

# Cleansing Notice under section 708A(12C)(e) of the Corporations Act

This cleansing notice (**Cleansing Notice**) is given by Jindalee Lithium Limited (ASX:JLL) (**Company**) under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally inserted by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82).

The Company confirms that:

- the convertible notes described below will be issued without disclosure to an investor under Part 6D.2 of the Corporations Act; and
- this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued upon the conversion of the convertible notes issued by the Company on the terms described below (**Convertible Notes**) to be on-sold to retail investors without further disclosure. This Cleansing Notice is important and should be read in its entirety.

## 1. Overview

As announced on 4 July 2024, the Company entered into convertible securities agreements (**Convertible Securities Agreements**) with Mercer Street Global Opportunity Fund II, LP and other funds managed by US-based C/M Capital partners, LP (**Mercer Street**) to raise up to \$12 million in aggregate via the issue of convertible notes.

The first tranche of funding of \$1,500,000 was completed on 12 July 2024 by the issue of 1,650,000 convertible notes (each with a face value of \$1) (**First Convertible Notes**).

The second tranche of funding is subject to and conditional on the Company obtaining the required shareholder approvals by no later than 2 September 2024 (being 60 days after the date of executing the Convertible Securities Agreements), with the requisite approvals having been provided at the Company's extraordinary general meeting held on 21 August 2024 (**General Meeting**). Following receipt of the approvals, the second tranche of funding of \$1,500,000 will be provided to the Company upon satisfaction of the subsequent closing conditions via the issue of 1,650,000 convertible notes (each with a face value of \$1) (**Second Convertible Notes**).

Under the Convertible Securities Agreements, Mercer Street can agree to additional drawdowns of up to a further \$9 million subject to the satisfaction of further closing conditions via the issue of further Convertible Notes to Mercer Street (or its nominee) (each with a face value of \$1), (**Subsequent Convertible Notes**).

The proposed tranches of funding for the First Convertible Notes and Second Convertible Notes are summarised below.

	<b>Mercer Street</b>
<b>First Investment Amount (completed 12 July 2024)</b>	\$1,500,000
<b>First Convertible Notes (completed 12 July 2024)</b>	1,650,000
<b>Second Investment Amount (the subject of this Cleansing Notice)</b>	\$1,500,000
<b>Second Convertible Notes (the subject of this Cleansing Notice)</b>	1,650,000

A summary of the rights, privileges and restrictions attaching to the Second Convertible Notes is included in Schedule 1 to this Cleansing Notice. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Second Convertible Notes.

Pursuant to the Convertible Securities Agreements, the Company must issue the following Shares and options to acquire Shares (**Options**) as partial consideration for the provision of the investment by Mercer Street:

	<b>Mercer Street*</b>
<b>First Commencement Shares</b> <i>Issued on 12 July 2024, upon the issue of the First Convertible Notes</i>	576,738
<b>Subsequent Commencement Shares</b> <i>To be issued upon the issue of the first tranche of Subsequent Convertible Notes (if any)</i>	576,738
<b>First Options</b> <i>Issued on 28 August 2024</i>	2,027,027
<b>Second Options</b> <i>To be issued upon the issue of the Second Convertible Notes</i>	2,027,026
<b>Subsequent Options</b> <i>To be issued upon the issue of any Subsequent Convertible Notes (if any)</i>	Such number of Options as is equal to 50% of the applicable Subsequent Investment Amount, divided by \$0.37

\* Divided between the Mercer Street funds based on the relative participation in the relevant funding tranche.

---

## 2. Contents of this Cleansing Notice

This Cleansing Notice sets out the following:

- (a) in relation to the Second Convertible Notes:
  - (i) the effect of the issue on the Company;
  - (ii) a summary of the rights and liabilities attaching to the Second Convertible Notes; and
  - (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Second Convertible Notes,
- and
- (b) any information that:
  - (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules;
  - (ii) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
    - (B) the rights and liabilities attaching to the Shares; and
  - (iii) other information relating to the Company's status as a disclosing entity.

