

Aeon Metals Limited

ACN 121 964 725

PROSPECTUS

This Prospectus is being issued to provide information on:

- An Offer of one (1) Offer Share, at an issue price of \$0.04 per Offer Share, for every three (3) Shares held at the Record Date, together with one free attaching Loyalty Option for every two (2) Offer Shares(s) issued under the Offer.
- An issue of Placement Shares at the Offer Price, together with one free attaching Loyalty Option for every two (2) Shares(s) issued in connection with the Placement.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFER IN CONNECTION WITH THIS PROSPECTUS IS CONSIDERED SPECULATIVE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

IMPORTANT NOTICES

This Prospectus is dated Monday, 9 May 2022 and was lodged with ASIC on that date. Neither ASIC nor ASX (or their respective officers) takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is 5.00pm (AEST) on the date that is 13 months after the date this Prospectus was lodged with ASIC. No Offer Shares will be issued on the basis of this Prospectus after that expiry date.

Aeon Metals Limited (ASX:AML) (the **Company**) will apply for admission to ASX within seven days of the date of this Prospectus for official quotation of the Offer Shares the subject of the Offer.

Important document

It is important that you carefully read this Prospectus in its entirety before deciding to invest in the Company and, in particular, that you consider the assumptions underlying any prospective financial information and the risk factors that could affect the financial performance of the Company. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this Prospectus. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

Transaction specific prospectus

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to Shareholders and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. 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 information that would be included in a prospectus for an initial public offering.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

No Cooling-off rights

Cooling-off rights do not apply to an investment in Offer Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Restrictions on the distribution of this Prospectus

The Offer constituted by this Prospectus is available to persons in Australia, New Zealand or Hong Kong only. This Prospectus is not available to persons in other jurisdictions.

This Prospectus does not constitute an offer of Offer Shares in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand or Hong Kong may be restricted by law and any person who comes into

possession of this Prospectus outside Australia, New Zealand or Hong Kong (including nominees, trustees or custodians) should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Offer Shares and the Loyalty Options (including the underlying ordinary shares) have not been, and will not be, registered under the US Securities Act 1933 (as amended) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Offer Shares and Loyalty Options (including the underlying ordinary 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 and applicable US state securities laws. Accordingly neither this Prospectus nor the Application Form may be sent to persons in the United States or otherwise distributed in the United States.

See Section 3.22 for more detail on selling restrictions that apply to the Offer in jurisdictions outside Australia.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'targets', 'predicts', 'forecasts', 'guidance', 'plan', '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, at the date of this Prospectus, are expected to take place. The Company does not undertake to, and does not intend to, update or revise any forward-looking statements, or publish prospective financial information in the future, regardless of whether new information, future events or other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risks that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward-looking statements should be read in conjunction with, and are qualified by reference to, the risk factors set out in Section 8 of this Prospectus. 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 outside the control of the Company, the Directors and the Company's management. The Company, the Directors and the Company's management cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and Shareholders are cautioned not to place undue reliance on these forward-looking statements.

Speculative investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Shareholders should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the key risks applicable to an investment in the Shares.

Privacy statement

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

The information may also be used from time to time and disclosed to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's policies, procedures and applicable laws. The members, agents, and service providers of the Company may be located outside Australia, where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the investor base and product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public Shareholder register.

The information contained in the Shareholder register must remain there even if that person ceases to be a Shareholder. Information contained in the Shareholder register is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus. By submitting an Application you agree that we may communicate with you in electronic form or contact you by telephone in relation to the Offer. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

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

Defined terms and abbreviations

Defined terms and abbreviations used in this Prospectus are explained in the Glossary of Terms.

Dates and times

References in this Prospectus are to Australian Eastern Standard Time unless otherwise stated.

Website

The Company maintains a website at www.aeonmetals.com.au. Any references to documents included on the Company website are for convenience only, and information contained in or otherwise accessible through this or a related website is not a part of this Prospectus.

