

MINERAL COMMODITIES LTD

ACN 008 478 653

PROSPECTUS

For a non-renounceable accelerated institutional and retail entitlement issue of 1 Share for every 1.38 Shares held by those Eligible Shareholders registered at the Record Date at an issue price of \$0.03 per Share to raise up to approximately \$15,031,651 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

Shareholders who apply for their full Entitlement will also be entitled to apply for additional Shares under the Shortfall Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered highly speculative.

This distribution of this Prospectus, and the offer of Shares, is restricted outside Australia. In particular, this Prospectus may not be distributed in the United States except by the Company to shareholders who are “accredited investors” (as defined in Rule 501(a) under the US Securities Act of 1933).

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1. CORPORATE DIRECTORY

Directors

Brian Moller
Independent Non-Executive Chairman

Russell Tipper
Non-Executive Director

Nonhlanhla Debbie Ntombela
Non-Executive Director

Zamile David Qunya
Non-Executive Director

Guy Walker
Non-Executive Director

Company Secretary

Katherine Garvey

Registered Office

Level 2
161 Great Eastern Highway
BELMONT WA 6104

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Email: info@mncom.com.au
Website:
www.mineralcommodities.com

ASX Code

MRC

Share Registry*

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Legal Advisers

Steinepreis Paganin
Level 4, 16 Milligan Street
PERTH WA 6000

Lead Arranger

Taylor Collison Limited
AFSL No. 247083
GPO Box 2046, Adelaide SA 5001
Level 16, 211 Victoria Square
ADELAIDE SA 5000

Financial Adviser

Bacchus Capital Advisers Limited
6 Adam Street
London, England WC2N 6AD

*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

Event	Date
Request for trading halt Announcement of Offer Lodgement of Appendix 3B with ASX Lodgement of Prospectus with ASIC and ASX	Before market open 26 October 2023
Institutional Offer opens	26 October 2023
Announcement of results of Institutional Offer	Before market open 30 October 2023
Trading halt lifted Trading resumes on an ex-entitlement basis	30 October 2023
Record Date for the Retail Offer	30 October 2023 (5:00pm AWST)
Prospectus despatched to Shareholders Company announces the despatch has completed Opening Date for Retail Offer	2 November 2023
Settlement of Institutional Offer	2 November 2023
Issue of Shares under Institutional Offer and Lodgement of Appendix 2A	2 November 2023
Quotation of Shares issued under the Institutional Offer	3 November 2023
Last day to extend Retail Offer closing date	13 November 2023
Closing Date of the Retail Offer	16 November 2023
Announcement of results of Retail Offer	23 November 2023
Issue of Shares under the Retail Offer and Entitlement Offer and Lodgement of Appendix 2A	23 November 2023
Quotation of Shares issued under the Retail Offer and the Entitlement Offer	24 November 2023

*All dates are indicative and subject to change. The Company reserves the right to alter this timetable at any time.

3. LETTER FROM THE CHIEF EXECUTIVE OFFICER

Dear Shareholders

On behalf of the Board and management of Mineral Commodities Ltd (**MRC** or the **Company**), I am pleased to invite you to participate in this capital raising and increase your exposure to the potential upside of the Company moving forward.

As the recently appointed CEO, I am very optimistic about the future of the Company given the quality of its assets. In the current challenging investment climate, the combination of an income stream and two (2) exciting battery minerals development projects provides a sound platform for potential future growth in shareholder value.

Offer details and structure

The Company invites you to participate in this non-renounceable accelerated pro-rata entitlement offer of 1 new Share for every 1.38 existing Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.03 (**Offer**).

The proceeds of the Offer will be applied as set out in Section 6 of the Prospectus, to drive improved performance of the heavy minerals and graphite operations and increase the value of our battery metals projects.

I encourage all Shareholders to review closely our recently released audited 30 June 2023 financial statements, September 2023 quarterly activities report (**Quarterly Report**) and investor presentation (which can be located at www.mineralcommodities.com and the Company's ASX platform) for further details on the Company's plans and activities.

As set out in Section 4.1 of the Prospectus, potential investors should be aware that subscribing for Shares involves a number of risks. The key risk factors are summarised in Section 8 of this Prospectus.

Previous entitlement offer and use of funds raised

The Company notes that it completed a capital raising on 4 January 2023,¹ pursuant to which it raised A\$9.85 million (**Previous Entitlement Offer**) against a target of A\$14 million,² (representing a shortfall of A\$4.15 million).

The Company's intended use of funds from the Previous Entitlement Offer included funding towards working capital, Tormin improvements including 3rd Primary Concentration Plant (**PCP**) and downstream production development, mining method adjustments, Tormin Inland Strand reserve expansion and extension, De Punt resource and reserve drilling, graphite anode pilot plant and PFS and DFS graphite anode commercial plant module.³

The Company prioritised capital allocation at Tormin, with the shortfall of funds raised in the Previous Entitlement Offer meaning proposed battery minerals funding had to be deferred.

The Company's budgets and operational forecasts have been subjected to continuing modification depending on the results achieved from its business activities and operations. Since January 2023 and utilizing the funds raised from

¹ ASX Announcement entitled "[Appendix 2A](#)", dated 4 January 2023.

² ASX Announcement entitled "[Rights Issue Strongly Supported by Shareholders](#)", dated 30 December 2022.

³ ASX Announcement entitled "Offer Document", dated 7 October 2022 and ASX Announcement entitled "Chairman's Letter and Supplementary Offer Document" dated 7 December 2022.

the Previous Entitlement Offer, the Company has sought to complete the prioritised capital spending at Tormin but was unable to complete the intended construction of the 3rd PCP, due to funds being diverted to working capital. The Company has, however, completed the following prioritised capital spending consistent with its intended use of funds raised under the Previous Entitlement Offer:

Tormin downstream production development

Tormin downstream development work has been completed. The 3rd PCP has been designed as an upgrade of the two existing PCPs, with improved spirals and tailings disposition technology. The flowsheet and plant design of Mineral Separation Plants (**MSP**) has also been completed in line with the GMA Offtake and US\$10 million Loan Agreement signed during the half-year ended 30 June 2023.⁴

Mining method adjustment

An external review of the current Inland Strands mining method at Tormin supported recognising low-grade stockpiles previously expensed as waste stockpiles. The review also considered alternative mining and processing methods to identify the most value accretive method to mine separately high-grade from low grade stockpiles and maintain the current processing flowsheet, prior to tertiary mineral separation after construction of the MSPs by March 2024.

Tormin Inland Strand reserve expansion and extension

The Tormin Inland Strand reserve has materially increased from 21.8Mt to 60.3Mt.⁵ Overall Inland Strands reserves have increased by 177% (41% increase in contained heavy mineral) and Inland Strands reserves within its current mining right by 181% (57% increase in contained heavy mineral) to 21.5 million tonnes at 5.4% VHM containing 1.17 million tonnes of heavy mineral.

Resource and reserve drilling – Maiden Resource Du Punt

The Company announced a significant maiden mineral resource at De Punt of 66.1Mt at 7.1% VHM, containing 11.19Mt of total heavy mineral. MRC's total Tormin Mineral Resources of heavy mineral sands increased to a combined estimate of 282.6 million tonnes at 3.8% VHM, containing 30.8Mt in situ heavy mineral.⁶

Increased working capital requirements January - October 2023

Our financial results for the half-year ended 30 June 2023 highlight the impact of the operational challenges that the Company has faced.⁷ MRC has ongoing commitments for the development of its mining and exploration assets and has, subsequent to the half year end, committed to the purchase of the minority shareholders' 10% interest in its Skaland operations for an amount of US\$1.9 million (US\$1.26 million has already been paid).⁸ The Group has been managing its financial liquidity during 2023 due to the lower than historical and budgeted

⁴ Refer ASX Announcement entitled '[Tormin Secures MSP Funding and Finished Garnet Offtake](#)', dated 22 May 2023 and ASX Announcement entitled '[Additional Information - MSP Funding and Garnet Offtake Agreements](#)', dated 23 May 2023.