---

## 3. The effect of the issue on the Company

### 3.1 Effect of the issue on the Company

The principal effect of the issue of the Second Convertible Notes on the Company will be:

- (a) to increase the Company's cash reserves by up to \$1,500,000 (before costs associated with the Second Convertible Notes);
- (b) to increase the number of unquoted convertible notes on issue from 1,650,000 to 3,300,000;
- (c) the issue of the Second Options;
- (d) the Company having a liability for the aggregate face value of the First Convertible Notes and Second Convertible Notes (being \$3,300,000); and
- (e) if the First Convertible Notes and Second Convertible Notes are converted at the lowest possible conversion price (being \$0.20), a maximum increase in the number of Shares on issue to the extent of 16,500,000 Shares.

### 3.2 Pro Forma Consolidated Statement of Financial Position

To illustrate the effect of the issue of the First Convertible Notes and Second Convertible Notes (and associated securities) on the Company, a pro forma Consolidated Statement of Financial Position (**Pro-forma Accounts**) which is set out in Schedule 2, has been prepared based on the financial position of the Company's auditor reviewed accounts for the half-year ended 31 December 2023. The issue of any Subsequent Convertible Notes (and associated securities) has not been included in the Pro-forma Accounts, as any subscriptions for Subsequent Convertible Notes remain subject to further agreement between the parties.

As announced on 4 July 2024, in addition to the Convertible Securities Agreements, the Company undertook a placement of securities raising up to \$595,000 (**Placement**), and as announced on 9 August 2024 completed a pro-rata non-renounceable entitlement offer which raised approximately \$2,494,657 with the shortfall of approximately \$529,853 remaining available to be placed by the Company pursuant to the prospectus dated 10 July 2024 (**Entitlement Offer**). As a matter of completeness, the Pro-forma Accounts also include adjustments reflecting:

- (a) the Placement being completed in full, raising \$595,000 by the issue of 1,983,335 Shares (**Placement Shares**) at an issue price of \$0.30 each and, subject to the receipt of shareholder approval (which was received at the General Meeting):
  - (i) one free-attaching option for every two Placement Shares exercisable at \$0.40 each and an expiry date of 30 June 2025 (**Class A Options**); and
  - (ii) one free-attaching option for every two Placement Shares exercisable at \$0.60 each and an expiry date of 30 June 2027 (**Class B Options**);
- (b) the Entitlement Offer and shortfall raising the maximum amount of \$3,141,954 by the issue of 10,473,180 Shares at an issue price of \$0.30 each (**Entitlement Offer Shares**) and 5,236,590 Class A Options and 5,236,590 Class B Options.

The accounting policies adopted in the preparation of the Pro-forma Accounts are the same as those used in the preparation of the 31 December 2023 reviewed accounts. The historical and Pro-forma Accounts are presented in an abbreviated form, insofar as they don't include all of the disclosures required by Australian Accounting Standards applicable to Half-Year Financial Statements. The Proforma Accounts have not been subject to independent audit or review. The Pro-forma Accounts have been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities on the basis that the issue of the securities described above were issued on 31 December 2023. The Company advises that the Pro-forma Accounts do not show the current financial position of the Company as at the date of this Cleansing Notice, and that the information is provided for illustrative purposes only.

### 3.3 Potential effect on capital structure

- (a) The capital structure of the Company as at the date of this Cleansing Notice is set out below:

Security	Number
Shares	71,154,590
Options <sup>1</sup>	11,427,027
Convertible Notes	1,650,000

- (b) The issue of the Second Convertible Notes will increase the Company's convertible notes on issue from 1,650,000 to 3,300,000.
- (c) In conjunction with the issue of the Second Convertible Notes, the Company is required to issue the 2,027,026 Second Options.
- (d) Subject to limits on the conversion under the Convertible Securities Agreement:

---

<sup>1</sup> Options expiring at various dates and exercisable at various prices.

