

BLACK CANYON LIMITED

ACN 150 714 739

PROSPECTUS

For the offers of:

- (a) up to \$30,000 worth of Shares to each Eligible Shareholder under the SPP, at an issue price of \$0.07 per Share, to raise up to \$500,000, together with one free attaching Option for every two Shares subscribed for and issued, exercisable at \$0.14 on or before the Expiry Date (**SPP Offer**); and
- (b) up to 6,072,503 Options (exercisable at \$0.14 on or before the Expiry Date) to the participants under the Placement (**Options Offer**),

(together, the **Offers**).

SHARE PURCHASE PLAN INFORMATION

The SPP Offer is currently scheduled to close at 5:00pm (WST) on 30 September 2024. Valid applications must be received by that time. Details of how to apply for Securities are set out in the Application Form accompanying this Prospectus.

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 stockbroker, accountant or other professional adviser.

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

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CORPORATE DIRECTORY

Directors

Graham Ascough
Non-Executive Chairman

Brendan Cummins
Managing Director

Simon Taylor
Non-Executive Director

Adrian Hill
Non-Executive Director

Company Secretary

Jay Stephenson

Registered Office

283 Rokeby Road
SUBIACO WA 6008

Telephone: + 61 8 9426 0666

Email: info@blackcanyon.com.au

Website: www.blackcanyon.com.au

Legal Advisers

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor*

Hall Chadwick Audit (WA) Pty Ltd
283 Rokey Road
SUBIACO WA 6008

Share Registry*

Computershare Investor Services
Level 11
172 St Georges Terrace
PERTH WA 6000

Telephone: 1800 420 909

*These entities are included for information purposes only. These entities have not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

1. TIMETABLE AND IMPORTANT NOTES

1.1 Timetable

| ACTION | DATE* |
|---|-----------------------------------|
| Record Date for SPP Offer | 5:00pm AWST on 26 July 2024 |
| Announcement of SPP and Placement | 29 July 2024 |
| Lodgement of this Prospectus with ASIC and ASX Opening date of the Offers under the Prospectus | 4 September 2024 |
| Date of General Meeting | 24 September 2024 |
| Closing Date of the Offers** | 5:00 pm AWST on 30 September 2024 |
| Issue of Securities under the Offers | 2 October 2024 |
| Quotation of Shares under the SPP Offer | 3 October 2024 |

* The above dates are indicative only and may change without prior notice.

** Subscribers under the Offers should ensure that they have lodged their Application Form by this date.

1.2 Important Notes

This Prospectus is dated 4 September 2024 and was lodged with the ASIC on that date. The ASIC, the 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.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

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. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

1.3 ASIC Instrument and ASX Listing Rule 7.2, Exception 5

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus once in any consecutive 12-month period.

The Company is unable to wholly rely on the relief granted by the ASIC Instrument in respect of the SPP on the basis that the Company is also proposing to issue free-attaching Options to Eligible Shareholders who participate in the SPP Offer. The relief granted by the ASIC Instrument does not cover the issue of Options, which the Company must instead offer pursuant to this Prospectus. As a result, the Board has determined to offer all Securities under this Prospectus to allow Eligible Shareholders to apply for both Securities at the same time.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. The issue of:

- (a) Shares under the SPP is being made in reliance on exception 5 of ASX Listing Rule 7.2, as such, it will not take up any of the Company's placement capacity under ASX Listing Rule 7.1; and

- (b) Options under the SPP cannot be made in reliance of exception 5 of ASX Listing Rule 7.2, as such, the issue of the Options under the SPP is conditional on the Company receiving Shareholder approval at the General Meeting.

1.4 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

1.5 Taxation implications

The Directors do not consider it appropriate to give Shareholder's advice regarding the taxation consequences of applying for Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Securities under this Prospectus.

1.6 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

1.7 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 our 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 our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

1.8 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.blackcanyon.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 a shareholder of the Company who is a resident of Australia and must only access this Prospectus from within those countries.

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. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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.

1.9 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 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.blackcanyon.com.au). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

1.10 Disclaimer

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

1.11 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.

2. BACKGROUND TO THE OFFERS

2.1 Overview

On 29 July 2024, the Company announced that it would issue 12,145,000 Shares to institutional and sophisticated investors at an issue price of \$0.07 per Share to raise \$850,150 (**Placement**). On 2 August 2024, the Company issued 5,400,000 Shares pursuant to the Company's existing placement capacity under Listing Rule 7.1 and 5,316,429 Shares under Listing Rule 7.1A. The remaining 1,428,571 Shares are subject to Shareholder approval at the General Meeting and will be issued to the following Directors:

- (a) Graham Ascough: up to 357,143 Shares;
- (b) Brendan Cummins: up to 357,143 Shares;
- (c) Adrian Hill: up to 357,143 Shares; and
- (d) Simon Taylor: up to 357,143 Shares.

