the Options Offer. The New Options to be issued to the Underwriter under the Options Offer will be issued pursuant to the Company's Listing Rule 7.1 placement capacity.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall Securities. The Underwriter is responsible for any fees payable, and securities to be issued, to any sub-underwriters or other parties involved in the Offer and introduced by the Underwriter or the Company.

Under the sub-underwriting agreements, the Underwriter has agreed to:

- (a) pay through to each sub-underwriter a fee ranging between 3% - 4% (as set out in the relevant sub-underwriting agreement) (plus GST) of the amount subscribed for by each sub-underwriter; and
- (b) issue each sub-underwriter one (1) New Option for every (3) Shares subscribed for by each sub-underwriter.

No sub-underwriter will increase their shareholding to above 19.99% as a direct result of the issue of Securities under the Offer. Where Shares are issued pursuant to the exercise of New Options, the voting power of the sub-underwriters who exercise their New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

Refer to Section 6.4.2 for further detail of the sub-underwriting agreements.

1.8 Effect on Control

The Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

In accordance with the terms of the Underwriting Agreement, the Underwriter will allocate the Shortfall to its sub-underwriters and/or clients and people who have otherwise agreed to assist with the completion of the Offer such that neither the Underwriter, the sub-underwriters nor any of the Underwriter's clients, individually, will have a voting power in the Company in excess of 19.9% after the issue of the Shortfall.

The Company, in consultation with the Underwriter, will ensure that the Offer (including the equitable dispersion of any Shortfall Securities) complies with the provisions of Chapter 6 of the *Corporations Act 2001* (Cth) and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.9 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 42% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

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

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	0.37%	3,333,333	10,000,000	0.28%
Shareholder 2	5,000,000	0.19%	1,666,667	5,000,000	0.14%
Shareholder 3	1,500,000	0.06%	500,000	1,500,000	0.04%
Shareholder 4	400,000	0.01%	133,333	400,000	0.01%
Shareholder 5	50,000	0.00%	16,667	50,000	0.00%
Total	2,673,576,037		891,192,013		3,564,768,050

Notes:

1. This is based on a share capital of 2,673,576,037 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued through the exercise of Options.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the

Underwriting and 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.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.001 per Share together with one New Option for every two Shares subscribed for and issued. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 891,192,013 Shares and 445,596,007 New Options may be issued under the Offer to raise up to \$891,192. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 374,087,106 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.002 on or before the date that is three (3) years from the date of issue and otherwise on the terms set out in Section 4.2.

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

2.2 Options Offer

The Prospectus includes the offer of an aggregate of 310,000,000 New Options to selected applicants (**Options Offer**). The Options Offer will comprise of:

- (a) up to 250,000,000 New Options on the basis of one (1) Option for every three (3) Shares underwritten by the Underwriter and sub-underwriter, pursuant to the terms of the Underwriting Agreement; and
- (b) an aggregate of 60,000,000 New Options to the Lead Manager (or its nominees), in part consideration for lead manager services provided in relation to the Offer.

Only parties notified by the Company or the Underwriter should apply for Options under the Options Offer.

The Options offered under the Options Offer will be issued on the terms and conditions set out in Section 4.2. All Shares issued on conversion of the Options will rank equally with the Shares on issue as at the date of this Prospectus.

Further details of the Underwriting Agreement and Lead Manager Mandate are set out in Sections 6.4.1 and 6.4.3.

2.3 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed by you (using your Securityholder Reference Number (SRN) or Holder Identification

Number (HIN) from your latest Holding Statement, and your postcode) by visiting: <https://investor.automic.com.au>. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.4 and Section 2.5.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.4. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.7. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	Sections 2.4, 2.5 and 2.7.
Take up a proportion of your Entitlement and allow the	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised 	Section 2.4 and Section 2.5

Option	Key Considerations	For more information
balance to lapse	Entitlement and Acceptance Form which can be accessed at https://investor.automic.com.au for the number of Securities you wish to take up and making payment using the methods set out in Section 2.4 below. As set out in Section 2.4, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

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

2.4 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

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

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more**

than one of your Shareholdings. This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

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

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through EFT are received by the Closing Date. The Company shall not be responsible for any delay in the receipt of the EFT payment.**

Guidance where you have more than one Unique Reference Number (Shareholding of Shares)

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

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.5 Implications of an acceptance

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

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

2.6 Minimum subscription

There is no minimum subscription.