- (i) the Second Convertible Notes can be converted into Shares (at the relevant conversion price) at any time after their issue and prior to 24 months from the date of issue of the Second Convertible Notes (**Maturity Date**);
  - (ii) if the holder of the Second Convertible Notes (**Holder**) has not notified the Company in writing by 5:00 pm on the day that is 10 business days prior to the Maturity Date that it will be converting the Second Convertible Notes (in whole or in part), to the extent not already converted or repurchased prior to the Maturity Date, the Company must pay in full to the Holder the face value of the remaining Second Convertible Notes within 20 business days of the Maturity Date.
- (e) On the assumptions that the First Convertible Notes and Second Convertible Notes are converted in full at the minimum conversion price of \$0.20, the maximum number of Shares that may be issued on conversion is 16,500,000.

#### 4. Rights and liabilities attaching to Shares issued on conversion of Second Convertible Notes

The Shares issued to the Holders on the conversion of the Second Convertible Notes under the Convertible Note Agreements will rank equally in all respects with all of the Company's existing Shares.

The rights attaching to Shares, including new Shares to be issued to the Holders on the conversion of the Convertible Notes, are set out in the Company's constitution (**Constitution**), and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

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

<b>General meeting and notices</b>	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.  Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.
<b>Ranking of Shares</b>	At the date of this Cleansing Notice, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to the conversion of the Second Convertible Notes will rank equally with existing Shares.
<b>Voting rights</b>	Subject to any rights or restrictions, at general meetings of shareholders or classes of shareholders: <ul style="list-style-type: none"> <li>• every shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;</li> <li>• 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</li> </ul> on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to

	the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.
<b>Dividend rights</b>	<p>Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or 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 is of the total amounts paid and payable in respect of such Shares.</p> <p>No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.</p> <p>The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the shareholders, in the same proportions as the shareholders are entitled to a distribution by dividend.</p>
<b>Variation of rights</b>	If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.
<b>Transfer of Shares</b>	<p>Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.</p> <p>In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.</p>
<b>Future increase in capital</b>	The issue of any Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of securities contained in the 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 and other securities as they shall, in their absolute discretion, determine.
<b>Rights on winding up</b>	If the Company is wound up, the liquidator may with the sanction of 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 the liquidator considers fair on 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.
<b>Alteration of constitution</b>	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.
--	--

## 5. Compliance with disclosure obligations

The Company is a “disclosing entity” under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

Broadly, these obligations require:

- (a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from ASX; and
- (b) the preparation of yearly and half-yearly financial statements and a report of the Company’s operations during the relevant account period, together with an audit or review report prepared by the Company’s auditor.

These documents are lodged with ASIC and ASX. Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. Copies of all documents announced to the ASX can be found at <https://investorhub.jindaleelithium.com/announcements>. The Company will provide free of charge to any person who requests it during normal business hours:

- (a) the Annual Report for the period ending 30 June 2023 lodged with ASX on 30 October 2023 (**Annual Financial Report**);
- (b) the Half Yearly Report for the period ending 31 December 2023 lodged with ASX on 14 March 2024; and
- (c) any continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report with ASX, until the date of this Cleansing Notice.

A list of the continuous disclosure notices given by the Company to ASX after lodgement of the Annual Financial Report and before the lodgement of this Cleansing Notice with ASX is set out in the table below.