Participants in the Placement are also entitled to receive 1 free Option for every 2 Shares subscribed for and issued to them. Accordingly, up to 6,072,500 Options, being one free Option for every two Shares subscribed for and issued under the Placement may be issued. The issue of these Options is conditional on the Company receiving Shareholder approval for their issue at the General Meeting and are the subject of the Options Offer under this Prospectus.

In addition to the Placement, the Company announced the SPP Offer to Eligible Shareholders, irrespective of the size of their shareholding, the opportunity to purchase up to \$30,000 worth of Shares at an issue price of \$0.07 per Share pursuant to a SPP to raise up to an aggregate of \$500,000, together with one free attaching Option (exercisable at \$0.14 on or before the Expiry Date) for every two Shares subscribed for and issued.

However, Eligible Shareholders should note that the issue of Options under the SPP Offer is conditional upon Shareholder approval at the General Meeting. If Shareholders do not approve the issue of those Options, then:

- participants in the Placement will not receive free Options; and
- Eligible Shareholders who apply under the SPP Offer will not receive Options as part of their participation in the SPP Offer.

To read how Eligible Shareholders can subscribe under the SPP Offer, refer to Section 3.7 below.

The issue price represents a discount of 14% to the five-day volume weighted average market price of the Shares over the last five trading days on which sales in the Shares were recorded before the day on which the SPP was announced (29 July 2024).

The Company intends to apply the funds raised under the SPP as set out in Section 4.2.

3. DETAILS OF THE OFFERS

3.1 SPP Offer

The SPP Offer is an offer to each Eligible Shareholder to subscribe for new Shares up to a maximum value of \$30,000 at an issue price of \$0.07 per Share. In addition, subject to the receipt of Shareholder approval at the General Meeting, Eligible Shareholders will also receive one Option for every two Shares subscribed for and issued under the SPP Offer. Fractional entitlements will be rounded down to the nearest whole number.

The issue of Shares under the SPP Offer is being made in reliance on ASX Listing Rule 7.2 Exception 5. The issue of Options is not covered by any Exception under ASX Listing Rule 7.2.

All of the Shares offered under the SPP Offer pursuant to this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Securities.

The Options (assuming Shareholders approve the issue of those Options) offered under the SPP Offer pursuant to this Prospectus will be exercisable at \$0.14 each on or before 5:00 pm (WST) on the Expiry Date and otherwise on the terms set out in Section 5.2. All of the Shares issued upon exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus.

You cannot withdraw your Application once it has been received.

The purpose of the SPP Offer is set out in Section 4.1. The SPP Offer is non-renounceable, meaning that Eligible Shareholders may not transfer their rights to any Securities offered under the SPP Offer.

3.2 Options Offer

The Options Offer is an offer of one Option for every two Shares subscribed for and issued under the Placement. Fractional entitlements will be rounded down to the nearest whole number.

Based on the number of Shares to be issued under the Placement, up to 6,072,500 Options may be issued under the Options Offer. No funds will be raised from the issue of the Options.

All of the Options offered under the Options Offer will be exercisable at \$0.14 on or before the Expiry Date and otherwise on the terms set out in Section 5.2. All of the Shares issued upon exercise of the Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities of the Shares.

The Options Offer is conditional upon Shareholders approving the issue of Options to participants in the Placement (including the Directors) in the General Meeting. If those Resolutions are not approved, then the Options Offer will not proceed.

The purpose of the Options Offer is set out in Section 4.1.

3.3 Eligibility to participate in SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. 'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders:

- (a) who were registered holders of Shares on the Record Date; and
- (b) whose registered address is in Australia (**Permitted Jurisdictions**).

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may only apply for one parcel of Shares with a value of up to \$30,000. The Company reserves the right to reject any application for Securities under this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

In the event of oversubscriptions by the Closing Date, the Directors may, in their absolute discretion, scale-back applications on an equitable basis. Directors may also, in their absolute discretion, decide to increase acceptances in the event of oversubscriptions (subject to compliance with the requirements of the Corporations Act and the ASX Listing Rules). Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

3.4 Custodians, trustees and nominees

If you are an Eligible Shareholder and hold Shares as a custodian (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC CI 2019/547**) (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the SPP), you may apply for up to \$30,000 worth of new Shares for each beneficiary for whom you act as custodian provided you complete and submit, together with an Application Form, a certificate (**Custodian Certificate**) with the following information:

- (a) that you held Shares on behalf of:
 - (i) one or more other persons that are not custodians; and/or
 - (ii) another custodian (**Downstream Custodian**) that holds beneficial interests in Shares on behalf of one or more other persons who are resident in Australia or New Zealand, to which those beneficial interests relate,

(each a **Participating Beneficiary**) at the Record Date who have subsequently instructed you, and/or the Downstream Custodian, to apply for Shares under the SPP on their behalf;
- (b) the number of Participating Beneficiaries and their names and addresses;
- (c) the number of Shares that you hold on behalf of each Participating Beneficiary;
- (d) the number or dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through a Downstream Custodian, to apply for on their behalf;
- (e) that the application price for Shares applied under the SPP Offer for each Participating Beneficiary for whom you act in addition to the application price for any other Shares issued to you as custodian (as a result of instruction given to you as Custodian or a Downstream Custodian) for that Participating Beneficiary under any arrangement similar to the SPP in the prior 12 months does not exceed \$30,000;
- (f) that a copy of the Prospectus was given to each Participating Beneficiary; and
- (g) where you hold Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian.

