

METALS AUSTRALIA LTD

ACN 008 982 474

PROSPECTUS

For offers of:

- (a) up to 350,000,000 Options, on the basis of one (1) new Option for every one (1) Share subscribed for and issued to subscribers under the March 2019 Placement **(March 2019 Placement Options Offer)**;
- (b) up to 470,800,000 Options, on the basis of two (2) new Options for every one (1) Share subscribed for and issued to subscribers under the June 2019 Placement **(June 2019 Placement Options Offer)**;
- (c) up to 15,000,000 Options to Sanlam Private Wealth Pty Ltd (or its nominee/s) **(Lead Manager Offer)**; and
- (d) up to 60,000,000 Options to McNeil Nominees Pty Limited (or its nominee/s) **(Corporate Advisor Offer)**,

together, the **Offers**.

The issue of the Options the subject of the Offers is conditional upon the Company receiving Shareholder approval for the issue of the Options at the General Meeting.

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 Options offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr Michael Scivolo
Non-Executive Chairman

Mr Gino D'Anna
Non-Executive Director

Mr Robert Collins
Non-Executive Director

Registered Office

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Company Secretary

Mr Martin Stein

Share Registry*

Advanced Share Registry Limited
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NEDLANDS WA 6009

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Telephone: + 61 8 9389 8033
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Solicitors

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

Auditor*

Grant Thornton
Central Park, Level 43
152 – 158 St Georges Terrace
PERTH WA 6000

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

2. TIMETABLE

Lodgement of Prospectus with the ASIC	2 August 2019
Lodgement of Prospectus & Appendix 3B with ASX	2 August 2019
Opening Date	2 August 2019
Closing Date	12 August 2019
Issue of Options	13 August 2019
Despatch of holding statements	14 August 2019
Quotation of Options issued under the Offers	15 August 2019

** The above dates are indicative only and may change without notice. The Directors reserve the right to vary these dates, including the Closing Date, without notice.*

3. IMPORTANT NOTES

This Prospectus is dated 2 August 2019 and was lodged with the ASIC on that date. The ASIC, ASX and each of their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Options the subject of this Prospectus should be considered highly speculative.

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

This Prospectus is a transaction specific prospectus for the offers 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.

3.1 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options 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 Options pursuant to this Prospectus.

3.2 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 our Company, the Directors and our management.

The Company cannot and do 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.

4. DETAILS OF THE OFFERS

4.1 The Offers

(a) **March 2019 Placement Options Offer**

On 27 March 2019, the Company announced that it had completed a placement to raise \$630,000 through the issue of 350,000,000 Shares at an issue price of \$0.0018 per Share (**March 2019 Placement**) with funds to be used to accelerate the diamond drilling program at the Lac Rainy Graphite Project in Quebec, Canada.

The terms of the March 2019 Placement provide that, subject to receipt of prior Shareholder approval at the General Meeting, one (1) free-attaching listed Option will be issued for every one (1) Share subscribed for under the Placement.

Under this Prospectus, the Company offers, for nil cash consideration, up to 350,000,000 Options on the basis of one (1) free-attaching Option for every one (1) Share subscribed for by subscribers under the March 2019 Placement. A maximum of 350,000,000 Options will be issued pursuant to this Offer.

(b) **June 2019 Placement Options Offer**

On 5 June 2019, the Company announced that it had completed a placement to raise \$423,720 through the issue of 235,400,000 Shares at an issue price of \$0.0018 per Share (**June 2019 Placement**) with funds to be utilised to continue exploration at the Lac Rainy Graphite Project as well as for general working capital purposes.

The terms of the June 2019 Placement provide that, subject to receipt of prior Shareholder approval at the General Meeting, two (2) free-attaching listed Options will be issued for every one (1) Share subscribed for under the Placement.

Under this Prospectus, the Company offers, for nil cash consideration, up to 470,800,000 Options on the basis of two (2) free-attaching Options for every one (1) Share subscribed for by subscribers under the June 2019 Placement. A maximum of 470,800,000 Options will be issued pursuant to this Offer.

(c) **Lead Manager Offer**

Sanlam Private Wealth Pty Ltd acted as Lead Manager to the March 2019 Placement and, as part consideration for acting as Lead Manager to the March 2019 Placement, the Company will issue up to 15,000,000 Options to Sanlam Private Wealth Pty Ltd (or its nominee/s) (**Lead Manager Offer**). These Options will, subject to receipt of prior Shareholder approval at the General Meeting, be issued as part consideration for Sanlam Private Wealth Pty Ltd's services.