Date	Announcement
29/08/2024	Notification regarding unquoted securities - JLL
28/08/2024	Clean Energy Metals Investor Conference Presentation
26/08/2024	JLL to Present at Clean Energy Metals Investor Conference
21/08/2024	Results of Meeting
15/08/2024	Change in substantial holding
12/08/2024	Change of Director's Interest Notice - LD & DW
9/08/2024	Updated Securities Trading Policy
9/08/2024	Withdrawal of Resolution of General Meeting

Date	Announcement
9/08/2024	Amended Distribution Schedule - JLL
9/08/2024	Amended Top 20 - JLL
9/08/2024	Security Class Reinstatement to Quotation
9/08/2024	Distribution Schedule - JLL
9/08/2024	Top 20 Securityholders - JLL
9/08/2024	Distribution Schedule - JLL
9/08/2024	Top 20 Securityholders - JLL
9/08/2024	Application for quotation of securities - JLL
9/08/2024	Results of Entitlement Issue
2/08/2024	Security Class - Suspension from Quotation
31/07/2024	Quarterly Cashflow Report - June 2024
31/07/2024	Quarterly Activities Report - June 2024
31/07/2024	Battery-Grade Lithium Carbonate produced from McDermitt
30/07/2024	Entitlement Issue Closing Friday, 2 August 2024
24/07/2024	Update - Proposed issue of securities - JLL
24/07/2024	Extension of Entitlement Issue
23/07/2024	Letter to Shareholders
23/07/2024	Notice of Extraordinary General Meeting/Proxy Form
18/07/2024	Letter to Ineligible Shareholders
18/07/2024	Despatch of Entitlement Issue Prospectus - Amended Hub Link
18/07/2024	Despatch of Entitlement Issue Prospectus
12/07/2024	Cleansing Notice
12/07/2024	Application for quotation of securities - JLL
12/07/2024	Notification regarding unquoted securities - JLL
10/07/2024	Cleansing Notice
10/07/2024	Update – Proposed issue of securities - JLL
10/07/2024	Cleansing Statement
10/07/2024	Application for quotation of securities – JLL
10/07/2024	Prospectus
5/07/2024	Corporate Presentation
4/07/2024	Investor Briefing Webinar
4/07/2024	Reinstatement to Quotation
4/07/2024	Proposed issue of securities - JLL
4/07/2024	Proposed issue of securities - JLL



Date	Announcement
4/07/2024	Proposed issue of securities - JLL
4/07/2024	Proposed issue of securities - JLL
4/07/2024	Proposed issue of securities - JLL
4/07/2024	JLL Secures Funding to Advance McDermitt Lithium Project
03/07/2024	Suspension from Quotation
1/07/2024	Trading Halt
2/05/2024	Details of Auditor Appointment/Resignation
30/04/2024	Quarterly Cashflow Report - March 2024
30/04/2024	Quarterly Activities Report - March 2024
30/04/2024	Ceasing to be a substantial holder for EME
30/04/2024	Ceasing to be a substantial holder from JLL
30/04/2024	Jindalee Advances US Government Funding for McDermitt
12/04/2024	Launch of Interactive Investor Hub
26/03/2024	Corporate Presentation
25/03/2024	Notification of cessation of securities - JLL
14/03/2024	Half Yearly Report and Accounts
6/03/2024	JLL Spin-Out Dynamic Metals Signs \$20M JV With MinRes
5/03/2024	Ceasing to be a substantial holder
1/03/2024	Change of Share Registry Details
29/02/2024	PDAC Conference Presentation
27/02/2024	Notification regarding unquoted securities - JLL
27/02/2024	Update - Proposed issue of securities - JLL
1/02/2024	Initial Director's Interest Notice
1/02/2024	Final Director's Interest Notice
30/01/2024	Quarterly Cashflow Report - December 2023
30/01/2024	Quarterly Activities Report - December 2023
18/01/2024	More Exceptional Metallurgical Results From McDermitt
9/01/2024	Change of Director's Interest Notice - LD
27/12/2023	Non-Executive Chair Transition
19/12/2023	McDermitt Lithium Project Update
11/12/2023	Change of Director's Interest Notice - DW, JM, LD and PB
11/12/2023	Application for quotation of securities - JLL
4/12/2023	Proposed issue of securities - JLL
4/12/2023	Appointment of Ian Rodger as CEO