2.7 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.001 being the price at which Shares have been offered under the Offer.

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

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by making payment for such Shortfall Securities in accordance with Section 2.4

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriter and will otherwise be subject to the terms of the Underwriting Agreement, details of which are set out in Section 6.4.1. If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Securities by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Securities applied for under the Shortfall Offer.

The Underwriter notes that no Securities will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Securities will be issued via the Shortfall Offer to any related parties of the Company.

2.8 ASX listing

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

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 1.1.

If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, then those Options will still be issued, however, will not be quoted on ASX.

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

2.9 Issue of Securities

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

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

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

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

2.10 Overseas shareholders

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

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

New Zealand

The Securities 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 transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

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. This document 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.

Nominees and custodians

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

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to \$891,192 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Exploration of the Company's farm-in of Liontown Resources (LTR) Monjebup Rare Earth Project	350,000	39%
2.	Exploration of the Company's existing asset portfolio	250,000	28%
3.	Review of potential new ventures	50,000	6%
4.	Working capital	130,208	15%
5.	Expenses of the Offer ¹	110,984	12%
	Total	891,192	100%

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

If only the Underwritten Amount (\$750,000) is raised under the Offer, then the expenses of the Offer are not expected to change. However, the Company will reduce the amount of funds allocated to items 1 to 4 in the table above by the amount of the difference between the amount raised and the Underwritten Amount.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. In this event (and after accounting for associated Offer costs) it is likely that the Company will appropriately scale back funds available for exploration of the Company's farm-in of Liontown Resources (LTR) Monjebup Rare Earth Project (Item 1), exploration of the Company's existing asset portfolio (Item 2), review of potential new ventures (Item 3) and working capital (Item 4).

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

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

3.2 Effect of the Offer

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

- (a) increase the cash reserves by \$891,192 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 2,673,576,037 as at the date of this Prospectus to 3,564,768,050 Shares; and
- (c) increase the number of Options on issue from 374,087,106 as at the date of this Prospectus to 1,129,683,113 Options.

3.3 Effect on capital structure

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

Shares

	Number
Shares currently on issue	2,673,576,037
Shares offered pursuant to the Offer	891,192,013
Total Shares on issue after completion of the Offer	3,564,768,050

Options

	Number
Options currently on issue	
Listed Options exercisable at \$0.008 on or before 14 September 2026	248,862,500
Unquoted Options exercisable at \$0.011 on or before 2 December 2023	65,224,606
Unquoted Options exercisable at \$0.015 on or before 4 February 2025	60,000,000
Total Options on issue as at the date of this Prospectus	374,087,106
New Options to be issued pursuant to the Offer	445,596,007
Options to be issued under the Options Offer	310,000,000 ¹
Total Options on issue after completion of the Offer	1,129,683,113

Notes:

1. Refer to Section 2.2 for further details of the Options Offer.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 3,047,663,143 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise or

conversion of other Securities on issue prior to the Record Date) would be 4,694,451,163 Shares.

3.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2023 and the unaudited pro-forma balance sheet as at 25 March 2024 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Reviewed 31-Dec-23	Adjustments	Proforma Adjustments	Total Pro Forma After Issue
	\$	\$	\$	\$
Current Assets				
Cash and cash equivalents	613,397	(194,000)	779,680	1,199,077
Trade and other receivables	109,513	-	-	109,513
Other financial assets	51,348	-	-	51,348
Total current assets	774,258	(194,000)	779,680	1,359,938
Non-current assets				
Financial assets at fair value through profit or loss	15,300	-	-	15,300
Right of use asset	148,092	-	-	148,092
Exploration and evaluation expenditure	3,130,049	-	-	3,130,049
Total non-current assets	3,293,441	-	-	3,293,441
Total assets	4,067,699	(194,000)	779,680	4,653,379
Current liabilities				
Trade and other	149,980	-	-	149,980