⁵ ASX Announcement entitled "[Amended Announcement - Significant Ore Reserve Increase for Tormin Inland Strands](#)", dated 5 April 2023.

⁶ ASX Announcement entitled "[Maiden Mineral Resource at De Punt](#)", dated 24 May 2023.

⁷ Refer ASX Announcement entitled '[2023 Half Year Results Summary](#)', dated 31 August 2023.

⁸ Refer ASX Announcement entitled '[MRC to Take 100% Ownership of Skaland: BSG Matter Settled](#)', dated 3 July 2023.

financial performance of its mining operations given the commissioning and ongoing optimisation of plant upgrades to process feed from Inland Strands ore.

The immediate need for additional funding was precipitated by our external auditors, BDO, including a statement of material uncertainty regarding going concern in our 30 June 2023 half-year accounts, production issues at Tormin that are not able to be immediately remedied and the downtime due to the unserviceable drill rig at Skaland.

The Company's production during the quarter to 30 September 2023 was below theoretical production rates due to the factors set out in the Quarterly Report. Management has devised a plan to seek to address these issues. However, the proposed solutions require long lead time items and delayed delivery of components has impacted the plant output, increasing the strain on operating cash flows since completion of the Previous Entitlement Offer.

These combined factors present a material uncertainty for the Company and, as a result, the Company is seeking to raise additional capital to provide a balance between its immediate working capital needs and necessary further investment aimed at ensuring long term positive cash flow generation from the group's mining operations.

Unplanned costs and production delays

Unplanned costs included the initial settlement payment to acquire the minority shareholders' 10% stake in Skaland for US\$1.26 million,⁸ legal costs associated with the dispute and subsequent settlement, higher than budgeted road transport costs and maintenance of an aging fleet and plant.

Production delays at Tormin in 2023 included seawater intake interruption of processing, extended crusher breakdown at the Inland Strand significantly reducing feed rates and sub-optimal fine tailings removal allowing tailings build up in the water circuit and reducing the efficiency of water pumps, reducing plant availability.

Production delays at Skaland in 2023 included mining fleet breakdowns, deferral of mining while the haul road from the mine to the main road was being resurfaced and breakdown of the Skaland primary ore production drill rig for the September 2023 quarter.⁹

Operational outlook post October 2023 Offer

The Company's priorities assuming a successful completion of the Offer are to return Tormin to profitability in line with historical levels and to continue the development of its battery minerals projects.

The Company's profitability was an average of US\$16 million EBITDA 2015 - 2021. The optimisation of Inland Strands production, additional feed capacity from the 3rd PCP, introduction of MSPs along with other improvements are planned to restore Tormin's earnings towards those levels in HY1 2024.

The prospects for the battery minerals division is also very exciting. The Company is keen to continue expanding the asset value of the graphite assets through completion of its downstream graphitic anode pilot plant, the final precursor to commercial anode production, obtaining mining rights for its Munglinup graphite

⁹ Refer ASX Announcement entitled '[Temporary Business Interruption Skaland Graphite Mine](#)', dated 7 September 2023.

asset and the potential 40% production expansion at Skaland. Battery minerals is a fast-growing industry that continues to attract global investor interest.

In summary, this Offer is designed to provide the necessary funding to strengthen the balance sheet and underpin the Company's income generation and battery minerals project development opportunities with the overriding objective of growing shareholder value.

I look forward to leading the Company to an improved and sustained level of performance and delivered project outcomes. On behalf of the Board, I would like to thank our valued shareholders for their support.

Scott Lowe
Chief Executive Officer
Mineral Commodities Ltd

4. IMPORTANT NOTES

This Prospectus is dated 26 October 2023 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 Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

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

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or a Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. 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.

In addition to the Offer, this Prospectus is also being issued to remove any secondary trading restrictions that may attach to Shares issued by the Company pursuant to the Institutional Offer in accordance with section 708A(11) of the Corporations Act.

4.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8 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 Shares in the future. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities or cannot otherwise be mitigated. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4.2 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 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 8 of this Prospectus.

4.3 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Shares 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 Shares under this Prospectus.

4.4 Website – Electronic Prospectus

A copy of this Prospectus can be downloaded online from <https://events.miraqle.com/MRC-Offer>.

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.

4.5 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

4.6 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 Offer. You should rely only on information in this Prospectus.

4.7 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.

5. DETAILS OF THE OFFER

5.1 The Offer

The Offer is for an accelerated non-renounceable entitlement offer of approximately 501,055,029 Shares at an issue price of \$0.03 per Share, on the basis of 1 Share for every 1.38 Shares held by Eligible Shareholders as at the Record Date. Fractional entitlements will be rounded down to the nearest whole number.

The Offer has two components:

- (a) an accelerated offer to Eligible Institutional Shareholders, expected to comprise the issue of approximately 168,850,260 Shares to raise approximately \$5,065,508 and which is due to settle on 2 November 2023 (**Institutional Offer**); and
- (b) an offer to Eligible Retail Shareholders, expected to comprise the issue of approximately 332,204,769 Shares to raise up to approximately \$9,966,143 (**Retail Offer**).

Both the Institutional Offer and the Retail Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no Performance Rights are exercised prior to the Record Date), a maximum of approximately 501,055,029 Shares are to be issued to raise up to approximately \$15,031,651 (before costs of the Offer).

As at the date of this Prospectus the Company has no Options on issue.

As at the date of this Prospectus the Company has 9,200,000 Performance Rights on issue which remain subject to vesting conditions and as such, cannot be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 6.4 of this Prospectus for information on the Performance Rights on issue.

All of the Shares offered under the Offer will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 7.1 for further information regarding the rights and liabilities attaching to the Shares.

The Directors, in consultation with the Lead Arranger, may at any time decide to withdraw this Prospectus and the offer made under this Prospectus, in which case the Company will return all applications monies (without interest) within 28 days of giving notice of such withdrawal.

The purpose of the Offer and the intended use of funds raised under the Offer are set out in Section 6 of this Prospectus.

5.2 Institutional Offer

The Institutional Offer will be conducted over a two-day period (**Institutional Offer Period**). During the Institutional Offer Period, Eligible Institutional Shareholders will be invited to participate in the Institutional Offer and will be afforded the opportunity to subscribe for all or a portion of their full Entitlement under the Institutional Offer, at the price of \$0.03 per Share (**Offer Price**).

The Company proposes to raise approximately \$5,065,508 under the Institutional Offer.

Eligible Institutional Shareholders may subscribe for all or part of their Entitlement. Eligible Institutional Shareholders who accept their Entitlement in full may also apply for additional Shares from the Shortfall Offer. The Company reserves the right to allocate any additional Shares to Eligible Institutional Shareholders who wish to take up additional Shares at its sole discretion. The Company will not allocate or issue any additional Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law.

Unless otherwise agreed by the Company, any Eligible Institutional Shareholder that does not confirm their acceptance of the Institutional Offer by the close of the Institutional Offer will be deemed to have renounced all of their Entitlement and will not receive any value in respect of their Entitlement.

Shares equal in number to those Entitlements not taken up by Eligible Institutional Shareholders, together with any Shares attributable to Entitlements which would otherwise have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Offer, will also be offered for subscription to Eligible Institutional Shareholders and, with the consent of the Company, selected institutional investors in other foreign jurisdictions, in compliance with the applicable foreign securities laws, through a volume bookbuild process over the Institutional Offer Period at the Offer Price.

All participants under the Institutional Offer will pay the same price for all of the Shares they subscribe for (being the Offer Price).

5.3 Retail Offer

Eligible Retail Shareholders are invited to participate in the Retail Offer under the Prospectus, on the same terms as the Institutional Offer.

The Retail Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise approximately \$9,966,143. Eligible Retail Shareholders who wish to acquire Shares under the Retail Offer will need to complete a BPay® payment using the reference number on their personalised Entitlement and Acceptance Form that will be sent to them accompanying a copy of the Prospectus.

5.4 Minimum subscription

There is no minimum subscription to the Offer.