Date	Announcement
30/11/2023	Investor Webinar Presentation
28/11/2023	Change of Company Name and ASX Code
22/11/2023	Adoption of Updated Constitution
22/11/2023	Results of Meeting
22/11/2023	2023 AGM Presentation
22/11/2023	2023 AGM Chair's Address
21/11/2023	Exploration Target Highlights Further Upside at McDermitt
16/11/2023	Becoming a substantial holder
15/11/2023	Exceptional Metallurgical Results From McDermitt
31/10/2023	Quarterly Cashflow Report - September 2023
31/10/2023	Quarterly Activities Report - September 2023
31/10/2023	Application for quotation of securities - JRL
31/10/2023	Priority Offer Raises \$0.6 Million
30/10/2023	Annual Report to shareholders

## 6. Information excluded from continuous disclosure notices

As at the date of this Cleansing Notice, other than as set out in this Cleansing Notice, the Company advises that there is no information that:

- (a) the Company has excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities of the First Convertible Notes (and the underlying Shares) offered by the Company.

Authorised for issue by the Board of Directors of Jindalee Lithium Limited.

For further information:

LINDSAY DUDFIELD  
**Executive Director**  
 T: + 61 8 9321 7550  
 E: [enquiry@jindalee.net](mailto:enquiry@jindalee.net)

IAN RODGER  
**Chief Executive Officer**  
 T: + 61 8 9321 7550  
 E: [enquiry@jindalee.net](mailto:enquiry@jindalee.net)

## Schedule 1 – Rights and liabilities attaching to the Second Convertible Notes

The following is a broad summary of the rights, privileges and restrictions attaching to the Second Convertible Notes (**Notes**). The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholders.

<b>Issue Date</b>	29 August 2024
<b>Investment Amount</b>	\$1,500,000
<b>Total Face Value</b>	\$1,650,000 representing 1,650,000 Notes with a Face Value of \$1 per Note
<b>Maturity Date</b>	29 August 2026
<b>Conversion</b>	<ul style="list-style-type: none"><li>• Subject to the below, the Noteholder may, at its election, convert the Notes into Shares by delivering a conversion notice to the Company at any time prior to the Maturity Date.</li><li>• The conversion price is \$0.345 for the first 3 months following issue of the First Convertible Notes (on 12 July 2024) and thereafter the lesser of \$0.345 and 90% of the average of the two lowest daily volume weighted average market prices (VWAPs) of the Shares during the preceding 20 trading days immediately before the Holder giving a conversion notice, subject to the conversion price being not less than \$0.20.</li><li>• The conversion price is subject to adjustment in the event of certain customary events (such as a consolidation or subdivision of the Company's issued capital).</li><li>• Each conversion notice must specify how many Notes the Noteholder elects to convert and must be at least for a face value in an amount equal to or greater than \$25,000 (unless the remaining face value of the Notes is less than \$25,000).</li><li>• Upon conversion of the Notes, those Notes are cancelled and may not be reissued, and the face value of the Notes which have been converted will be deemed satisfied.</li><li>• The Company has no right to require the Noteholder to convert any Notes at any time.</li></ul>
<b>Repurchase right</b>	Provided that there is no existing event of default, the Company is in compliance with the Convertible Securities Agreements and there is no existing conversion notice, the Company may elect to repurchase all of the remaining Notes. The repurchase price will be a 5% premium to the Face Value of the Notes. Upon receipt of notice from the Company that it wishes to repurchase the Notes, the Noteholder may elect to convert all or some of the Notes instead of having them repurchased by the Company.
<b>Repayment</b>	<p>If the Noteholder has not notified the Company in writing by the day that is 10 business days prior to the Maturity Date that it will be converting the Notes (in whole or in part), the Company is to pay in full to the holder of the Notes, the face value of the Notes (and any accrued but unpaid interest).</p> <p>If an event of default is subsisting after the Company has notice from the Noteholder requiring repayment, the Company must repay the face value of the outstanding Notes held by the Noteholder together with any accrued but unpaid interest. The Convertible Securities Agreement contains various events which constitute events of default which are standard for agreements of this nature.</p>