For the purposes of ASIC CI 2019/547 you are a '**Custodian**' if you provide a custodial or depository service in relation to shares of a body or interests in a registered scheme and you:

- (a) hold an Australian financial services licence covering the provision of a custodial or depository service;
- (b) are exempt from the requirement to hold an Australian financial services licence covering the provision of a custodial or depository service;
- (c) hold an Australian financial services licence covering the operation of an IDPS or is a responsible entity of an IDPS-like scheme;
- (d) are a trustee of a self-managed superannuation fund or a superannuation master trust; or

- (e) are a registered holder of shares or interests in the class and are noted on the register of members of the body or scheme as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate and if you would like further information on how to apply, you should contact the Company's share registry at any time from 8.30am to 5.00pm (WST) Monday to Friday during the SPP Offer period.

The Company reserves the right to reject any application to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

3.5 Minimum subscription

There is no minimum subscription to the Offers. However there is a minimum parcel size for each Eligible Shareholder as set out in Section 3.7.

3.6 Not underwritten

The Offers are not underwritten.

3.7 Applications

Securities under the SPP Offer

Eligible Shareholders may apply under the SPP Offer by completing the Application Form accompanying this Prospectus in accordance with the instructions outlined on the Application Form.

Pursuant to the SPP Offer, Eligible Shareholders may apply for Shares with a maximum value of \$30,000. Eligible Shareholders may participate by selecting one of the following options to purchase Securities under the SPP Offer:

| | SPP APPLICATION AMOUNT | NUMBER OF SHARES WHICH MAY BE PURCHASED | NUMBER OF OPTIONS WHICH WILL BE ISSUED |
|---------|---------------------------|--|--|
| Offer A | \$2,000 | 28,571 | 14,285 |
| Offer B | \$5,000 | 71,428 | 35,714 |
| Offer C | \$10,000 | 142,857 | 71,428 |
| Offer D | \$15,000 | 214,285 | 107,142 |
| Offer E | \$20,000 | 285,714 | 142,857 |
| Offer F | \$30,000 | 428,571 | 214,285 |

Where the amount applied for results in a fraction of a Security the number of Securities issued will be rounded down to the nearest whole Security.

To participate in the SPP Offer, payment of the application moneys must be made per the instructions set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

The Company reserves the absolute discretion to scale back applications under the SPP Offer on an equitable basis. If the Company undertakes a scale back, you will receive the number of Securities determined by the Company in its absolute discretion which may be less than the number of Securities applied for. In this case, the difference between the application moneys received and the number of Shares allocated to you multiplied by the issue price per Share may be refunded to you by direct credit (to your nominated account recorded on the Company's share register) as soon as practicable, without interest.

If you require assistance in accepting the SPP Offer, please contact the Company on +61 (08) 9426 0666.

Options under the Options Offer

The Options Offer will only be extended to participants who participated in the Placement on the basis that Shareholders approve the issue of the Options at the General Meeting. Application Forms will only be provided to these participants on invitation by the Directors.

No subscription monies are payable for the Options offered under the Options Offer as the Options are being issued free attaching on the basis of one Option for every two Shares subscribed for and issued under the Placement.

Completed Application Forms must be returned to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**.

3.8 Payment

For payment by EFT or BPAY®, please follow the instructions on the Application Form.

You can only make a payment via:

- (a) EFT if you are a holder of an account that supports EFT transactions to an Australian bank account; or
- (b) 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 EFT or BPAY®:

- (a) you do not need to submit the Application Form but are taken to have made the declarations on that Application Form; and
- (b) you will be deemed to have applied for such whole number of Securities which is covered in full by your application monies.

It is your responsibility to ensure that your EFT or BPAY® payment is received by the share registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Securities (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

3.9 Issue of Securities

Securities issued under the Offers will be issued in accordance with the ASX Listing Rules and the timetable set out in Section 1.1. Application moneys will be held in a separate subscription account until the Securities are issued. This account will be established and kept by the Company in trust for each Applicant, as required by the Corporations Act. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Securities are issued, and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Securities and/or the number of Securities issued under the Offers. The Directors reserve the right to reject any application or to allocate any Applicant fewer Securities than the number applied for.