	Reviewed 31-Dec-23	Adjustments	Proforma Adjustments	Total Pro Forma After Issue
	\$	\$	\$	\$
payables				
Lease Liability	86,516	-	-	86,516
Total current liabilities	236,496	-	-	236,496
Non current liabilities				
Lease liability	70,101	-	-	70,101
Total non-current liabilities	70,101	-	-	70,101
Total liabilities	306,597	-	-	306,597
Net assets (liabilities)	3,761,102	(194,000)	779,680	4,346,782
Equity				
Contributed equity	51,411,875	-	385,602	51,797,477
Reserves	11,815,845	-	394,078	12,209,923
Accumulated losses	(59,466,618)	(194,000)	-	(59,660,618)
Total equity	3,761,102	(194,000)	779,680	4,346,782

Notes:

1. A pro-rata non-renounceable entitlement issue of one (1) New Share for every three (3) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.001 per New Share to raise up to \$891,192 (before costs).
2. Expenses of the offer of \$110,984.
3. Issue of 60,000,000 New Options (exercisable at \$0.002 and expiring three (3) years from the date of issue) to the Lead Manager with a valuation of \$76,161.
4. Issue of 250,000,000 New Options (exercisable at \$0.002 and expiring three (3) years from the date of issue) to the Underwriter with a valuation of \$317,917.
5. Cash outflows in the ordinary course of business post-31 December 2023 of \$194,000.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings). to the extent permitted under the Corporations Act, Listing Rules and applicable law.

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

(b) Voting rights

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

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

(c) Dividend rights

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

paid and payable (excluding amounts credited) in respect of such Shares.

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.002 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is three (3) years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

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

5. RISK FACTORS

5.1 Introduction

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

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

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

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

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

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

5.2 Company specific

Risk Category	Risk
Potential dilution for	<p>In addition to potential control impacts set out in Section 1.8, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 42.23% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such</p>

Risk Category	Risk
	<p>matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.002 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> <p>The last trading price of Listed Options on ASX prior to the Prospectus being lodged of \$0.001 is not a reliable indicator as to the potential trading price of Listed Options after implementation of the Offer.</p>
Control risk	<p>McNeil Nominees Pty Limited and Lithic Lithium LLC are currently the largest Shareholders of the Company and have a relevant interest in approximately 8.15% and 5.77% of the Shares in the Company, respectively.</p> <p>Assuming McNeil Nominees Pty Limited takes up its full Entitlement and no other Shareholders accept their entitlements, McNeil Nominees Pty Limited's voting power in the Company could be as high as 8.31%.</p> <p>Assuming Lithic Lithium LLC takes up its full Entitlement and no other Shareholders accept their entitlements, Lithic Lithium LLC's voting power in the Company could be as high as 5.92%.</p> <p>McNeil Nominees Pty Limited and Lithic Lithium's significant interest in the capital of the Company means that they are in a position to potentially influence the financial decisions of the Company, and their interests may not align with those of all other Shareholders.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Going Concern	<p>The Company's 31 December 223 Half Year Financial Report released on the ASX on 13 March 2024 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the 'going concern' included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working</p>

Risk Category	Risk
	<p>capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
New projects and acquisitions and joint ventures	<p>The Company will continue to actively pursue and assess, other new business opportunities particularly those in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.</p> <p>If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available).</p> <p>Furthermore, any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involves a new commodity and/or changes the Company's capital/funding requirements.</p> <p>Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.</p>
Joint venture risk	<p>The Company is currently and may in the future become a party to joint venture agreements governing the exploration and development of its projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. This may have an adverse effect on the interests and prospects of the Company.</p> <p>There can be no certainty that the parties will be able to settle the formal documentation in respect thereof. Failure to settle the terms of the formal documentation may result in termination of the joint venture and/or a potential dispute resolution process.</p>
Environmental risk	<p>The Company's projects are subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Company's projects are expected to have a variety of environmental impacts should development proceed. Development of any of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.</p> <p>The Company intends to conduct its activities in an</p>