<b>Repayment (cont.)</b>	<p>If there occurs a Change of Control Event, a Qualifying Capital Raising Event or a Delisting Event, the Noteholder may require repayment by the Company of some or all of the Notes. In this Cleansing Notice:</p> <p><i>Change of Control Event</i> means each of:</p> <ul style="list-style-type: none"> <li>• a takeover bid being made to acquire all of the Shares and: <ul style="list-style-type: none"> <li>○ the offer under the takeover bid is, or becomes, unconditional; and</li> <li>○ either: <ul style="list-style-type: none"> <li>• the bidder has acquired at any time during the offer period (or after the close of the offer period) a relevant interest in more than 50 per cent of the Shares on issue; or</li> <li>• the directors of the Company recommend acceptance of the offer under the takeover bid; or</li> </ul> </li> </ul> </li> <li>• a court approves a proposed scheme of arrangement which, when implemented, will result in a person having a relevant interest in 100% of the Shares (where the requisite shareholder approval has also been obtained).</li> </ul> <p><i>Delisting Event</i> means where the Shares are no longer quoted on ASX or the Shares are suspended from trading on ASX for a period of 20 consecutive business days, in any case, other than as a result (directly or indirectly) of a Change of Control Event.</p> <p><i>Qualifying Capital Raising Event</i> means capital raises under which the Company raises in aggregate \$10m or more during the term of the Convertible Securities Agreement.</p>
<b>Interest</b>	<p>Upon an event of default occurring, the Company must pay interest at a rate of 18% per annum on the amount of the face value of all Notes issued which have not been converted or repurchased, calculated daily and compounded monthly. Interest is not otherwise payable on the Notes.</p>
<b>Security</b>	<p>The Notes are unsecured.</p>
<b>Ranking on conversion</b>	<p>Shares issued on conversion of the Notes will rank equally with existing Shares on issue.</p>
<b>Reconstruction of capital</b>	<p>In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, the terms of the Notes will be reconstructed to the extent necessary to comply with the ASX Listing Rules</p>
<b>Participation rights</b>	<p>The Notes will not carry any entitlement to participate in future issues of securities by the Company prior to any conversion of the Notes into Shares.</p>
<b>No voting rights</b>	<p>Except as required by the Corporations Act, the Notes will not carry a right to vote at meetings of the Company prior to any conversion of the Notes.</p>
<b>Quotation</b>	<p>The Notes will not be quoted on the ASX. New shares issued on the conversion of the Notes will be quoted on the ASX.</p>
<b>Transferability</b>	<p>The Notes are non-transferrable except to other sophisticated investors or professional investors (as defined in the Corporations Act)</p>