(d) **Corporate Advisor Offer**

As part of the June 2019 Placement, McNeil Nominees Pty Ltd acted as the Corporate Advisor to the June 2019 Placement, and as part consideration for services provided as the Corporate Advisor, the Company will issue up to 60,000,000 Options to McNeil Nominees Pty Ltd

(or its nominee/s) (**Corporate Advisor Offer**). These Options will, subject to receipt of prior Shareholder approval at the General Meeting, be issued as part consideration for McNeil Nominees Pty Ltd's services.

All of the Options offered under this Prospectus will be issued on the terms and conditions set out in Section 6.1.

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.2 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of these Offers and the intended use of funds raised are set out in Section 5.1.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Application for Offers

Application for the March 2019 Placement Options Offer must only be made by March 2019 Placement participants using the relevant Application Form accompanying this Prospectus.

Application for the June 2019 Placement Options Offer must only be made by June 2019 Placement participants using the relevant Application Form accompanying this Prospectus.

Application for the Lead Manager Offer is only open to Sanlam Private Wealth Pty Ltd (or its nominee/s) and must be made using the relevant Application Form accompanying this Prospectus.

Application for the Corporate Advisor Offer is only open to McNeill Nominees Pty Ltd (or its nominee/s) and must be made using the relevant Application Form accompanying this Prospectus.

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered 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**, which is currently scheduled to occur on 12 August 2019.

If you require assistance in completing an Application Form, please contact the Share Registry on +61 8 9389 8033 or the Company on +61 8 9481 7833.

4.4 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options 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 Options and will repay all application monies for

the Options within the time prescribed under the Corporations Act, without interest.

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

4.5 Issue

Options issued pursuant to the Offers will be allotted in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

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

Holding statements for Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Options issued under the Shortfall Offers as soon as practicable after their issue.

4.6 Overseas shareholders

These Offers do not, and are not intended to, constitute offers in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

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

New Zealand

The Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

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

4.7 Enquiries

Any questions concerning the Offer should be directed to Mr Martin Stein, Company Secretary, on +61 8 9481 7833.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers

The primary purpose of the March 2019 Placement was to raise \$630,000 (before costs). The primary purpose of the June 2019 Placement was to raise \$423,720 (before costs).

The funds raised by the March 2019 Placement and the June 2019 Placement were applied toward accelerating the diamond drilling program, the continued exploration of the Company's Lac Rainy Graphite Project and general working capital purposes.

The purpose of Lead Manager Offer and the Corporate Advisor Offer is to facilitate the issue of Options as part consideration to Sanlam Private Wealth Pty Ltd and McNeil Nominees Pty Ltd respectively. No funds will be raised from these offers.

No funds will be raised from these Offers as the Options offered under this Prospectus will, subject to prior Shareholder approval, be issued free-attaching to the Shares issued on a one-for-one basis under the March 2019 Placement and on a two-for-one basis for the Shares issued under the June 2019 Placement.

5.2 Effect of the Offers

The principal effect of the Offers, assuming all Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 1,136,036,668 as at the date of this Prospectus to 2,031,836,668 Options.

The cash reserves of the Company were increased by \$1,053,720 (before costs) by virtue of completion of the March 2019 Placement and June 2019 Placement.

The Company will pay for the expenses of the Offers (estimated to be \$28,445) out of its current cash reserves. Refer to Section 8.7 for further details relating to the estimated expenses of the Offers.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 30 June 2019 and the unaudited pro-forma balance sheet as at 30 June 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Options offered under the Prospectus are issued.

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

	UNAUDITED 30 June 2019	UNAUDITED PROFORMA 30 June 2019
CURRENT ASSETS		
Cash ¹	543,079	514,634
Trade and other receivables	24,396	24,396
Financial assets	157,202	157,202
TOTAL CURRENT ASSETS	724,677	696,232
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	8,451,411	8,451,411
TOTAL NON-CURRENT ASSETS	8,451,411	8,451,411
TOTAL ASSETS	9,176,088	9,147,643
CURRENT LIABILITIES		
Trade and other payables	234,515	234,515
TOTAL CURRENT LIABILITIES	234,515	234,515
TOTAL LIABILITIES	234,515	234,515
NET ASSETS	8,941,573	8,913,128
EQUITY		
Issued capital ¹	33,092,480	33,064,035
Share option reserve	971,935	971,935
Accumulated losses	(25,046,926)	(25,046,926)
Parent interests	9,017,490	8,996,545
Non-controlling interest	(75,917)	(75,917)
TOTAL EQUITY	8,941,573	8,913,128

Notes:

¹ Proforma adjustment for \$28,445 in relation to the estimated expenses of the Offers as shown in Section 8.7.

5.4 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Options offered under the Prospectus are issued, is set out below.