Risk Category	Risk
	<p>environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.</p>
Environmental Regulation	<p>The Company's operations are subject to national and international laws and regulations due to those operations involving environmentally hazardous activities. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted.</p> <p>Significant liability could be imposed on the Company for environmental damage caused by the Company or previous owners of the projects' tenements, including damages, clean-up costs and penalties for non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. No assurance can however be given that environmental damage will not occur from time to time through the Company's operations.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will 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 (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate

Risk Category	Risk
	patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
Related Party Risk	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties including suppliers, manufacturers and customers. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>

5.3 Industry specific

Risk Category	Risk
Commodity price volatility	Should the Company enter production, substantially all of the Company's revenues and cash flows will be derived from the sale of heavy rare earth elements and copper and gold concentrates. Therefore, the financial performance of the Company would be exposed to fluctuations in the price of these commodities. Historically, the price of these commodities has fluctuated widely and has experienced periods of significant decline. The price of these commodities is affected by numerous factors and events that are beyond the control of the Company. These factors and events include general economic activity, world demand, forward selling activity as well as general global economic conditions and political trends.
Mining risk	Mining is subject to inherent risks and is dependent upon a number of conditions beyond the control of the Company that can affect the costs and production schedules at particular mines. These risks and conditions include, but are not limited to:

Risk Category	Risk
	<p>(a) variations in geological conditions, such as the grade and thickness of the mineralisation and variations in rock and other natural materials overlying the mineral deposit;</p> <p>(b) mining, process and equipment or mechanical failures and unexpected maintenance problems;</p> <p>(c) adverse weather and natural disasters, such as heavy rains, flooding and other natural events affecting the operations, transportation or customers;</p> <p>(d) environmental hazards, such as subsidence and excess water ingress;</p> <p>(e) delays and difficulties in acquiring, maintaining or renewing necessary permits or mining rights;</p> <p>(f) availability of adequate skilled employees and other labor relations matters;</p> <p>(g) unexpected mine accidents, including rock-falls and explosions caused by natural gas or other explosive sources at our mine sites or fires caused by similar mining accidents; and</p> <p>(h) competition and/or conflicts with other natural resource extraction activities and production within our operating areas.</p> <p>These risks and conditions could result in damage to or the destruction of the Company mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and legal liability. The Company's insurance coverage may not be available or sufficient to fully cover claims that may arise from these risks and conditions.</p>

5.4 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <p>(a) general economic outlook;</p> <p>(b) introduction of tax reform or other new legislation;</p> <p>(c) interest rates and inflation rates;</p>

Risk Category	Risk
	<p>(d) changes in investor sentiment toward particular market sectors;</p> <p>(e) the demand for, and supply of, capital; and</p> <p>(f) terrorism or other hostilities.</p> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	<p>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.</p>
Dividends	<p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
Economic conditions and other global or	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates,</p>

Risk Category	Risk
national issues	<p>national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
Unforeseen expenditure risk	<p>Expenditure may need to be incurred that 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 incurred, this may adversely affect the expenditure proposals of the Company.</p>
Insurance	<p>The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.</p>
Global Conflicts	<p>The current evolving conflict between Ukraine and Russia and Israel and Palestine (Ukraine and Gaza Conflicts) is impacting global economic markets. The nature and extent of the effect of the Ukraine and Gaza Conflicts on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine and Gaza Conflicts.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine and Gaza Conflicts, including limitations on travel and changes to import/export restrictions and arrangements involving the relevant countries may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The Company is monitoring the situation closely and considers the impact of the Ukraine and Gaza Conflicts on the Company's business and financial performance to, at this stage, be limited. However, the situation is</p>

Risk Category	Risk
	continually evolving, and the consequences are therefore inevitably uncertain.