	Reviewed 31 December 2023	Cash movement to 30 June 2024 (1)	First Convertible Notes (2)	Second Convertible Notes (3)	Placement (4)	Entitlement Offer (5)	Costs (6)	Unaudited pro forma statement of financial position
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current assets</b>								
Cash and cash equivalents	3,294,789	(2,996,699)	1,500,000	1,500,000	595,001	3,141,945	(85,907)	6,949,138
Trade and other receivables	285,384		-	-	-	-	-	285,384
<b>Total current assets</b>	<b>3,580,173</b>	<b>(2,996,699)</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>595,001</b>	<b>3,141,945</b>	<b>(85,907)</b>	<b>7,234,522</b>
<b>Non-current assets</b>								
Other receivables	-	-	-	-	-	-	-	-
Exploration and evaluation assets	12,759,351	-	-	-	-	-	-	12,759,351
Property, plant and equipment	346,259	-	-	-	-	-	-	346,259
Right of use assets	27,270	-	-	-	-	-	-	27,270
Investment in associates	2,252,478	-	-	-	-	-	-	2,252,478
Financial assets at fair value through profit and loss	1,509,607	-	-	-	-	-	-	1,509,607
<b>Total non-current assets</b>	<b>16,894,965</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,894,965</b>
<b>Total assets</b>	<b>20,475,138</b>	<b>(2,996,699)</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>595,001</b>	<b>3,141,945</b>	<b>(85,907)</b>	<b>24,129,487</b>
<b>Current liabilities</b>								
Trade and other payables	562,302	-	-	-	-	-	-	562,302
Lease liabilities	30,410	-	-	-	-	-	-	30,410
financial liabilities	-	-	1,062,210	1,242,211	-	-	-	2,304,421
<b>Total current liabilities</b>	<b>592,712</b>	<b>-</b>	<b>1,062,210</b>	<b>1,242,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,897,133</b>
<b>Non-current liabilities</b>								
Provision for long service leave	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>592,712</b>	<b>-</b>	<b>1,062,210</b>	<b>1,242,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,897,133</b>
<b>Net assets</b>	<b>19,882,426</b>	<b>(2,996,699)</b>	<b>437,790</b>	<b>257,789</b>	<b>595,001</b>	<b>3,141,945</b>	<b>(85,907)</b>	<b>21,232,354</b>
<b>Equity</b>								
Contributed equity	24,906,000	-	180,000	-	595,001	3,141,945	(85,907)	28,737,048
Accumulated losses	(12,920,563)	(2,996,699)	(150,000)	(150,000)	-	-	-	(16,217,262)
Reserves	7,896,989	-	407,790	407,789	-	-	-	8,712,568
<b>Total equity</b>	<b>19,882,426</b>	<b>(2,996,699)</b>	<b>437,790</b>	<b>257,789</b>	<b>595,001</b>	<b>3,141,945</b>	<b>(85,907)</b>	<b>21,232,354</b>

**Notes:**

1. Adjustment to represent cash balance of \$298,090, being the cash balance as at 30 June 2024, reflecting movements in working capital from transactions and expenditures incurred in the normal course of business including corporate costs and exploration activities.
2. The first tranche of Convertible Notes as issued in full for \$1,500,000, and 576,738 Shares that were issued in connection with the first tranche of Convertible Notes with a deemed issue price of \$0.3121 (being 5 day volume weighted average price to 1 July 2024) for a total cost of finance of \$180,000. Includes 2,027,027 Options with an exercise price \$0.37 and expiry date of 24 months issued on 28 August 2024. These Options have been valued using Black Scholes and have a fair value on 4 July 2024 of \$0.201.
3. Assumes the second tranche of Convertible Notes issued in full for \$1,500,000 following the receipt of Shareholder approval. Assumes 2,027,026 Options with an exercise price of \$0.37 and expiry date of 24 months are issued in full. These Options have been valued using Black Scholes and have a fair value on 4 July 2024 of \$0.201.
4. Assumes the Placement is completed in full, with 1,983,335 Shares issued at \$0.30 for total proceeds before costs of \$595,001. Assumes 991,670 free attaching Short-Term Options with an exercise price of \$0.40 and expiry date of 30 June 2025 and 991,670 free attaching Long-Term Options with an exercise price of \$0.60 and expiry date of 30 June 2027 are issued in full following the receipt of Shareholder approval.
5. Assumes maximum subscription under the Entitlement Offer (or shortfall offer) of 10,473,180 Shares at an issue price of \$0.30 for total proceeds before costs of \$3,141,954. Assumes 5,236,590 free attaching Short-Term Options with an exercise price of \$0.40 and expiry date of 30 June 2025 and 5,236,590 free attaching Long-Term Options with an exercise price of \$0.60 and expiry date of 30 June 2027 are issued in full following the receipt of Shareholder approval.
6. Representing costs as disclosed in Section 5.11 of the Prospectus dated 10 July 2024.
7. The above accounts do not include any subscription for any additional Convertible Notes as any such subscription remains subject to further agreement between the Company and the subscribers.