5.5 Your choices as an Eligible Retail Shareholder

Eligible Retail Shareholders may do any of the following:

- (a) take up their full Entitlement under the Offer;
- (b) take up their full Entitlement under the Offer and apply for Shortfall;
- (c) partially take up their Entitlement and allow the balance to lapse; or
- (d) decline to take up their Entitlement by taking no action.

There is no guarantee that Eligible Retail Shareholders who apply for additional Shares will receive the number of additional Shares applied for, or indeed, any additional Shares at all. The number of new Shares issued under the Shortfall Offer will not exceed the Shortfall following the Offer. The Directors, in conjunction with the Lead Arranger, shall allot and issue additional new Shares in accordance with the allocation policy for the Entitlement Shortfall set out in section 5.14.

The Company, in consultation with the Lead Arranger, may reject any application for additional new Shares or allocate fewer additional new Shares than applied for by Eligible Retail Shareholders for additional new Shares. The ability for the Company to issue additional new Shares is dependent upon the extent of any Shortfall.

5.6 Acceptance

If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement, your acceptance of the Offer must be made by making a payment by BPay® using the personal reference number on the Entitlement and Acceptance Form accompanying this Prospectus so that the payment is received prior to the Closing Date of the Offer. Your acceptance must not exceed your Entitlement as shown on that form, unless you intend to apply for additional Shares under the Shortfall Offer (refer to Section 5.14 for further information), in which case the additional Shares applied for will be deemed to be an application for Shares under the Shortfall Offer.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form (form not required if payment made by BPAY®); and
 - (ii) by completing a BPAY® payment in Australian currency, for the amount indicated on and in accordance with the instructions referred to on the Entitlement and Acceptance Form and in this Prospectus; and
- (b) if you wish to apply for **additional** shares after accepting your full Entitlement in accordance with Section 5.6(a), then:
 - (i) fill in the number of additional Shares you wish to apply for in the space provided on the Entitlement and Acceptance Form (form not required if payment made by BPAY®); and
 - (ii) complete a BPAY® payment in Australian currency for the appropriate Application Monies and in accordance with the instructions referred to on the Entitlement and Acceptance Form and in this Prospectus; or
- (c) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form (form not required if payment made by BPAY®); and
 - (ii) complete a BPAY® payment in Australian currency, for the appropriate Application Monies and in accordance with the instructions referred to on the Entitlement and Acceptance Form and in this Prospectus; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

5.7 Payment by BPAY®

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

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies.

5.8 Implications of an acceptance

Paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once an Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law;
- (c) you are an Eligible Shareholder;
- (d) you understand that the Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws;
- (e) if you are outside Australia, you are permitted to participate in the Offer as contemplated in Section 5.17 (Overseas Shareholders); and
- (f) if you are in the United States, you must sign and return a US Investor Certificate that is available from the Company Secretary.

5.9 Lead Arranger

Taylor Collison Limited (ACN 008 172 450) (AFSL No. 247083) (**Taylor Collison**) has been appointed as the lead arranger to the Offer. A summary of the terms of the Taylor Collison mandate and total fees payable is set out in Section 9.4.1.

5.10 Financial Adviser

Bacchus Capital Advisers Limited (**Bacchus**) has been appointed as the financial adviser to the Company in respect of the Offer. A summary of the terms of the Bacchus mandate and total fees payable is set out in Sections 9.4.2.

5.11 Effect on control of the Company

The Company's largest Shareholder is Au Mining, holding a voting power of 33.70% as at the date of this Prospectus. Shareholders should note that Au Mining has indicated that it will participate for its full Entitlement under the Institutional Offer and will receive its Shares in accordance with the timetable in Section 2.

If all Shareholders take up their Entitlement under the Offer, the percentage interests in the Company held by Au Mining and the Company's other substantial Shareholders (as set out in the table in Section 6.5) will not change.

However, if some or all Shareholders other than Au Mining do not take up some or all of their Entitlements under the Offer, then the voting power of Au Mining will increase and Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted.

As such, Shareholders should note that if they do not participate in the Entitlement Offer and all of Au Mining, Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood (as referred to in section 5.12) take up their full Entitlement, their holdings are likely to be diluted by approximately 27.65% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

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

Holder	Holding as at Record Date	% at Record Date (undiluted)	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer (undiluted)
Shareholder 1	10,000,000	1.45%	7,246,377	10,000,000	0.84%
Shareholder 2	5,000,000	0.72%	3,623,188	5,000,000	0.42%
Shareholder 3	1,500,000	0.22%	1,086,957	1,500,000	0.13%
Shareholder 4	400,000	0.06%	289,855	400,000	0.03%
Shareholder 5	50,000	0.01%	36,232	50,000	0.00%

Notes:

1. This is based on a share capital of 691,455,941 Shares at the date of this Prospectus and assumes no other Shares are issued.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

The potential effect that the issue of the new Shares under the Offer may have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Offer, the issue of new Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer will be diluted relative to those Shareholders who subscribe for some or all of their entitlement as shown by the table above; and

- (c) in the circumstance described in (b) above, Eligible Shareholders will be entitled to top-up their shareholding by subscribing for additional Shares with other unrelated investors under the Shortfall Offer, as detailed in Section 5.14.

Au Mining is unable to top-up its shareholding in the Company by subscribing for additional Shares under the Shortfall Offer.

Au Mining information

Au Mining is a wholly-owned subsidiary of Montoya Investments Ltd, a company incorporated under the laws of the British Virgin Islands. Montoya Investments Ltd is wholly-owned by Mr Graham Edwards.

Mr Graham Edwards is the sole director and ultimate beneficial owner of Au Mining. Mr Edwards is a resident of the United Kingdom and executive chairman of Telereal Trillium, a property investment business. Mr Guy Walker is the sole company secretary of Au Mining.

Au Mining is a private investment company incorporated under the laws of the British Virgin Islands, with investments in the resources sector.

Au Mining has confirmed that it will take up its full entitlement under the Offer.

5.12 Effect of the Offer on voting power in and control of the Company

Shareholders should note that the following members of the Company's top 20 largest Shareholders have committed to participate for the following amounts under the Retail Offer:

Shareholder	Entitlement	No of Shares to be applied for	\$
Tormin Holdings Limited	69,065,386	69,065,386	2,071,962
Mr & Mrs Anthony C Lowrie	37,646,140	25,000,000	750,000
Mr Richard Arthur Lockwood	1,290,331	1,290,331	38,710

The Shares to be applied for under the Retail Offer by the parties set out in the table above are together referred to as the **Commitments**.

The table below sets out Au Mining's voting power in the Company following completion of the Offer under certain scenarios relating to the percentage acceptance of Entitlements under the Retail Offer.

This table assumes Au Mining holds 233,013,359 Shares as at the date of this Prospectus, that Au Mining takes up its Entitlement under the Institutional Offer, that Tormin Holdings Ltd, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood take up their respective Commitments, and that there are no applications for Shares under the Shortfall Offer.

Event	Number of Shares held by Au Mining	Voting power of Au Mining (%)
100% take up from Eligible Shareholders	401,863,619	33.70%
75% take up from Eligible Retail Shareholders, assuming take up of Entitlement by Au Mining under the Institutional Offer and Commitments by Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood under the Retail Offer	401,863,619	35.46%
50% take up from Eligible Retail Shareholders, assuming take up of Entitlement by Au Mining under the Institutional Offer and Commitments by Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood under the Retail Offer	401,863,619	37.41%
25% take up from Eligible Retail Shareholders, assuming take up of Entitlement by Au Mining under the Institutional Offer and Commitments by Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood under the Retail Offer	401,863,619	39.60%
0% take up from Eligible Retail Shareholders, assuming take up of Entitlement by Au Mining under the Institutional Offer and Commitments by and Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood under the Retail Offer	401,863,619	42.05%

Note:

1. If Tormin Holdings Limited takes up its Commitment under the Retail Offer, assuming Au Mining takes up its full entitlement under the Institutional Offer, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood take up their Commitments take up their Commitments under the Retail Offer, and 0% take up from Eligible Retail Shareholders, Tormin Holdings Limited would obtain a maximum voting power of approximately 17.20% in the Company.
2. If Mr & Mrs Anthony C Lowrie take up their Commitment under the Retail Offer, assuming Au Mining takes up its full entitlement under the Institutional Offer, Tormin Holdings Limited and Mr Richard Arthur Lockwood take up their Commitments under the Retail Offer, and 0% take up from Eligible Retail Shareholders, Mr & Mrs Anthony C Lowrie would obtain a maximum voting power of approximately 8.05% in the Company.