5.5 Speculative investment

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

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

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

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

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

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

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

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

Date	Description of Announcement
25 March 2024	Update – Proposed issue of securities – RMX
25 March 2024	Update – Proposed issue of securities – RMX
25 March 2024	Non-Renounceable Entitlement Offer Underwriting

Date	Description of Announcement
	Increase
22 March 2024	Proposed issue of securities – RMX
22 March 2024	Proposed issue of securities – RMX
22 March 2024	Non-Renounceable Entitlement Offer to Raise \$891,192
21 March 2024	Trading Halt
13 March 2024	Half Yearly Report and Accounts
12 February 2024	Ionic Clay REE Targeted At Monjebup
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
15 January 2024	Multiple Zones of Anomalous REE Revealed at Monjebup
15 November 2023	Successful Phase II Lithium Assay Results at Mustang
13 November 2023	Investor Presentation November 2023
8 November 2023	Results of Meeting
26 October 2023	Preliminary Sampling Completed at Magante Lithium Project
23 October 2023	Completion of Phase II Drilling at Mustang Lithium Project
20 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
9 October 2023	Red Mountain Secures Footprint Near Surge Lithium Discovery
6 October 2023	Letter to Shareholders
6 October 2023	Notice of Annual General Meeting/Proxy Form
4 October 2023	Mustang drilling set to commence
29 September 2023	Change of Director's Interest Notice (X3)
29 September 2023	Application for quotation of securities - RMX
29 September 2023	Application for quotation of securities - RMX
29 September 2023	RMXOK Top 20
29 September 2023	RMXOK Distribution Schedule
28 September 2023	Annual Report to shareholders

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

The announcements are also available through the Company's website www.redmountainmining.com.au.

6.3 Market price of Shares and New Options

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

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

	(\$)	Date
Highest	\$0.004	27 December 2023 and 11 January 2024
Lowest	\$0.001	25 March 2024
Last	\$0.002	25 March 2024

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

	(\$)	Date
Highest	\$0.001	25 March 2024
Lowest	\$0.001	25 March 2024
Last	\$0.001	25 March 2024

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with Still Capital Pty Ltd (ACN 647 521 604) (AFSL 519872) (**Underwriter** or **Still Capital**), pursuant to which Still Capital has agreed to underwrite the Offer up to a value of \$750,000 (the **Underwritten Amount**) being approximately 84.16% of the funds to be raised under the Offer (and equal to 750,000,000 Shares and 375,000,000 Options) (**Underwritten Securities**).

The Underwriter is responsible for any fees payable, and securities to be issued, to any sub-underwriters or other parties involved in the Offer and introduced by the Underwriter or the Company.

The Underwriter has appointed sub-underwriters to sub-underwrite the Offer as set out in Section 6.4.2 below. The appointment of any sub-underwriter and the allocation of any Underwritten Securities is at the sole discretion of the Underwriter.

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

Fees	The Company agrees to: (a) pay the Underwriter an underwriting fee of 6% (plus GST) of the Underwritten Amount (totaling approximately \$45,000 (plus GST)) which is to be paid in cash at the time the last of Shortfall
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	Securities are issued; and
	(b) issue the Underwriter one (1) New Option for every three (3) Shares underwritten, representing 250,000,000 New Options.
Termination Events	<p>The Underwriter may terminate the Underwriting Agreement if any of the following events occur prior to the Closing Date:</p> <p>(a) Offer Prospectus: any of the following events occurs in relation to the Offer:</p> <ul style="list-style-type: none"> (i) it is not lodged with the ASIC by the 26 March 2024 (or such later date as agreed by the parties); or (ii) the ASIC makes an order under section 739 of the Corporations Act and such order is not lifted within 30 days; <p>(b) ASX listing: ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;</p> <p>(c) Index changes: the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;</p> <p>(d) Share price fall: the share price of the Company's shares, as quoted on ASX, closes at 10% or more below \$0.001 on any 2 consecutive trading days before the 24 April 2024;</p> <p>(e) Return of capital or financial assistance: the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;</p> <p>(f) Default: the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement (in any material respect);</p> <p>(g) Event of Insolvency: an event of insolvency occurs in respect of it or a Related Body Corporate;</p> <p>(h) Prescribed Occurrence: a prescribed occurrence occurs when:</p> <ul style="list-style-type: none"> (i) the Company or a Related Body Corporate converting all or any of its