INDICATIVE TIMETABLE

Key dates

Day	Event
Monday, 9 May 2022 (Day 0)	ASX announcement of Offer Release Prospectus and give notice to ASX Appendix 3B lodged Exit trading halt
Wednesday, 11 May 2022 (Day 2)	"Ex" Date
Thursday, 12 May 2022 (Day 3)	Record Date for determining Offer eligibility
Tuesday, 17 May 2022 (Day 6)	Offer Prospectus (and personalised Application Form) despatched and notice lodged with ASX Announcement made that Prospectus (and personalised Application Form) despatched
Monday, 23 May 2022 (Day 10)	Last day to extend the Offer
Thursday, 26 May 2022 (Day 13)	Offer Closes
Monday, 30 May 2022 (Day 15)	Allocation of Shortfall Shares
Tuesday, 31 May 2022 (Day 16)	Announcement of results of Offer
Wednesday, 1 June 2022 (Day 17)	Allotment of Offer Shares
Thursday, 2 June 2022 (Day 18)	Normal trading commences

These dates are subject to change and are indicative only. The Company reserves the right to vary any and all of the above dates and times without notice including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before the Closing Date, in each case without notifying the recipient of this Prospectus or any Applicants. If the Offer

is cancelled or withdrawn before the allocation of Offer Shares and Loyalty Options, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Shareholders are encouraged to submit their Applications as early as possible after the Offer opens.

CONTENTS

SECTION	PAGE
1. MESSAGE FROM THE CHAIR	8
2. INVESTMENT OVERVIEW.....	10
3. DETAILS OF THE OFFER.....	14
4. OVERVIEW OF THE COMPANY	20
5. EFFECT OF THE OFFER ON THE COMPANY.....	25
6. RIGHTS AND LIABILITIES ATTACHING TO OFFER SHARES.....	29
7. RIGHTS AND LIABILITIES ATTACHING TO LOYALTY OPTIONS	31
8. RISK FACTORS.....	33
9. ADDITIONAL INFORMATION	39
10. GLOSSARY OF TERMS.....	44
11. CORPORATE DIRECTORY.....	47

1. MESSAGE FROM THE CHAIR

On behalf of the Company, I am pleased to invite you to participate in a non-renounceable pro rata entitlement offer to Eligible Shareholders of 1 Share for every 3 Shares held on the Record Date at an issue price of \$0.04 per Offer Share, together with 1 free unlisted Loyalty Option for every 2 Offer Shares taken up in the Offer. The Company has concurrently undertaken a Placement to institutional investors that has raised approximately \$7.2 million. The Directors have subscribed for approximately 2.25m Shares under the Placement, being a total of \$90,000, and will be issued the corresponding number of Loyalty Options. Issue of these Placement Shares is subject to Shareholder approval. The Offer is an opportunity for Shareholders to invest on the same terms as the Placement. Under the Offer and the Placement, the Company intends to raise up to \$19.7 million (assuming 100% take up by Shareholders under the Offer).

Over the past eight years, the Company has advanced the Walford Creek Project from a promising exploration opportunity into what today is arguably one of the richest copper/cobalt deposits in Australia.

Our understanding of both the geology and the metallurgy of this significant polymetallic deposit has grown to the point where we now believe that it is necessary to define the full extent of mineralisation in order to formulate a development strategy that will unlock the maximum value for Shareholders. We now stand ready to focus our exploration efforts with absolute precision – our geology model is calibrated with 39.3 Mt of existing mineral resources over 3.7 km of strike length adjacent to the Fish River Fault. While the further 6 km containing the Amy and Le Mans zones already hosts 5.1 Mt of mineral resources, it is sparsely drilled by comparison with substantial untested gaps. Our high resolution geophysical dataset has identified a further 16 km of potential strike length untouched by targeted exploration with signatures similar to those of the known mineralised zones at the Walford Creek Project. In addition, we are yet to test the deeper exploration potential of the Walford Dolomite underlying the existing mineralised zones of PY1 and PY3.

The forthcoming drilling program, scheduled to commence as early as next week, utilising the proceeds of the Placement, is a defining opportunity. Our goal is to test the current suite of targets, as well as any additional ones that might emerge from our forthcoming CEI-funded airborne electromagnetic survey. Our immediate objective is to determine the potential for the Walford Creek Project to host in excess of 100 Mt in resources. While this increase is unachievable in a single drilling season, we strongly believe that the maximum value of Walford Creek will be achieved if development is based on a larger resource. Our considerable ground position in what is an underexplored sedimentary basin lying in a mineralised corridor already hosting world class deposits means that our next six months of drill testing will be watched with interest by many.

The Company continues to enjoy the long term support of its major Shareholder, OCP Group. OCP Group has reaffirmed its commitment to the Company by participating in the Placement up to a holding of 45% at the close of the Placement and will participate in the rights issue up to a cap of \$1.2m Any participation by shareholders will reduce OCP's aggregate holding resulting from the Placement and rights issue. The issue of OCP's Shares under the Placement will be conditional on shareholder approval.

The Board is strongly of the view that all participants in the Offer and the Placement should benefit from their decision by attaching a free one-for-two loyalty option. The Loyalty Options were formulated specifically to encourage and reward Shareholder loyalty. The option allows those Shareholders who maintain their holding to exercise their options at a strike price of \$0.08, at any time up until option expiry on 31 December 2023.