The Company notes that it is unlikely that no Eligible Retail Shareholders other than Tormin Holdings Limited, Mr & Mrs Anthony C Lowrie and Mr Richard Arthur Lockwood will take up entitlements under the Retail Offer. The voting power of Au Mining will therefore reduce by a corresponding amount for the amount of Entitlements under the Retail Offer taken up by other Eligible Retail Shareholders.

5.13 Intentions of Au Mining

The Company (having sought confirmation from Au Mining) advises that Au Mining has no present intention to appoint any new director to, or make any changes to the composition of, the Board of the Company, or to:

- (a) change the Company's business strategy, as previously disclosed to the market;
- (b) inject further capital into the Company;
- (c) transfer assets between the Company and Au Mining;

- (d) change the employment of any present employee of the Company; or
- (e) otherwise redeploy the fixed assets of the Company.

5.14 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date to allow the Company to place Shortfall to unrelated investors who are not Eligible Shareholders. The Company reserves the right to close the Shortfall Offer at any time.

Eligible Shareholders are entitled to apply for Shortfall Shares under the Shortfall Offer subject to such applications being received by the Closing Date. The issue price for each Shortfall Share shall be \$0.03, being the price at which Shares have been offered under the Offer.

The Company will accept all valid Applications for Shortfall Shares made by Eligible Shareholders, except where acceptance of an Application or the issuance of new Shares would be to a related party of the Company, would contravene section 606 of the Corporations Act or where the number of Shares in respect of which valid Applications have been received under the Shortfall Offer would (when taken together with all other valid Applications received under the Offer) exceed the total number of new Shares proposed to be issued under the Offer (in which case, the Company will accept all valid applications up to the maximum number of new Shares proposed to be issued under the Rights Issue in accordance with the allocation described in paragraph (a) below).

If Eligible Shareholders wish to apply for any Shortfall Shares they should complete the relevant section of the Entitlement and Acceptance Form.

The Company intends to allocate the Shortfall Shares as follows:

- (a) to the extent there is a shortfall between Applications received for Shares under the Offer and the total number of new Shares proposed to be issued under the Offer (**First Shortfall**), each Eligible Shareholder who has applied for additional Shares will be allocated their proportionate share of the First Shortfall having regard to their shareholdings as at the Record Date. If an Eligible Shareholder has made an application for Shortfall Shares but has specified a maximum shortfall application amount which is less than the amount of new Shares which that Shareholder would otherwise be allocated under this process, that Shareholder will be allocated the lesser amount;
- (b) if, following allocation of the First Shortfall, there remains a shortfall between the allocated new Shares and total number of new Shares proposed to be issued under the Offer (**Second Shortfall**), the above allocation process will be repeated in respect of the Second Shortfall and any subsequent shortfalls until either all the new Shares proposed to be issued under the Offer have been allocated or all shortfall allocations have been satisfied in full; and
- (c) if there remains a shortfall between the allocated new Shares and total number of new Shares proposed to be issued under the Offer, the Company will seek to place the residual Shortfall Shares to unrelated investors in accordance with the allocation policy set out above.

As set out on Section 5.11, Au Mining is unable to top-up its shareholding in the Company by subscribing for additional Shares under the Shortfall Offer.

5.15 ASX listing

Application for Official Quotation of the Shares 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 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 within the time prescribed under the Corporations Act, without interest.

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 Shares now offered for subscription.

5.16 Issue of Shares

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

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

Pending the issue of the Shares 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 Shares issued under the Offer will be sent in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

5.17 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia Brunei Darussalam, Canada (Alberta, Ontario), Hong Kong, Malaysia, Mexico, Netherlands, New Zealand, Singapore, South Africa, United Arab Emirates (excluding financial zones), the United Kingdom and the United States (**Eligible Jurisdictions**), having regard to the number of Shareholders in those places, the number and value of the Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of the Eligible Jurisdictions in which the Company's Shareholders may reside. It is the responsibility of overseas

Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside the Eligible Jurisdictions may be restricted by law and persons who come into possession of this Prospectus observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

Brunei

This Prospectus is only intended to be distributed and made available, and the Shares to be offered only, to existing shareholders of the Company. This Prospectus may not be distributed, published or advertised, directly or indirectly, to the public in Brunei Darussalam. No recipient of this Prospectus may distribute it or make copies of it available to any other person. This Prospectus has not been registered with the Brunei Registrar of Companies.

Canada

This Prospectus constitutes an offering of the Shares in the Canadian provinces of Alberta and Ontario (**Provinces**) where existing shareholders of the Company are resident. This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces.

No securities commission or other authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Provinces.

Any resale of the Shares in Canada must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with an exemption from prospectus requirements. Such resale restrictions do not apply to a first trade in a security (such as Shares) of a foreign issuer (such as the Company) that is not a reporting issuer in Canada and that is made through an exchange or market outside of Canada (such as ASX).

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Hong Kong

WARNING: This Prospectus may be distributed in Hong Kong only to existing shareholders of the Company. This Prospectus may not be distributed, published, reproduced or disclosed (in whole or in part) to any other person in Hong Kong or used for any purpose in Hong Kong other than in connection with the recipient's consideration of the Offer.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

This Prospectus has not been reviewed by any Hong Kong regulatory authority. In particular, this Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of the Laws of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong under Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of Shares. The Shares may not be offered, sold or issued in Malaysia except to existing shareholders of the Company. Any Shares not taken up under the entitlement offer may not be offered, sold or issued in Malaysia except pursuant to, and to persons prescribed under, pursuant to Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

Mexico

The Shares are being offered in Mexico only to existing shareholders of the Company and may not be publicly offered or sold in Mexico.

This Prospectus does not constitute a public offering of Shares under Mexican law and, therefore, the offer of Shares is not subject to obtaining the prior authorization of the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) nor the registration of the Shares with the Mexican National Registry of Securities (*Registro Nacional de Valores*).

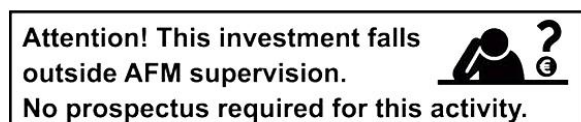
Netherlands

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Shares in the Netherlands is limited:

- (a) to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- (b) to fewer than 150 natural or legal persons (other than qualified investors); or
- (c) in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

Investors in the Netherlands should note:



New Zealand

The Shares 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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

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 under the Financial Markets Conduct Act 2013. This Prospectus 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.

Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (**SFA**) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's shares. If you are not such a shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

South Africa

This Prospectus may be distributed in South Africa only to existing shareholders of the Company. This Prospectus does not constitute a prospectus prepared and registered under the South African Companies Act and may not be distributed to the public in South Africa.

An entity or person resident in South Africa may not implement participation in the Offer unless (i) permitted under the South African Exchange Control Regulations or (ii) a specific approval has been obtained from an authorised foreign exchange dealer in South Africa or the Financial Surveillance Department of the South African Reserve Bank.

United Arab Emirates

This Prospectus does not constitute a public offer of securities in the United Arab Emirates and the Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this Prospectus nor the Shares have been approved by the Securities and Commodities Authority or any other authority in the UAE.

This Prospectus may be distributed in the UAE only to existing shareholders of the Company and may not be provided to any person other than the original recipient. Information about the Offer may be found in this Prospectus and on

the Company's website. If a recipient of this Prospectus ceases to be a shareholder of the Company at the time of subscription, then such person should discard this Prospectus and may not participate in the Offer.

No marketing of the Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market).