- shares into a larger or smaller number of shares;
 - (ii) the Company or a Related Body Corporate resolving to reduce its share capital in any way;
 - (iii) the Company or a Related Body Corporate:
 - A. entering into a buy back agreement or;
 - B. resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
 - (iv) the Company or a Related Body Corporate resolving that it be wound up;
 - (v) the appointment of a liquidator or provisional liquidator to the Company or a Related Body Corporate;
 - (vi) the making of an order by a court for the winding up of the Company or a Related Body Corporate;
 - (vii) an administrator of the Company or a Related Body Corporate, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (viii) the Company or a Related Body Corporate executing a deed of company arrangement; or
 - (ix) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a Related Body Corporate,
- other than as disclosed in the Prospectus;
- (i) **Suspension of debt payments:** the Company suspends payment of its debts generally;
 - (j) **Change in shareholdings:** a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company and is recommended for approval by a majority of independent directors of the Company;
 - (k) **Due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
 - (l) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the

assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate);

(m) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;

(n) **Extended Force Majeure:** a force majeure which prevents or delays an obligation under this Letter Agreement, lasting in excess of 2 weeks occurs;

(o) **Indictable offence:** a director of the Company or any Related Body Corporate is charged with an indictable offence;

(p) **Banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility; or

(q) **Supplementary Prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter,

(together, the **Underwriting Termination Events**).

The Company may terminate the Underwriting Agreement prior to the Underwriter's application for Shortfall Shares, by giving written notice to the Underwriter if any of the following events occur:

(a) **Default:** default by the Underwriter under Underwriting Agreement that is not remedied within five (5) Business Days after written notice by the Company; or

(b) **Incorrect or untrue representation:** any representation, warranty or undertaking given by the Underwriter in the Underwriting Agreement is or becomes untrue or incorrect.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.4.2 Sub-Underwriting Agreements

The Underwriter has entered into sub-underwriting agreements with various parties (together, the **Sub-Underwriters**), pursuant to which the Sub-Underwriters have collectively agreed to sub-underwrite the Offer.

Each Sub-Underwriter has agreed to sub-underwrite the Offer (**Sub-Underwriting Agreements**) on the following material terms:

Fees	<p>The Underwriter agrees to:</p> <ul style="list-style-type: none">(a) pay the Sub-Underwriter an underwriting fee ranging between 3% - 4% (as set out in the relevant sub-underwriting agreement) (plus GST) of the sub-underwriting commitment; and(b) issue the Sub-Underwriter one (1) New Option for every three (3) Shares sub-underwritten, out of the New Options to be issued to the Underwriter (under the Options Offer).
Termination event	<p>Sub-underwriters may terminate their Sub-Underwriting Agreement by giving written notice to the Company if any of the following events occur prior to the Closing Date:</p> <ul style="list-style-type: none">(a) Offer Prospectus: any of the following events occurs in relation to the Offer:<ul style="list-style-type: none">(i) it is not lodged with the ASIC by the 26 March 2024 (or such later date as agreed by the parties); or(ii) the ASIC makes an order under section 739 of the Corporations Act and such order is not lifted within 30 days;(b) ASX listing: ASX does not give approval for the Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;(c) Index changes: the All Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Sub-Underwriting Agreement is 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Sub-Underwriting Agreement;(d) Share price fall: the share price of the Company's shares, as quoted on ASX, closes at 10% or more below \$0.001 on any 2 consecutive trading days before the 24 April 2024;(e) Return of capital or financial assistance: the Company or a Related Body Corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriter;