Where the number of Securities issued is less than the number applied for, the surplus moneys will be returned by direct credit to your nominated bank account as soon as practicable after the Closing Date. Where no issue of Securities is made, the amount tendered on application will be returned in full by direct credit to your nominated bank account as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.10 ASX listing - Shares

Application for Official Quotation of the Shares 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 Shares offered pursuant to this Prospectus before the expiration of 3 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 offered under this Prospectus within the time prescribed under the Corporations Act, without interest. Where no Shares are issued under this Prospectus, no Options will be issued either.

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

3.11 Restrictions on the distribution of the Prospectus

The Offers do not, and are 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. The Offers are not being extended and Securities will not be issued to investors with a registered address that is outside the Permitted Jurisdictions. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other jurisdiction.

The return of a duly completed Application Form will be taken to constitute a representation and warranty that the Applicant has a registered address in a Permitted Jurisdiction.

3.12 Withdrawal

The Company reserves its right to withdraw the Offers at any time, subject to applicable laws.

Should the Company withdraw the Offers, all application monies will be returned, without the payment of any interest that may have accrued.

3.13 Enquiries

Any questions concerning the Offers should be directed to the Company on +61 (08) 9426 0666.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offers

Offers

The Company is seeking to raise up to \$500,000 (before costs) from Eligible Shareholders under the SPP Offer.

The Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available. Specifically, if the Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer. No funds will be raised under the Options Offer (other than funds raised if the Options are subsequently exercised).

4.2 Use of funds

The funds raised from the SPP Offer are intended to be combined with the \$850,150 already received under the Placement and used in the manner set out in the announcement dated 29 July 2024 as set out below:

| ITEM | PROCEEDS OF THE SPP OFFER AND PLACEMENT | \$ | % |
|-------------|---|------------------|-------------|
| 1. | Funds received under the Placement | 850,150 | |
| 2. | Funds received under the SPP Offer | 500,000 | |
| | Maximum total funds received | 1,350,150 | 100 |
| EXPENDITURE | | | |
| 3. | Exploration activities on the Company's existing manganese assets and HPMSM development activities ¹ | 1,050,150 | 78 |
| 4. | Working capital ² | 267,646 | 20 |
| 5. | Expenses of the Offers ³ | 32,354 | 2 |
| | Total | 1,350,150 | 100% |

Notes:

1. High Purity Manganese Sulphate Monohydrate (refer to the Company's website: <https://blackcanyon.com.au/high-purity-manganese-sulphate-monohydrate-hpmsm/>)
2. Working capital includes unallocated exploration funds, as well as funds used for the meeting ongoing expenses of the Company, includes salaries, rents and other corporate expenses.
3. Refer to Section 7.8 for further details relating to the estimated expenses of the Offers.

On completion of the SPP Offer, the board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the SPP 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 SPP Offer costs) it is likely that the Company will scale back funds available for working capital and may modify its exploration programmes to take into account the reduction in available expenditure.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. The amounts and timing of the actual expenditures and investments may vary significantly and will depend on numerous factors including the efficiency of government departments, efficiency of lead contractors, access agreements and any changes in the business and economic environment.

4.3 Effect of the SPP Offer and Options Offer

The principal effect of the SPP Offer and Options Offer, assuming the Company raises \$500,000 under the SPP Offer and issues all the Options under the Options Offer, will be to:

- (a) increase the cash reserves by \$500,000 (before deducting the estimated expenses of the Offers) immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 81,755,464 Shares (as at the date of this Prospectus) to 88,898,321 Shares following completion of the SPP Offer (subject to rounding);
- (c) increase the number of Options on issue from 6,964,306 (as at the date of this Prospectus) to 16,608,238.

4.4 Effect of the Offers on capital structure

The effect of the Offers on the Company's capital structure is set out below, which assumes that a total of \$500,000 is raised under the Offer.

| SHARES ¹ | NUMBER |
|---|-------------------|
| Shares currently on issue ² | 81,755,464 |
| Shares to be issued under the SPP Offer | 7,142,857 |
| Shares to be issued under the Options Offer | Nil |
| Total Shares on issue on completion of the Offer | 88,898,321 |

Notes:

- 1. The rights and liabilities attaching to the Shares are summarised in Section 5.1.
- 2. Includes Shares previously issued under the Placement, but excludes 1,428,572 Shares remaining subject to Shareholder approval at the General Meeting.

| OPTIONS | NUMBER |
|---|-------------------|
| Options currently on issue ¹ | 6,964,306 |
| Options to be issued under the SPP Offer ^{2,3} | 3,571,429 |
| Options to be issued under the Options Offer ^{2,3} | 6,072,503 |
| Total Options on issue on completion of the Offer | 16,608,238 |

Notes:

- 1. Exercisable at \$0.28 on or before 27 July 2025.
- 2. The rights and liabilities attaching to the Options are summarised in Section 5.2.
- 3. This is the maximum number of Options that may be issued and assumes that the participation of the Directors in the Placement is approved by Shareholders at the General Meeting.

| PERFORMANCE RIGHTS | NUMBER |
|---|------------------|
| Performance Rights currently on issue ¹ | 2,200,000 |
| Performance Rights offered under the Offers | Nil |
| Total Performance Rights on issue on completion of the Offer¹ | 2,200,000 |

Notes:

- 1. This assumes that no Performance Rights vest and are exercised prior to completion of the Offers.