Shares

	Number
Shares currently on issue	2,927,197,777
Shares offered pursuant to the Offers	Nil
Total Shares on issue after completion of the Offers	2,927,197,777

Options

	Number
Options currently on issue:	
Quoted, exercisable at \$0.003 on or before 1 December 2019	215,111,668
Quoted, exercisable at \$0.01 on or before 31 May 2020	920,925,000
New Options offered pursuant to the Offers:	
Quoted, exercisable at \$0.0035 on or before 1 June 2022	350,000,000
Quoted, exercisable at \$0.0035 on or before 1 June 2022	470,800,000
Quoted, exercisable at \$0.0035 on or before 1 June 2022	15,000,000
Quoted, exercisable at \$0.0035 on or before 1 June 2022	60,000,000
Total Options on issue after completion of the Offers	2,031,836,668

The capital structure, on a fully diluted basis, as at the date of this Prospectus, would be 4,063,234,445 Shares and on completion of the Offers (assuming all Applications are accepted and no Options are exercised prior to the Record Date) would be 4,959,034,445 Shares.

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, there are no persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Options

(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 \$0.0035 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 1 June 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options 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 15 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 (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 an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the 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) **Transferability**

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

6.2 Shares

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

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

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

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;
- (i) 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
- (ii) 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 allotment and 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.

7. RISK FACTORS

7.1 Introduction

The Options 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 Shares 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.

7.2 Specific Risks

(a) Exploration Costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, as a result, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Exploration success

The Company's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(c) Reserve and Resource Estimates

No assurance can be given that any mineral reserves and resources that are estimated by the Company will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that it can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Company may discover or invest in could render reserves containing relatively lower grades of these resources

uneconomic to recover and may ultimately result in a restatement of reserves.

(d) **Operational risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(e) **Exploration risks**

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's existing licences may be unsuccessful, resulting in a reduction of the value of those licences, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up

costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(g) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

(h) **Insurance risks**

There are significant exploration and operating risks associated with exploring for graphite and lithium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

(i) **Commodity price volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological

advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account 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.

7.3 General risks

(a) **Trading Price of Securities** I'm about to do this lodgement - could someone

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the securities. In addition, the price of securities is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including, inflation rates and interest rates, variations in the general market for listed stocks, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the securities.

The share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) **Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(c) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(d) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;

- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.]

(g) **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.

(h) **Force Majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(i) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, assets or projects complementary to the Company's existing operations. Any such future

transactions are accompanied by the risks commonly encountered in making acquisitions of companies, assets and projects, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the short term operational goals and retaining key staff and customer and supplier relationships.

7.4 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 value of the Options offered under this Prospectus

Therefore, the Options 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 Options.

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

8. ADDITIONAL INFORMATION

8.1 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.

8.2 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 a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

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 Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;

- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

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

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

Date	Description of Announcement
30/07/2019	Quarterly Activities Report
18/07/2019	Quarterly Cashflow Report
03/07/2019	Exceptionally Wide High-Grade Graphite Zones Intersected
01/07/2019	Notice of General Meeting/Proxy Form
05/06/2019	Metals Australia Appendix 3B – Placement
05/06/2019	Metals Australia Completes Placement
24/05/2019	Retraction of Statements
17/05/2019	Maiden Diamond Drilling Program Completed at Lac Rainy
16/05/2019	Diamond Drilling Intersects Additional High-Grade Graphite
03/05/2019	Response to Appendix 5B Query
02/05/2019	Additional Near Surface High Grade Graphite Intersected
02/05/2019	Withdrawal of Intention to Undertake Rights Issue
30/04/2019	Quarterly Activities Report
30/04/2019	Quarterly Cashflow Report
23/04/2019	Further Drilling Intersects Near Surface High Grade Graphite
15/04/2019	Diamond Drilling Update at Lac Rainy Graphite Project
01/04/2019	Diamond Drilling Underway at Lac Rainy Graphite Project
28/03/2019	Non-Renounceable Issue
27/03/2019	Placement of Shares Completed
27/03/2019	Appendix 3B
22/03/2019	Drilling Equipment & Crews Mobilised to Lac Rainy Project
18/03/2019	Placement
14/03/2019	Trading Halt
13/03/2019	Update on Timing of Drilling at Lac Rainy Graphite Project

Date	Description of Announcement
11/03/2019	Half Year Account
20/02/2019	Presentation Lac Rainy Graphite Project
14/02/2019	Lac Rainy Graphite Project Fully Permitted for Drilling
24/01/2019	Quarterly Activities Report
24/01/2019	Quarterly Cashflow Report
17/12/2018	Extensive Wide Zones of High-Grade Graphite at Lac Rainy
14/12/2018	Director Appointment/Resignation
14/12/2018	Final Director's Interest Notice - Hersh Majteles
03/12/2018	Constitution
30/11/2018	Company Secretary Appointment/Resignation
30/11/2018	Results of Meeting
29/11/2018	Amendment to ASX Announcement dated 21 November 2018
21/11/2018	Lac Rainy Phase 1 - High-grade assay results
31/10/2018	Quarterly Cashflow Report
30/10/2018	Notice of Annual General Meeting/Proxy Form
10/10/2018	Exploration Update
28/09/2018	Appendix 4G – Corporate Governance Disclosures

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.metalsaustralia.com.au.