- (f) **Default:** the Company is in material default of any of the terms and conditions of the Sub-Underwriting Agreement or breaches any warranty or covenant given or made by it under the Sub-Underwriting Agreement (in any material respect);
- (g) **Event of Insolvency:** an event of insolvency occurs in respect of it or a Related Body Corporate;
- (h) **Prescribed Occurrence:** a prescribed occurrence occurs when:
 - (i) the Company or a Related Body Corporate converting all or any of its shares into a larger or smaller number of shares;
 - (ii) the Company or a Related Body Corporate resolving to reduce its share capital in any way;
 - (iii) the Company or a Related Body Corporate:
 - A. entering into a buy back agreement or;
 - B. resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
 - (iv) the Company or a Related Body Corporate resolving that it be wound up;
 - (v) the appointment of a liquidator or provisional liquidator to the Company or a Related Body Corporate;
 - (vi) the making of an order by a court for the winding up of the Company or a Related Body Corporate;
 - (vii) an administrator of the Company or a Related Body Corporate, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - (viii) the Company or a Related Body Corporate executing a deed of company arrangement; or
 - (ix) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of the Company or a Related Body Corporate,

other than as disclosed in the Prospectus;
- (i) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (j) **Change in shareholdings:** a takeover offer or scheme of arrangement pursuant to Chapter 5 or

6 of the Corporations Act is publicly announced in relation to the Company and is recommended for approval by a majority of independent directors of the Company;

- (k) **Due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
- (l) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate);
- (m) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;
- (n) **Extended Force Majeure:** a force majeure which prevents or delays an obligation under this Letter Agreement, lasting in excess of 2 weeks occurs;
- (o) **Indictable offence:** a director of the Company or any Related Body Corporate is charged with an indictable offence;
- (p) **Banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility; or
- (q) **Supplementary Prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriter.

The Sub-Underwriting Agreements are otherwise made on terms and conditions considered standard for an agreement of this nature.

6.4.3 Lead Manager Mandate

The Company has signed a mandate letter to engage Xcel Capital to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement, the Company will pay Xcel Capital:</p> <ul style="list-style-type: none">(a) a management fee of \$20,000;(b) 60,000,000 New Options, to be issued pursuant to the Company's Listing Rule 7.1 placement capacity (pursuant to the Options Offer); and(c) any reasonable disbursements and out of pocket expenses, which will be agreed upon between \$3,500 and the Company prior to their incursion.
Termination Events	<p>The Lead Manager may terminate the Lead Manager Mandate at any time upon giving the Company 5 Business Days' notice of its intention to do so, or, if one or more of the following events occur in its sole and absolute opinion (acting reasonably):</p> <ul style="list-style-type: none">(a) the Australian equity capital market conditions and/or ASX trading conditions are such that they are not, in the bona fide reasonable judgement of the Lead Manager, conducive to the successful completion of the mandate or other events beyond the control of the Lead Manager are so material and adverse as to make it impracticable or inadvisable to proceed with the new equity issue on the terms and in the manner contemplated herein;(b) the Company's ordinary fully paid shares finish trading on the ASX under the ASX code of "RMX" for two consecutive days with a closing price that is less than the issue price of the Offer Shares;(c) The All Ordinaries Index (IRESS XAO.ASX) as published by ASX is at any time after the date of the mandate 10% or more below its level as at the close of business on the Business Day prior to the date of execution of the mandate;(d) there is a materially false or materially misleading statement in the material or information supplied to the Lead Manager or included in the presentation materials or a material omission in the material supplied to the Lead Manager or included in the presentation materials;(e) 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 the international financial markets or any material adverse change occurs in national or international political, financial or economic