4.5 Pro-forma balance sheet

The unaudited balance sheet as at 31 May 2024 and the pro-forma balance sheet as at 31 May 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 to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted above. 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.

Proforma Balance Sheet as at 31 May 2024

| | 31 MAY 2024 | PROFORMA |
|--|------------------|------------------|
| Current assets | | |
| Cash and cash equivalents | 821,394 | 1,356,840 |
| Trade and other receivables | 14,544 | 14,544 |
| Total current assets | 835,938 | 1,371,384 |
| Non-current assets | | |
| Property Plant and Equipment | 60,902 | 60,902 |
| Exploration and Evaluation Assets | 6,675,110 | 6,316,322 |
| Total Non-current assets Total assets | 6,736,012 | 6,377,224 |
| Total Assets | 7,571,950 | 7,748,608 |
| Current liabilities | | |
| Trade and other payables | 219,143 | 219,143 |
| Total current liabilities Total liabilities | 219,143 | 219,143 |
| Net assets | 7,352,807 | 7,529,465 |
| Equity | | |
| Issued capital | 12,065,163 | 13,331,950 |
| Reserves | 176,296 | 176,296 |
| Accumulated losses | -4,888,652 | -5978,781 |
| Total equity | 7,352,807 | 7,529,465 |

Notes

The following assumptions and disclosures have been used in preparing the above pro forma statement:

1. \$500,000 raised under the SPP less costs of \$32,354.
2. Placement of 12,145,000 Shares at \$0.07 per Share less broker costs of 6% of the total funds raised (being \$51,009).
3. Exploration costs of \$352,212 from 1 June to 31 August 2024 have been included.
4. Administrative costs of \$379,129 from 1 July to 31 August 2024 have been included.
5. Estimated impairment of \$711,000 as at 30 June 2024 has been included.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

5.1 Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus and the underlying Shares of the Options. 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.

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.

5.2 Options

The following is a summary of the rights and liabilities attaching to the Options being offered pursuant to this Prospectus.

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.14 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AWST) on the date that is two years from the date of issue (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

Each Option is exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

Each Option may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each 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 Option being exercised in cleared funds (**Exercise Date**).

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

Within five 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 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 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 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 the holder 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 Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

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

(l) **Quotation**

The Company intends to apply for quotation of the Options on ASX.

(m) **Transferability**

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

6. RISK FACTORS

6.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

| RISK CATEGORY | RISK |
|------------------------------------|--|
| Potential for dilution | <p>Upon completion of the Offers, assuming there is a full subscription and no Options or Performance Rights convert, the number of Shares in the Company will increase from 81,755,464 currently on issue to 88,898,321 (assuming no existing performance rights and Options or Options offered under the Offers are immediately exercised). This means that immediately after the Offers each Share will represent a lower proportion of the ownership of the Company.</p> <p>No immediate dilution will occur as a result of the issue of Options under this Prospectus. However subsequent exercise of any or all of the Options will result in dilution.</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 Offers and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX on the last day that the Shares traded on the ASX prior to the date of this Prospectus being lodged of \$0.060 is not a reliable indicator as to the potential trading price of Shares after completion of the Offers.</p> |
| Exploration and development | <p>Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:</p> <ul style="list-style-type: none">(a) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;(b) access to adequate capital throughout the exploration, discovery and project development phases;(c) securing and maintaining title to mineral exploration projects;(d) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and(e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees. <p>As the Company is an early stage exploration company, there can be no assurance that exploration on its projects, or any</p> |