No offer or invitation to subscribe for Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this Prospectus nor any other document relating to the offer of Shares has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

United States

The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act of 1933 and applicable US state securities laws.

The Offer is being made in the United States only to a limited number of shareholders of the Company who are "accredited investors" (as defined in Rule 501(a) under the US Securities Act). In order to participate in the Offer, a US shareholder must sign and return a US investor certificate, together with an application form, that is available from the Company to confirm, amongst other things, that the US shareholder is an accredited investor.

Nominees and custodians

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, Brunei, Canada (Alberta and Ontario provinces only), Malaysia, Mexico, New Zealand, Singapore, South Africa and the United Arab Emirates (excluding Dubai International Financial Centre and the Abu Dhabi Global Market) except, with the consent of the Company, to beneficial shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

5.18 Enquiries

Any questions concerning the Offer should be directed to Katherine Garvey, Company Secretary, on +61 8 6373 8900 or info@mncom.com.au.

6. PURPOSE AND EFFECT OF THE OFFER

6.1 Purpose of the Offer and funding needs of the Company

The purpose of the Offer is to raise up to \$15,031,651 (before costs).

The Company has experienced a declining cash and working capital position over the last 12 months, minimal positive operating cash flows and consolidated net losses. The Company is seeking external funding to strengthen its balance sheet to provide immediate working capital support and capital investment aimed to turnaround the profitability of the Company.

The funds raised from the Offer (assuming all Entitlements are accepted) are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$M)	Percentage (%)
Funds Available			
1.	Institutional Offer	5.1	34.0
2.	Retail Offer	9.9	66.0
	Total	15.0	100.0
Allocation of funds¹			
1.	Expenses of the offer	0.6	4.0
2.	Reduction of trade and other third-party creditors (to normalise payment terms and working capital management)	5.4	35.9
3.	Increase Tormin processing capacity	4.3	28.6
4.	Increase operating spares inventory at Tormin and Skaland – to improve production reliability and to support increasing processing capacity at Tormin	1.6	10.6
5.	Graphite anode pilot plant, final precursor to commercial anode production	1.5	10.0
6.	Final tranche payment to acquire minority shareholder interest in Skaland	1.0	6.7
7.	Expansion of Skaland production capacity	0.6	4.0
	Total	15.0	100.0

Notes:

1. Indicative only.

Should the Offer not be fully subscribed, items of expenditure would be prioritised in the order set out in the table above.

On completion of the Offer and taking into account existing cash reserves, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in a delay or substantial changes to the Company's future plans.

The above tabled expenditures represent 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.

6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Performance Rights were exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$15,031,651 (before deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 691,455,941 as at the date of this Prospectus to approximately 1,192,510,970 Shares following completion of the Offer.

The Company confirms there will be no change to the number of Performance Rights on issue as a result of the Offer.

6.3 Pro-forma statement of financial position

The reviewed balance sheet as at 30 June 2023 and the pro-forma balance sheet shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, including expenses of the Offer.

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

Items included in the following pro-forma balance sheet are measured using the currency of the primary economic environment in which the Company operates. The pro-forma balance sheet is presented in United States (**US**) dollars, which is the Company's presentation currency. The proforma maximum subscription of A\$15,031,651 equates to approximately US\$9,513,703 as at the date of lodgement of the Prospectus.

	Audited Consolidated 30 June 2023 US\$	Proforma Maximum Subscription US\$9,513,703 US\$
Current assets		
Cash and cash equivalents	5,555,380	15,069,083
Trade and other receivables	9,617,950	9,617,950
Other financial assets	16,991,517	16,991,517
Other assets	23,236	23,236

	Audited Consolidated 30 June 2023 US\$	Proforma Maximum Subscription US\$9,513,703 US\$
Total current assets	32,188,083	41,701,786
Non-Current assets		
Financial assets	1,048,261	1,048,261
Inventories	2,136,887	2,136,887
Exploration and evaluation assets	16,859,012	16,859,012
Mine development expenditure	3,239,898	3,239,898
Plant and equipment	22,537,310	22,537,310
Total non-current assets	45,821,368	45,821,368
Total assets	78,009,451	87,523,154
Current liabilities		
Trade and other payables	14,169,844	14,169,844
Unearned revenue	4,762,375	4,762,375
Borrowings	4,447,951	4,447,951
Financial liability	202,523	202,523
Employee benefits	675,073	675,073
Total current liabilities	24,257,766	24,257,766
Non-current liabilities		
Provisions	852,857	852,857
Borrowings	1,402,467	1,402,467
Employee benefits	13,714	13,714
Deferred tax liabilities	848,496	848,496
Total non-current liabilities	3,117,534	3,117,534
Total liabilities	27,375,300	27,375,300
Net assets	50,634,151	60,147,854
Equity		
Contributed equity	85,529,421	95,043,124
Reserves	(36,592,101)	(36,592,101)
Retained earnings	2,608,191	2,608,191

	Audited Consolidated 30 June 2023 US\$	Proforma Maximum Subscription US\$9,513,703 US\$
Parent entity interest	51,545,510	61,059,214
Non-controlling interest	(911,359)	(911,359)
Total equity	50,634,151	60,147,854

6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares

	Number
Shares currently on issue ¹	691,455,941
Shares to be issued pursuant to the Offer ²	501,055,029
Total Shares on issue after completion of the Offer	1,192,510,970

Notes:

1. Refer to Section 7.1 for a summary of the material terms and conditions of the Shares.
2. Expected to comprise approximately 168,850,260 Shares under the Institutional Offer and approximately 332,204,769 Shares under the Retail Offer.

Performance Rights

	Number
Performance Rights currently on issue ¹	9,200,000
Performance Rights to be issued pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	9,200,000

Notes:

1. Refer to the Company's Notice of Annual General Meeting lodged with ASX on 27 April 2022 for further details regarding the terms and conditions of these Performance Rights.

6.5 Details of substantial holders

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

Shareholder	Shares	% (Undiluted)	Entitlement (Shares)	\$
Au Mining Limited ¹	233,013,359	33.70%	168,850,260	5,065,508
Tormin Holdings Limited ²	95,310,232	13.78%	69,065,386	2,071,962
Mr & Mrs Anthony C Lowrie ³	51,951,674	7.51%	37,646,140	1,129,384.2
M&G Investment Management Limited	44,478,034	6.43%	32,230,459	966,913.8

Shareholder	Shares	% (Undiluted)	Entitlement (Shares)	\$
Mr M E Denning	38,466,667	5.56%	27,874,396	836,231.9
Simto Resources Pty Ltd	37,679,814	5.45%	27,304,213	819,126.4

Notes:

1. Au Mining's current shareholding in the Company as at the date of this Prospectus. Au Mining has agreed to take up its full Entitlement under the Offer. The potential increase to Au Mining's voting power is set out at Section 5.12.
2. Tormin Holdings Limited's current shareholding in the Company as at the date of this Prospectus. Tormin Holdings Limited has agreed to take up its full Entitlement under the Offer as set out in Section 5.12.
3. Mr & Mrs Anthony C Lowrie have agreed to subscribe for up to 25,000,000 Shares under the Offer as set out in Section 5.12.
4. The voting power in the table is prior to completion of the Offer and, other than as noted at items 1 and 2 above, is based on publicly available information and otherwise as disclosed in the most recent substantial holder notices released by these entities. Where based on publicly available information, the Company notes that the voting power disclosure set out above may not be current and accurate.

7. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

7.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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 and the surplus assets are insufficient to repay the whole of the paid up capital, the surplus assets must be distributed so that, as nearly as may be, the losses are borne by the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up.

If in a winding up the assets available for distribution among the members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess must be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up.

(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.