8.3 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 respective dates of those sales were:

	(\$)	Date
Highest	0.002	10 to 15 May, 17 to 23 May, 30 May, 7 to 11 June, 14 to 20 June, 28 June to 1 July, 3 July, 5 July 2019
Lowest	0.001	4 to 6 June and 4 July 2019
Last	0.002	1 August 2019

8.4 Interests of Directors

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

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

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

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
Mr Gino D'Anna	48,900,000	42,900,000
Mr Michael Scivolo	25,000	Nil
Mr Robert Collins	4,000,000	Nil

None of the Directors are taking part in any of the Offers.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

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

addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2019	2018	2017
Mr Gino D'Anna	\$104,963	\$62,136	\$29,601
Mr Michael Scivolo	\$13,140	\$13,140	\$13,140
Mr Robert Collins	\$12,000	\$12,000	\$12,000
Mr Hersh Solomon Majteles ¹	\$7,500	\$16,425	\$28,744

Notes:

¹ Mr Majteles resigned as Non-Executive Chairman on 14 December 2018 and was replaced as Chairman by Mr Scivolo; an existing Director.

8.5 Interests of experts and advisers

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

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

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

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

- (a) the formation or promotion of the Company; or
- (b) 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 \$7,500 (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 \$12,784 (excluding GST and disbursements) for legal services provided to the Company.

In addition to the proposed issue of Options, Sanlam Private Wealth Pty Ltd was paid a fee of \$47,800 for acting as Lead Manager to the March 2019 Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, Sanlam Private Wealth Pty Ltd has been paid fees totalling \$160,207 by the Company.

McNeil Nominees Pty Ltd will, subject to receipt of Shareholder approval at the General Meeting, be issued the Options as its fee for acting as Corporate Advisor to the June 2019 Placement. During the 24 months preceding lodgement of this Prospectus with the ASIC, McNeil Nominees Pty Ltd has not been paid any fees by the Company.

8.6 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;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;

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.

Sanlam Private Wealth Pty Ltd has given its written consent to being named as Lead Manager to the Company in this Prospectus for the March 2019 Placement. Sanlam Private Wealth Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

McNeil Nominees Pty Ltd has given its written consent to being named as Corporate Advisor to the Company in this Prospectus for the June 2019 Placement. McNeil Nominees Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.7 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$28,445 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	10,739
Legal fees	7,500
Printing and distribution	4,000
Miscellaneous	3,000
Total	28,445

8.8 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company on +61 8 9481 7833 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.metalsaustralia.com.au.

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.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 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 Options allotted 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.

8.11 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, 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 or its share registry 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 Options, the Company may not be able to accept or process your application.

9. 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.

Mr Michael Scivolo
Chairman
For and on behalf of
METALS AUSTRALIA LTD

10. GLOSSARY

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

Applicant means an applicant who applies for Options pursuant to the Offers.

Application Form means the application form annexed to or accompanying this Prospectus for any one of the Offers, as applicable.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules means the listing rules of the ASX.

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

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

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

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

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Metals Australia Ltd (ACN 008 982 474).

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

Corporate Advisor Offer means the offer of up to 60,000,000 Options to McNeil Nominees Pty Ltd (or its nominee/s) pursuant to this Prospectus.

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

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

General Meeting means the general meeting of Shareholders holders to be held on 5 August 2019.

June 2019 Placement means the placement of 235,400,000 Shares at an issue price of \$0.0018 per Share completed by the Company on 5 June 2019.

June 2019 Placement Options Offer means the offer of to 470,800,000 options on the basis of two (2) free-attaching Options for every one (1) Share subscribed for by subscribers under the June 2019 Placement.

Lead Manager Offer means the offer of up to 15,000,000 Options to Sanlam Private Wealth Pty Ltd (or its nominee/s) pursuant to this Prospectus.

March 2019 Placement means the placement of 350,000,000 Shares at an issue price of \$0.0018 per Share completed by the Company on 27 March 2019.

March 2019 Placement Options Offer means the offer of to 350,000,000 options on the basis of one (1) free-attaching Option for every one (1) Share subscribed for by subscribers under the March 2019 Placement.

Offers means the March 2019 Placement Options Offer, the June 2019 Placement Options Offer, the Lead Manager Offer and the Corporate Advisor Offer, the subject of this Prospectus, or any one of them.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share on the terms and conditions set out in Section 6.1.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

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