| RISK CATEGORY | RISK |
|---|--|
| | <p>other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.</p> |
| Operational risks | <p>The Company will be exposed to various construction and operational risks should it advance its projects through the construction phase and into operations, including unanticipated financial, operational or political events, cost overruns, changes in the prices and demand of commodities relevant to the Company's business, equipment and labour shortages, equipment failure, technical concerns including possible reserves and deliverability difficulties, environmental impacts, increases in operating cost structures, community or industrial actions, natural disasters, interruptions to the supply of power, water, chemicals or fuel, or other circumstances which may result in the delay, suspension or termination of the project, the total or partial loss of the investment and a material adverse effect on the Company's results of operations and financial condition. In addition, construction, commissioning and operational ramp up of operational assets can be subject to unexpected problems or delays in schedule.</p> |
| Grant of Future Authorisations to Explore and Mine | <p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p> |
| Market demand and price risks | <p>If the Company progresses to become a producer and seller of its products, the Company's business will rely primarily on the production and sale of its products to a variety of buyers. Fluctuations in the global market may materially affect the future financial performance of the Company.</p> <p>Demand for, and pricing of, the Company's products may be sensitive to external economic and political factors, including:</p> <ul style="list-style-type: none"> (a) worldwide supply and demand; (b) the level of economic activity in the markets the Company may serve; (c) the price and availability of new technology; and (d) the availability and cost of potential substitutes. <p>It is impossible to predict future price movements with certainty. Any sustained low prices or further declines in the price may adversely affect the Company's proposed business, results of operations or its ability to finance the development of its projects.</p> |
| Environmental risks | <p>The Company's possible future mine development and processing program will, in general, be subject to approval by governmental authorities. Development of any of the Company's properties will be dependent on the project</p> |

| RISK CATEGORY | RISK |
|--|---|
| | <p>meeting environmental guidelines and, where required, being approved by governmental authorities and the possible future activities of the Company may be subject to extensive laws and regulations controlling not only the mining of, exploration for and processing of mineral properties, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, the Company must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and the Company could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution or other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of wastes or the effects of its business on the water table and groundwater quality.</p> <p>Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault.</p> |
| Economic risks | <p>Economic factors beyond the control of the Company, such as changes in commodity prices, interest rates, inflation, exchange rates and taxation, may negatively impact on the revenue and profitability of the Company.</p> |
| Additional requirements for capital | <p>The Company's capital requirements depend on numerous factors. The Company will require further financing in addition to amounts raised under this Prospectus. 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 planned construction and development programs as the case may be.</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> <p>(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 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</p> |

| RISK CATEGORY | RISK |
|---------------------------|---|
| | <p>guarantee that the Company will not be impacted by these occurrences; and</p> <p>(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 patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.</p> |
| Joint venture risk | <p>The Company's interests in the projects are subject to joint venture arrangements. As with any joint venture, it is subject to various counterparty risks including failure by the joint venture counterparty, to act in the best interests of the joint venture. Any failure by the counterparty to act in the best interests of the joint venture may or may not give the Company contractual remedies, however, even if such remedies are available, they may be costly and time consuming to pursue.</p> |

6.3 Industry specific

| RISK CATEGORY | RISK |
|----------------------------|--|
| Contamination Risks | <p>The mineral exploration sector operates under Australian State and Federal environmental laws. The Company's operations may use hazardous materials and produce hazardous waste which may have an adverse impact on the environment or cause exposure to hazardous materials. Despite efforts to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, the Company may be subject to claims for toxic torts, natural resources damages and other damages. In addition, the Company may be subject to the investigation and clean-up of contaminated soil, surface water and groundwater. This may delay the timetable of the projects and may subject the Company to substantial penalties including fines, damages, clean-up costs or other penalties. The Company is also subject to environmental protection legislation, which may affect the Company's access to certain areas of its properties and could result in unforeseen expenses and areas of moratorium.</p> |
| Metallurgy Risk | <p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations and are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.</p> |

| RISK CATEGORY | RISK |
|--------------------|---|
| Land Access | There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both Native Title and landowners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities. |
| Safety | Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and/or key personnel and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties because of such risks may give rise to claims against the Company |

6.4 General risks

| RISK CATEGORY | RISK |
|--|--|
| Economic | General economic conditions, introduction of tax reform, new legislation, 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. |
| Commercial | The mining Industry is competitive and there is no assurance that, even if commercial quantities are discovered, a profitable market will exist for sales of such commodities. There can be no assurance that the quality of the commodity will be such that the properties in which the Company holds an interest can be mined at a profit. |
| Commodity Price and Exchange Rate Risks | Any substantial decline in the price of manganese or base metals could have a material adverse effect on the Company. Furthermore, international prices of manganese and base metals are denominated in United States dollars, whereas the income and expenditure of the Company are and will be considered in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. |
| Competition Risk | The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. |
| Taxation | <p>The acquisition and disposal of Securities 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 Securities 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</p> |

| RISK CATEGORY | RISK |
|------------------------------------|---|
| | and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus. |
| Reliance on key personnel | 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. |
| Investment risk | <p>There are several risks associated with any stock market investment. The market price of Securities can be expected to rise and fall in accordance with general market conditions and factors.</p> <p>The value of the Securities will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.</p> <p>The trading price after listing may also be affected by the financial and operating performance of the Company.</p> |
| Management actions | Directors of the Company will, to the best of their knowledge, experience and ability endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security. |
| Unforeseen expenditure risk | Expenditure may need to be incurred that has not been considered 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. |
| Insurance risk | The Company is subject to several operational risks and may not be adequately insured for certain risks, including industrial and transportation accidents, catastrophic accidents, changes in the regulatory environment, natural occurrences or technical failures. |
| Legislative | Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company. |

6.5 Speculative investment

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

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

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

7. ADDITIONAL INFORMATION

7.1 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.