8. RISK FACTORS

8.1 Introduction

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

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

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

The risks factors set out in this Section 8, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 8 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

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

8.2 Company specific

Risk Category	Risk
Potential for dilution	<p>In addition to potential control impacts set out in Section 5.11, Shareholders should note that if they do not participate in the Entitlement Offer and all of the Eligible Institutional Shareholders in section 5.12 take up their full Entitlement, their holdings are likely to be diluted by approximately 42.02% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.040 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p>
Control risk	<p>Au Mining is currently the largest substantial shareholder of the Company and has a relevant interest in approximately 33.7% of the Shares in the Company. Assuming Au Mining takes up its full Entitlement, there is a limited take up of the Entitlements, and there is no participation in the Shortfall</p>

Risk Category	Risk		
	<p>Offer, the voting power of Au Mining in the Company could increase to up to 46.55%.</p> <p>This significant interest means that Au Mining may be in a position to potentially influence the financial decisions of the Company, and their interests may not align with those of all other Shareholders.</p>		
Litigation Claims and legal proceedings	The Company is currently party to a number of litigation matters, as summarised below.		
	Matter	Description	Status
	Defamation matters (x3)	<p>The Company is currently defending itself against various defamatory claims and allegations made by South African nationals.</p> <p>Claims relate to (variously) alleged human rights violations, violence against environmental activists, bribery, violence, forgery, threatening behaviour environmental breaches, and misleading the community.</p> <p>The Company has commenced three (3) separate proceedings to defend itself against these claims.</p>	<p>The Company has claimed in court these various public statements are defamatory.</p> <p>Matters are in interlocutory stage, and the Company is considering its position pending a hearing date being determined.</p>
	Tormin tenement applications (x3)	<p>(a) Internal review appeal in respect of 162&163EM</p> <p>(b) judicial review application in respect of Environmental Authorisation over 162&163EM</p>	<p>These matters are stayed pending the parties' compliance with Consent Orders. The parties to these matters are currently negotiating the finalisation of those requirements.</p>
	SARS diesel refund dispute	South African Revenue Service is disputing MRC's diesel rebate claims and is withholding the respective monetary amounts MRC maintains it is entitled to.	Proceedings ongoing.
	Asbestos claim	The Company is currently defending itself against an asbestos related claims pertaining to its ownership of Woodreef Mines Ltd in the 1970's	Proceedings ongoing.
	Insurance claim dispute concerning MSR00095	<p>Claim concerns the failure of insurance company to offer "Terms of Settlement" following damage to certain of the Company's equipment.</p> <p>The parties are negotiating the pathway to a litigated outcome including the requirement to commence arbitration.</p>	Matter is pending before the Courts.
	The Company may become party to various other legal proceedings that arise in the ordinary course of its business. For example, the ability of the Company to achieve its		

Risk Category	Risk
	<p>objectives will depend on the performance by other parties to contracts which the Company may enter. If a party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will be ultimately granted on the appropriate terms.</p>
<p>Risks related to mining operational activities</p>	<p>The Company's operations comprise a global mining and development group with a primary focus on the development of high-grade deposits within the mineral sands and battery minerals sectors. The Company's operations generally involve a high degree of risk and are subject to all the hazards and risks normally encountered in the mining and development of mineral deposits. These include rock bursts, cave-ins, adverse weather conditions, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risks are, and will continue to be, taken, the Company's operations are subject to risks which may result in environmental pollution and possible liability.</p> <p>The Company's projects are established mining operations undergoing brownfields expansion developments. Expenditures made or further drilling results are no guarantee for further developments or discoveries of profitable commercial mining operations. Lack of availability of drilling rigs could cause increased project expenditures and/or project delays.</p> <p>The Company's heavy mineral operational development of the Inland Strands involve significant risks to develop metallurgical processes and to construct mining and processing facilities, given the differences to historical beach mining. Although adequate precautions to minimize risks are, and will continue to be, taken, the Company's Inland Strands operation is subject to risks which may result in delays or potential performance below expectations.</p>
<p>Exploration risk</p>	<p>The exploration for and development of mineral deposits involve significant risks which even careful evaluation, experience and knowledge may not eliminate. While the discovery of minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expense may be incurred to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is not possible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation.</p> <p>Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure, commodity prices which are highly cyclical, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors</p>

Risk Category	Risk
	<p>may result in the Company not receiving an adequate return on invested capital.</p> <p>If any adverse event relating to exploration, mining and/or development should occur, then it could have a material adverse effect on the Group's business, financial condition, results of operations, cash flows and/or prospects.</p>
Risk of inaccurate estimates	<p>There is considerable uncertainty inherent in estimating the size and value of mineral resources and reserves. The reservoir technique is a subjective and inexact process where the estimation of the accumulation of mineral resources and reserves cannot be accurately measured. In order to evaluate the recoverable mineral volumes, a number of geological, geophysical, technical and production data must be evaluated. The evaluation conducted in relation to the Company's mineral sands or graphite operations may later prove to be inaccurate, and there is a real risk that estimated resources and reserves may be adjusted downward.</p> <p>For example, mineral sands mined may be of a different quality, tonnage or strip ratio from the estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustment to the estimates of mineral resources and reserves could affect the Company's development and mining plans, which could have a materially adverse effect on the Company's business, financial condition, results of operations, cash flows and/or prospects.</p>
Risk of uninsured losses	<p>The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, unusual or unexpected geological conditions, ground or slope failures, cave-ins, contamination, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, snow falls and avalanches. Such occurrences could have a material adverse effect on the Company's business, operating result or financial condition.</p> <p>Although the Company holds comprehensive property and equipment insurance, as well as business interruption insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with a mining company's operations. If such risks or hazards occur, it could have material adverse effect on the Company's business, financial position, results of operations, cash flows and/or prospects.</p>
Black economic empowerment and social development	<p>The Company must comply and remain compliant with the South African Mining Charter, the Mining Codes and the black economic empowerment ("BEE") participation requirements, procurement transformation and the approved social and labour plan in order to retain prospecting and mining rights. Any failure to satisfy these requirements could jeopardise any prospecting or mining rights held and impede the Company's ability to acquire, develop or maintain any additional prospecting and mining rights, all of which could have a material adverse effect on the Company's business, results of operations, financial condition, cash flows and/or prospects.</p>

Risk Category	Risk
	<p>The latest Mining Charter promulgated in 2018 provides guidance that, inter alia, the implementation of an effective ownership structure which comprises a minimum:</p> <ul style="list-style-type: none"> (a) 20% Black economic empowerment entrepreneur participation; (b) 5% historically disadvantaged South African employee participation; and (c) 5% local community participation (this may be in the form of delivery of an "equity equivalent benefits" in place of an actual equity interest. <p>The Company is also expected to transition to compliance with the Inclusive Procurement, Supplier and Enterprise Development provisions of the Mining Charter 2018.</p> <p>The Mining Charter 2018 recommends that entities comply with these requirements within certain timeframes including as an effective condition precedent to the grant of any new tenure.</p> <p>The Company is therefore expected to restructure its BEE arrangements in order to comply with the above requirements. A restructure of those arrangements was agreed on 12 April 2023 and the requisite steps to ensure compliance with the recommendations is underway which requires consultation with the Company's BEE partner, employees and community interests.</p>
Contractual and joint venture risks	<p>The Company's ability to efficiently conduct its operations in a number of respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by the Company and its subsidiaries. As in any contractual relationship, the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations.</p> <p>To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly, and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.</p> <p>Additionally, some existing contractual arrangements have been entered into by the Company and its subsidiaries may be subject to the consent of third parties being obtained to enable the Company to carry on all of its planned business and other activities and to obtain full contractual benefits.</p> <p>No assurance can be given that any such required consent will be forthcoming. Failure by the Company to obtain such consent may result in the Company not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent.</p> <p>A number of the Company's projects are already the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company</p>

Risk Category	Risk
	could be affected by the failure or default of any of the joint venture participants.
'Going concern'	<p>While completing the audit review of the Company's half yearly financial report for the half-year ended 30 June 2023, the Company's auditor, BDO Audit (WA) Pty Ltd noted the following:</p> <p><i>"We draw attention to Note 1.2 Basis of preparation, in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter."</i></p> <p>Notwithstanding the 'going concern' qualification included in the half yearly financial report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current exploration commitments and short term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long term working capital costs of the Company. Please refer to the risk factor titled "Additional requirements for capital" in Section 8.4 below for further details.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.</p>

8.3 Industry specific

Risk Category	Risk
Exploration	<p>The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit 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, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a</p>

Risk Category	Risk
	<p>reduction in the case reserves of the Company and possible relinquishment of the tenements.</p> <p>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 the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.</p>
Mine development	<p>Possible future development of a mining operation at any of the Company's tenements 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.</p> <p>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 tenements.</p> <p>The risks associated with the development of a mine will be considered in full should the tenements reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Occupational health and safety risk	<p>The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.</p>
Operational Risks	<p>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, insufficient or unreliable infrastructure such as power, water and transport, 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.</p>

Risk Category	Risk
	In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. 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.
Safety	<p>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 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.</p> <p>Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p>

8.4 General risks

Risk Category	Risk
Additional requirements for capital	<p>The funds raised under the Offer complement the Company's existing cash reserves and available current assets, and are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates or future revenues are below the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of operations and further development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities.