	<p>conditions, in each case the effect of which is that, it is impracticable to market the new issue or to enforce any contract to issue and allot the new shares or that the success of the new issue is likely to be adversely affected;</p> <p>(f) there is introduced, or there is a public announcement of a proposal to introduce, into the parliament of Australia or any state of Australia, a new law, or the Reserve Bank of Australia, any federal or state authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the mandate), any of which does or is likely to prohibit or regulate financial institutions or credit providers, capital issues or stock markets;</p> <p>(g) ASX gives formal or informal notice that the new shares of the Company will not be admitted to trading on the official list of ASX;</p> <p>(h) ASX announces that the fully paid ordinary shares in the Company will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from trading;</p> <p>(i) default by the Company of any term of the mandate;</p> <p>(j) any of the warranties or representations by the Company in the mandate are or become materially untrue;</p> <p>(k) a director or proposed director of the Company is charged with an indictable offence or any director or proposed director of the Company is disqualified from managing a corporation under the Corporations Act;</p> <p>(l) ASIC issues, or threatens to issue, a proceeding, hearing or investigation in relation to the Offer;</p> <p>(m) any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of its directors in their capacity as a director of the Company or announces that it intends to take such action; and</p> <p>(n) all of the conditions to the mandate have not been, or will not in the Lead Manager's sole and absolute opinion be, satisfied, or waived by the Lead Manager, prior to the Offer closing date or such later date agreed by the Lead Manager in writing.</p>
Right of First Refusal	<p>The Company agrees to offer Xcel Capital the lead role in any further equity capital raisings within 18 months of completion of the Offer, subject to competitive terms in respect of pricing, fees and timing relative to market practices at that time.</p>

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

The Lead Manager has also entered into a Sub-Underwriting Agreement pursuant to which it has agreed to sub-underwrite the Offer up to an amount of \$55,000 (comprising up to 55,000,000 Shares and 27,500,000 New Options) on the terms summarised in Section 6.4.2 above.

6.5 Interests of Directors

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

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

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

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

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or

otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2023 Annual Report.

Director	FY ending 2024	FY ended 2023
Troy Flannery	\$106,560 ⁴	\$101,660 ¹
Lincoln Ho	\$66,600 ⁵	\$66,300 ²
Robert Parton	\$24,000 ³	\$24,000 ³

Notes:

1. Comprising of salary and fees of \$92,000 and superannuation payments of \$9,600.
2. Comprising of salary and fees of \$60,000 and superannuation payments of \$6,300.
3. Comprising of salary and fees of \$24,000.
4. Comprising of salary and fees of \$96,000 and superannuation payments of \$10,560.
5. Comprising of salary and fees of \$60,000 and superannuation payments of \$6,600.

6.6 Interests of experts and advisers

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

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

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

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

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

- (a) the formation or promotion of the Company; or

(b) the Offer.

Still Capital has acted as the underwriter of the Offer and will be paid the fees set out in Section 6.4.1 for those services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Still Capital has not received any fees from the Company for any other services.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$20,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$85,590.50 (excluding GST and disbursements) for legal services provided to the Company.

Xcel Capital has acted as the lead manager to the Offer and will be paid the fees set out in Section 6.4.3 in connection with this Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Xcel Capital has received \$573,860 (excluding GST) in fees from the Company.

6.7 Consents

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

Each of the parties referred to in this Section:

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

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

Still Capital has given its written consent to being named as the underwriter to the Offer in this Prospectus.

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

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$110,984 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	12,306
Lead Manager fee	20,000
Underwriting fee	53,472
Legal fees	20,000
Printing and distribution	1,000
Miscellaneous	1,000
Total	110,984

7. DIRECTORS' AUTHORISATION

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

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

8. GLOSSARY

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

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Company means Red Mountain Mining Ltd (ACN 119 568 106).

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

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

CRN means Customer Reference Number in relation to BPAY®.

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

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

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

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

Exercise Price means the exercise price of the New Options being \$0.002.

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

Lead Manager or **Xcel Capital** means Xcel Capital Pty Ltd (ACN 617 047 319).

Listed Option means a quoted Option in the Company's existing quoted Option class, ASX:RMXOK, exercisable at \$0.008 on or before 14 September 2026.

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

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

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Options Offers has the meaning set out in Section 2.2.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

Securities means Shares and Options as the context requires.

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

Shareholder means a holder of a Share.

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

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

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

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

Underwriter or **Still Capital** means Still Capital Pty Ltd (ACN 647 521 604) (AFSL 519872).

Underwritten Amount means \$750,000.

WST means Western Standard Time as observed in Perth, Western Australia.