7.2 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 Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the 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.

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 3 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.

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 relevant 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 or an ASIC office during normal office hours.

Details of documents lodged 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 | ANNOUNCEMENT |
|------------|---|
| 02/09/2024 | Notification regarding unquoted securities – BCA |
| 02/09/2024 | Application for quotation of securities – BCA |
| 02/09/2024 | Notification of cessation of securities – BCA |
| 23/08/2024 | General Meeting – Notice of Access |
| 23/08/2024 | Notice of General Meeting / Proxy Form |
| 21/08/2024 | Fig Tree IP Results |
| 7/08/2024 | Becoming a substantial holder |
| 2/08/2024 | Cleansing Notice |
| 2/08/2024 | Application for quotation of securities - BCA |
| 31/07/2024 | Quarterly Activity and Cashflow Report |
| 29/07/2024 | Proposed issue of securities - BCA |
| 29/07/2024 | Capital Raising for Exploration and Feasibility Studies |
| 25/07/2024 | Trading Halt |
| 2/07/2024 | Investor Webinar - KR1 and KR2 Scoping Study Update |
| 2/07/2024 | Supporting presentation for the KR1 and KR2 Scoping Study |
| 2/07/2024 | POSITIVE RESULTS CONFIRMED FROM THE KR1 & KR2 SCOPING STUDY |
| 23/05/2024 | Wandanya High-Grade Manganese Drill Program Update |
| 7/05/2024 | Corporate Presentation - RIU Conference |
| 1/05/2024 | Dense Media Separation Delivers 32% Manganese Concentrate |
| 23/04/2024 | Quarterly Activities and Cashflow Report |
| 26/03/2024 | Metallurgical testwork delivers 35% plus Mn concentrate |
| 14/03/2024 | Half Year Accounts |
| 13/02/2024 | Corporate Presentation RIU Conference |
| 30/01/2024 | Quarterly Activity and Cashflow Report |
| 16/01/2024 | Exploration Targets Estimated across the Balfour Mn Field |
| 22/12/2023 | Cleansing Notice |
| 21/12/2023 | Change of Director's Interest Notice |
| 21/12/2023 | Application for quotation of securities - BCA |
| 21/12/2023 | Notification regarding unquoted securities - BCA |
| 19/12/2023 | Updated Mineral Resource Estimate Presentation |
| 12/12/2023 | Global Manganese Mineral Resource Estimates Exceed 300 Mt |
| 1/12/2023 | Application for quotation of securities - BCA |
| 29/11/2023 | Proposed issue of securities - BCA |
| 28/11/2023 | Results of Meeting |
| 27/11/2023 | KR1 and KR2 Mineral Resource Estimate Exceeds 100 Mt |

| DATE | ANNOUNCEMENT |
|------------|--|
| 14/11/2023 | Wandanya High-Grade Manganese Rockchip Results |
| 9/11/2023 | BCA Corporate Presentation |
| 1/11/2023 | Cleansing Notice |
| 1/11/2023 | Application for quotation of securities - BCA |
| 31/10/2023 | Quarterly Activity and Cashflow Report |
| 26/10/2023 | Annual General Meeting - Notice of Access |
| 26/10/2023 | Notice of Annual General Meeting/Proxy Form |
| 24/10/2023 | Battery Grade Manganese Sulphate Achieved |
| 18/10/2023 | Drill results confirm more Manganese Discoveries |
| 12/10/2023 | Manganese Discovery at KR2 confirmed with drilling |
| 2/10/2023 | Change of Director's Interest Notice x4 |
| 29/09/2023 | Appendix 4G |
| 29/09/2023 | 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.blackcanyon.com.au).

7.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares 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 most recent dates of those sales were:

| | PRICE | DATE |
|---------|---------|-------------------------|
| Highest | \$0.125 | 3/06/2024 and 4/06/2024 |
| Lowest | \$0.051 | 3/09/2024 |
| Last | \$0.06 | 3/09/2024 |

7.4 Details of substantial holders

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

| SHAREHOLDER ¹ | SHARES | % |
|--------------------------|-----------|-------|
| Cranport Pty Limited | 5,587,297 | 6.91% |

Notes:

1. These parties may participate in the SPP Offer up to an amount of \$30,000.
2. Refer to Form 603 (Notice of initial substantial holder) announced to the ASX on 7 August 2024 for further information with respect to this holding.