Risk Category	Risk
	<p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<p>Regulatory risk and change in government policy and legislation</p>	<p>The Company's operations require governmental approvals. There is a risk that onerous conditions may be attached to the approvals or that the grant of approvals may be delayed or not granted. The Company is also subject to extensive laws and regulations relevant for mining operations, in particular to environmental and operational issues, which has become more stringent over time. Compliance with respect to environmental regulations, closure and other matters may involve significant costs and/or other liabilities.</p> <p>Any material adverse changes in relevant government policies or legislation of Australia, South Africa or Norway may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.</p>
<p>Sovereign risk and risk relating to international trade laws and regulations</p>	<p>The Company's projects are situated in Australia, South Africa and Norway, and are thus subject to the risk associated in operating in foreign countries. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p> <p>Business expansion may expose the Company to more extensive trade laws and regulations. Import activities may also be governed by unique customs laws and regulations. Moreover, many countries control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments also may impose economic sanctions or embargoes against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities. The laws and regulations concerning import activity, export record keeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner that materially impacts the Company's operations. Further, there can be no assurance that relevant sanction regimes will not be expanded to include countries in which the Company currently operates or that the Company will not expand its operations into countries subject to sanctions. Any failure to comply with applicable legal and regulatory trading obligations could</p>

Risk Category	Risk
	also result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from government contracts, loss of import and export privilege, and damage to the Company's reputation.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Competition risk	<p>The mineral industry is highly competitive in all its phases. There is strong competition for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and production companies, many of which may have greater financial resources, staff and facilities than those of the Company. These companies may have strong market power as a result of several factors, such as the diversification and reduction of risk, including geological, price and currency risks; better financial strength facilitating major capital expenditures; greater integration and the exploitation of economies of scale in technology and organization; stronger technical experience; better infrastructure and reserves; and stronger brand recognition. Due to this competitive environment, the Company may be unable to acquire attractive suitable properties or prospects on terms that it considers acceptable. As a result, the Company's revenues may decline over time, thereby materially and adversely affecting its financial condition, business, cash flow, prospects and/or results.</p>
Technology risk	<p>The development of the Company's battery minerals division to become a sustainable, vertically integrated graphitic anode supplier in Europe, involves technology risk associated with upgrading graphite concentrate to graphitic anode, qualification of graphitic anode supply with customers and development of active anode materials production plants.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>

Risk Category	Risk
Product pricing risk	<p>Product pricing can be subject to the general economic conditions of customers, which may have an adverse effect on the Company's cash flows and funding.</p> <p>Additionally, the Company's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its mining and exploration programs. Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions.</p> <p>Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's mining and exploration activities and any subsequent development and production activities, as well as its ability to fund its future activities.</p> <p>These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring the Company's products to market.</p>
Economic risks	<p>General economic conditions, movements in interest and inflation rates, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Globally, the mineral sector is currently experiencing supply chain, shipping lane, logistical and transportation disruptions resulting from many factors including (but not limited to) government policy, international economic conditions, significant acts of terrorism, hostilities, war, pandemics and natural disasters.</p> <p>The nature and extent of the effect of these factors on the performance of the Company and the value of the Company's Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the abovementioned factors and overall impacts on global macroeconomics, outcomes and consequences are inevitably uncertain.</p>
Climate change risk	<p>Climate change is a risk the Company has considered, particularly related to its operations in the mineral industry. 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</p>

Risk Category	Risk
	<p>economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and</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>

8.5 Speculative investment

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

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

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

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

9. ADDITIONAL INFORMATION

9.1 Litigation

As at the date of this Prospectus, the Company is involved in a number of litigation matters which are summarised in Section 8.2. The Directors do not consider these claims to be material. The Directors are not aware of any other material legal proceedings pending or threatened against the Company.

9.2 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 three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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 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 date of lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
10 October 2023	Recommencement of Operations at Skaland Graphite Mine
7 September 2023	Temporary business interruption Skaland Graphite Mine
31 August 2023	Appendix 4D and Half Yearly Financial Statements
31 July 2023	Quarterly Activities Report – June 2023
31 July 2023	Notification of cessation of securities – MRC
27 July 2023	Appointment of Chief Executive Officer
3 July 2023	MRC to take 100% ownership of Skaland – BSG matter settled
15 June 2023	Munglinup Participation and Heritage Engagement Agreement
25 May 2023	Results of AGM
25 May 2023	AGM Presentation
24 May 2023	Maiden Mineral Resource at De Punt
23 May 2023	Additional Information – MSP Funding and Garnet Offtake
22 May 2023	Tormin Secures MSP Funding and Finished Garnet Offtake
17 May 2023	Change of Registered Office and Principal Place of Business
10 May 2023	Final high grade drilling results from De Punt
28 April 2023	Quarterly Activities Report – March 2023
28 April 2023	Annual Mineral Resources and Ore Reserves Statement

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.mineralcommodities.com/investors-media/asx-announcements.

9.3 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 most recent date of those sales were:

	(\$)	Date
Highest	\$0.058	8 August 2023
Lowest	\$0.031	3 October 2023
Last	\$0.040	25 October 2023

9.4 Material contracts

9.4.1 Taylor Collison – Lead Arranger Mandate

The Company has entered into a mandate letter with Taylor Collison Limited (ACN 008 172 450) (AFSL No. 247083) (**Taylor Collison**) pursuant to which it has engaged Taylor Collison to act as lead arranger to the Offer (**Mandate**). The material terms and conditions of which are summarised below:

Fees/Expenses	<p>Under the terms of the Mandate, the Company will pay Taylor Collison:</p> <ul style="list-style-type: none"> (a) a management fee of 2% of the gross offer size of the Rights Issue (exclusive of GST); and (b) an underwriting/selling fee of 4% on the retail portion of the Rights Issue (exclusive of GST) for which sub-underwriting commitments are procured; and (c) any reasonable disbursements and out of pocket expenses. <p>Taylor Collison is to obtain the written consent of the Company, prior to incurring any individual expense (excluding legal fees) greater than \$1,000 or any legal costs.</p> <p>Taylor Collison will have the right to place any shortfall that arises from the retail portion of the Rights Issue within 3 months following completion of the offer, where it will be paid the underwriting/selling fee.</p> <p>It is acknowledged that Bacchus Capital will have the right to procure demand for underwriting in the retail portion of the Rights Issue and it will be paid 4% on fee on any underwriting commitments it procures (exclusive of GST).</p>
Bookbuild	<p>In relation to any shortfall arising from the retail portion of the Rights Issue, it would be the intention of Taylor Collison to run a book for those shortfall securities during the offer period of the retail portion of the Rights Issue. Taylor Collison will also work jointly with Bacchus Capital to facilitate bidding from their clients for the shortfall securities, placing the shortfall as soon as practicable following completion of the retail portion of the Rights Issue.</p>
Additional capital raisings	<p>The Company agrees to offer Taylor Collison the right to act as lead arranger in any equity capital raising undertaken by the Company during the term of the agreement or within 12 months following the expiry or termination of this agreement.</p>

The mandate contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to termination, representations and warranties, indemnities and confidential information.