7.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers pursuant to this Prospectus; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offers.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

| DIRECTOR | SHARES | OPTIONS | PERFORMANCE RIGHTS |
|------------------------------|-----------|---------|--------------------|
| Graham Ascough ¹ | 1,641,992 | 178,571 | Nil |
| Brendan Cummins ² | 2,125,826 | 178,571 | 2,200,000 |
| Adrian Hill ³ | 2,089,609 | 160,714 | Nil |
| Simon Taylor ⁴ | 1,513,419 | 89,286 | Nil |

Notes:

1. Held indirectly through Ascough Superannuation Fund and Ascough Family Trust of which Mr Ascough is the beneficiary under both Trusts.
Subject to Shareholder approval, Mr Ascough will be issued 357,143 Shares and 178,572 Options pursuant to the Placement.
2. Held Indirectly through Icon Custodians Pty Ltd of which Mr Cummins is a Director of the Trustee and beneficiary of Trust) and Mr Brendan James Cummins and Mrs Melissa Ann Cummins <B&M Cummins S/Fund A/C>.
Subject to Shareholder approval, Mr Cummins will be issued 357,143 Shares and 178,572 Options pursuant to the Placement.
3. Held Indirectly through Samatzo Holdings Pty Ltd <Hill Family A/C> of which Mr Hill is a beneficiary.
Subject to Shareholder approval, Mr Hill will be issued 357,143 Shares and 178,572 Options pursuant to the Placement.
4. Held Indirectly through Simon Taylor and Sally Ann Taylor (Mr Taylor is the beneficiary) Jimbzal (Mr Taylor is the Director of Trustee and beneficiary) Jimbzal Pty Ltd (Mr Taylor is the Director of Trustee and beneficiary).

Subject to Shareholder approval, Mr Taylor will be issued 357,143 Shares and 178,572 Options pursuant to the Placement.

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.

A Director may be paid fees or other amounts (ie 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.

| DIRECTOR | FINANCIAL YEAR ENDED 30 JUNE 2025 (PROPOSED) | FINANCIAL YEAR ENDED 30 JUNE 2024 (ACTUAL) | PREVIOUS FINANCIAL YEAR ENDED 30 JUNE 2023 |
|------------------------------|--|--|--|
| Graham Ascough ¹ | \$72,000 | \$71,823 | \$71,797 |
| Brendan Cummins ² | \$321,400 | \$321,400 | \$366,901 |
| Adrian Hill ³ | \$50,000 | \$49,950 | \$50,171 |
| Simon Taylor ³ | \$50,000 | \$49,950 | \$49,725 |

Notes:

1. Paid as a Consultant for a total annual fee of \$71,823 per annum.
2. Paid as an employee for a annual salary of \$240,000 per annum plus superannuation for an 80% workload. Days worked in excess of 80% are charged at \$1,250 per day.
3. Paid as an employee for an annual salary of \$45,000 per annum plus superannuation.

7.6 Interests of experts and advisers

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

- 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;
- promoter of the Company; or
- 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:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offers; or
- the Offers,

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

- the formation or promotion of the Company; or
- the Offers.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. 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 \$54,519 (excluding GST and disbursements) for legal services provided to the Company.

7.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Proposed 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; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes 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.

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

7.8 Estimated expenses of Offers

The total expenses of the Offers is estimated to be approximately \$32,354 as follows:

| EXPENSE | (\$) |
|--|---------------|
| ASIC Fees | 3,206 |
| ASX Fees | 4,148 |
| Legal Fees | 20,000 |
| Miscellaneous, printing and other expenses | 5,000 |
| Total | 32,354 |

7.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 (8) 9426 0666 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

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 Prospectus or any of those documents were incomplete or altered.

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

The Company will not be issuing Option certificates. The Company is a participant 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. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets 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.

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.

7.11 Privacy Act

If you complete an application the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

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

8. 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.

Brendan Cummins
For and on behalf of
Black Canyon Limited

9. DEFINITIONS

\$ means Australian dollars.

Application Form means an application form accompanying this Prospectus in respect of the Offers, 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 CHES.

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 closing date for the Offers as specified in the timetable set out in Section 1.1.

Company means Black Canyon Limited (ACN 150 714 739).

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

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

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

Eligible Shareholders are Shareholders with a registered address in Australia who were registered holders of Shares on the Record Date.

Expiry Date has the meaning given to that term in Section 5.2(c).

General Meeting means the meeting convened by the notice of meeting dated 3 August 2024.

Offers has the meaning given to that term on the cover page of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offers as specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Options Offer has the meaning given to that term on the cover page of this Prospectus.

Permitted Jurisdiction has the meaning given to that term in Section 3.3.

Placement has the meaning given to that term in Section 2.1.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out in Section 1.1.

Section means a section of this Prospectus.

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

Shareholder means a shareholder of the Company.

SPP means the security purchase plan the subject of this Prospectus.

SPP Offer has the meaning given to that term on the cover page of this Prospectus.

WST means Western standard time as observed in Perth, Western Australia.