9.4.2 Bacchus Capital Advisers Limited – Financial Adviser Mandate

The Company has engaged Bacchus Capital Advisers Limited (**Bacchus Capital**) to act as Financial Adviser for the duration of the Rights Issue (**Financial Advisory Agreement**). The material terms of the Financial Advisory Agreement are set out below:

Retention	<p>During the term of its engagement, Bacchus Capital will provide the Company with financial, strategic and tactical advice and assistance within the scope of the services across two sequential and distinct phases as follows:</p> <ul style="list-style-type: none"> (a) identifying, evaluating, structuring and negotiating any proposed transaction or activities relating to an equity or an equity linked offering or placement of securities to investors. (b) the provision of financial, strategic and investor relations advice to the Company (Phase 2). <p>If during the term of this agreement, following Phase 2, the Company agrees to embark on a material corporate transaction then Bacchus Capital will be appointed as financial adviser.</p> <p>In the event that the Company receives a bona fide offer of a merger or acquisition, Bacchus Capital shall have the right to be appointed as lead defence adviser for the Company,</p>
Exclusive Jurisdiction	<p>The parties have agreed that any dispute, claim or controversy relating to or arising out of this agreement shall be commenced in the courts of England.</p>
Payments, taxation and withholdings	<p>All payments to be made to Bacchus Capital will be made by wire transfer of immediately available funds and shall not be subject to reduction by way of setoff, recoupment or counterclaim and will be free and clear of deductions or withholdings.</p> <p>All fees and expenses payable under this agreement may be subject to any applicable value added, sales, turnover, consumption or similar tax in any jurisdiction, which will be payable by or charged to the Company.</p>
Reimbursements	<p>The Company agrees to indemnify Bacchus Capital for reasonable costs and expenses.</p>

9.5 Interests of Directors

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

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

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

- (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, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Performance Rights	Entitlement (Shares)	\$
Brian Moller	Nil	Nil	Nil	N/A	N/A
Russell Tipper	Nil	Nil	2,300,000	N/A	N/A
Nonhlanhla Debbie Ntombela	Nil	Nil	1,100,000	N/A	N/A
Zamile David Qunya	Nil	Nil	1,100,000	N/A	N/A
Guy Walker	1,333,333	Nil	1,100,000	966,183	28,986

The Board advises that Mr Guy Walker, being the only Director of the Company that holds Shares in the Company, intends to participate in the Entitlement Offer.

Management of Potential Conflicts of Interest

Mr Guy Walker is a non-executive director of the Company (having been nominated by Au Mining to be elected to the board of the Company) and the sole company secretary of Au Mining. He has a legal and beneficial interest in 1,333,333 Shares and 1,100,000 unvested Performance Rights. Mr Walker has no legal or beneficial interest in Au Mining. Any potential conflict of interest of Mr Walker arising from Mr Walker's role as company secretary of Au Mining and as a director of the Company has been appropriately disclosed and managed.

Mr Walker has declared his interests as company secretary of Au Mining and as a director of the Company.

The Company has not involved Mr Walker in any Board deliberations or voting regarding the quantum or price set for the Offer. Mr Walker will not be involved in any decisions regarding the allocation of any Shortfall Shares.

Remuneration

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 \$750,000 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 annual remuneration paid to non-executive Directors for the two years prior to the date of this Prospectus and the proposed remuneration for the year ended 31 December 2023.

Director		FY ending 31 December 2023	FY ended 31 December 2022	FY ended 31 December 2021
Brian Moller	Cash	\$155,000	Nil	Nil
	Share-Based	Nil	Nil	Nil
Russell Tipper	Cash	\$81,081	\$140,590	\$293,763
	Share-Based	\$55,230	\$32,987	Nil
	Post-employment benefits	\$8,919	\$14,410	\$19,570
Nonhlanhla Debbie Ntombela	Cash	\$75,000	\$75,000	\$75,000
	Share-Based	\$26,414	\$15,776	Nil
Zamile David Qunya	Cash	\$120,000	\$113,141	\$68,748
	Share-Based	\$26,414	\$15,776	Nil
Guy Walker	Cash	\$80,000	\$80,000	\$37,500
	Share-Based	\$26,414	\$15,776	Nil

9.6 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (a) Non-Executive Director agreements; and
- (b) payment of directors' fees to Non-Executive Directors.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the Corporations Act and accordingly, member approval is not required.

9.7 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; or
- (b) promoter of the Company,

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

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

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

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin approximately \$40,000 (excluding GST and disbursements) for these services. Further amounts may be paid to Steinepreis Paganin for other legal work not directly related to the Offer in accordance with standard charge-out rates.

Taylor Collison has acted as the Lead Arranger to the Company in relation to the Offer. The fees payable by the Company for these services are set out above at Section 9.4.1 of this Prospectus.

Bacchus Capital has acted as the Financial Adviser to the Company in relation to the Offer. The fees payable by the Company for these services are set out above at Section 9.4.2 of this Prospectus. Bacchus Capital has previously received fees totalling approximately \$155,000 for the provision of financial advisory and investor relations services to the Company.

9.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, 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.

Taylor Collison has given its written consent to being named as the Lead Arranger to the Company in this Prospectus. Taylor Collison has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Bacchus Capital has given its written consent to being named as the Financial Adviser to the Company in this Prospectus. Bacchus Capital has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor to the Company in this Prospectus and to the inclusion of the audited financial information of the Company in Section 6.3. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

9.9 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$642,659 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	28,901
Lead Arranger fees	300,633
Financial Adviser fees	240,506
Legal fees	40,000
Printing and distribution	19,413
Miscellaneous	10,000
Total	642,659

9.10 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please phone the Company on +61 8 6373 8900 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 online from <https://events.miraqle.com/MRC-Offer>.

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.

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

The Company will not be issuing share or 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 Shares 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.

9.12 Privacy Act

If you complete an application for Shares, 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 Shares, the Company may not be able to accept or process your application.

10. 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.

11. GLOSSARY

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

Applicant means a Shareholder who applies for Shares pursuant to the Offer or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Monies means money submitted by Applicants in respect of the Offer.

ASIC means the Australian Shares and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

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

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Bacchus Capital or **Financial Adviser** means Bacchus Capital Advisers Limited.

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 for the closure of the Retail Offer (unless extended).

Company or **MRC** means Mineral Commodities Ltd (ACN 008 478 653).

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 Institutional Shareholder means a Shareholder who:

- (a) is an Institutional Investor on the commencement of the Institutional Offer, with a registered address in either Australia or New Zealand; and
- (b) has received an offer under the Institutional Offer (either directly or through a nominee) during the Institutional Offer Period.

Eligible Retail Shareholder means a Retail Shareholder of the Company on the Record Date whose registered address is in an Eligible Jurisdiction and is eligible under all applicable securities laws to receive an offer under the Retail Offer.

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer to subscribe for new Shares under this Prospectus.

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

FMC Act has the meaning given in Section 5.17.

FPO has the meaning given in Section 5.17.

FSMA has the meaning given in Section 5.17.

Ineligible Institutional Shareholder means a Shareholder who is an institutional investor but is not an Eligible Institutional Shareholder.

Institutional Offer means the offer of Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means investors selected by the Company who are (i) in Australia, investors who fall within the exemptions provided by sections 708(8) to (12) of the Corporations Act, (ii) outside Australia, institutional or professional investors in New Zealand or the United Kingdom to whom an offer of securities can be made without the need for a lodged product disclosure statement, prospectus or other disclosure document or other lodgement, registration, filing with or approval by a Government Agency (other than one which the Company, in its absolute discretion, is willing to comply with).

Offer means the issue of Shares under this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Relevant Interest has the meaning given to that term in the Corporations Act.

Retail Offer means the offer of Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Shareholder means a Shareholder of the Company on the Record Date who is not an Eligible Institutional Investor.

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.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus, or which can be provided upon request.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 5.14.

Shortfall Shares means those Shares issued pursuant to the Shortfall Offer.

Taylor Collison or Lead Arranger means Taylor Collison Limited (ACN 008 172 450) (AFSL No. 247083).