The Directors have participated in the Placement, subject to shareholder approval, to continue their support for the Company and may also elect to participate under the Offer. The Directors invite Shareholders to participate and thank you for your support.

All the best and stay well.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Paul Harris", enclosed in a light blue rectangular box.

Paul Harris
Non-Executive Chair
Aeon Metals Limited

2. INVESTMENT OVERVIEW

This Section is not intended to provide full information for Shareholders intending to apply for securities pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The securities offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
What is the Offer?		
What is the Offer?	<p>This Prospectus relates to the offer of:</p> <ul style="list-style-type: none"> Offer Shares at the Offer Price of \$0.04 per Offer Share to raise up to approximately \$12.5 million (assuming 100% take up by Shareholders under the Offer); and one (1) free attaching Loyalty Option for every two (2) Offer Share issued to a Shareholder under the Offer. 	Section 3.1
What is the Placement?	<p>The Placement refers to the offer of:</p> <ul style="list-style-type: none"> up to approximately 179.2 million Placement Shares at the Offer Price of \$0.04 per Placement Share to raise approximately \$7.2 million; and one (1) free attaching Loyalty Option for every two (2) Placement Share issued to an institutional investor under the Offer. <p>The issue of the Loyalty Options under the Placement will be subject to shareholder approval. The issue of Placement Shares to the OCP Group and the Directors will be subject to shareholder approval.</p>	N/A
What is the Offer Price?	The Offer Price is \$0.04 per Offer Share.	Section 3.1
What is the purpose of this Prospectus?	<p>Concurrently with this Offer, the Company is undertaking the Placement. Under the Placement, as announced to the ASX on Monday, 9 May 2022, the Company has raised approximately \$7.2 million under a Placement through the issue of approximately 179.2 million Shares issued to institutional investors identified by the Company.</p> <p>Institutional investors being issued Shares under the Placement will also be issued one (1) free attaching Loyalty Option for every two (2) Shares issued under the Placement. The Loyalty Options issued in connection with the Placement have the same terms and conditions, and are identical, to the Loyalty Options issued under this Offer. The issue of the Loyalty Options under the Placement will be subject to shareholder approval.</p>	Section 3.2

Topic	Summary	More information
	The purpose of this Offer, and the issue of the Offer Shares, is to enable the Offer Shares to be issued to those Shareholders taking up the Offer with a free attaching Loyalty Option, so as to continue to participate in the growth of the Company.	
What is the minimum subscription amount under the Offer?	There is no minimum subscription amount.	Section 3.3
Are there any escrow arrangements?	There are no escrow arrangements in respect of the Offer Shares. The Offer Shares will be allotted on Wednesday, 1 June 2022 and will be tradeable on market from Thursday, 2 June 2022. Shareholders should be aware that the exercise of the Loyalty Options in the future is subject to a Holding Condition (see Section 7).	Section 3.6
Is the Offer underwritten?	The Offer is not underwritten.	Section 3.7
Are the entitlements renounceable?	The Offer is not renounceable, which means that your rights to subscribe for Shares under the Offer may not be traded, and are personal to you.	Section 3.8
Additional information		
Am I eligible to participate in the Offer?	The Offer is only made to Eligible Shareholders. Eligible Shareholders are those Shareholders who, on the Record Date, have a registered address in Australia, New Zealand or Hong Kong. All other Shareholders are Ineligible Shareholders.	Section 3.3
What is the Offer Period?	The Offer is capable of acceptance only during the Offer Period, which commences on Tuesday, 17 May 2022 and closes at 5.00pm (AEST) on Thursday, 26 May 2022.	Section 3.5
How do I participate in the Offer?	Shareholders who wish to participate in the Offer must complete the personalised Application Form provided and pay the Application Monies by BPAY or cheque, in accordance with the instructions contained in the Application Form.	Section 3.10
Is there a Shortfall facility?	Eligible Shareholders, in addition to applying for their entitlement, and also Eligible Applicants who are not Shareholders of the Company, may apply for Shortfall Shares (and free attaching Loyalty Options).	Section 3.11

Topic	Summary	More information										
	The Shortfall is a separate offer. The issue price of the Shortfall Shares is the same as those under the Offer (and the terms of the Loyalty Options are the same as under the Offer).											
Will the Company be adequately funded after completion of the Offer?	<p>Following completion of the Offer, it is anticipated that the following funds will be available to the Company:</p> <table border="1" data-bbox="572 562 1134 947"> <thead> <tr> <th data-bbox="572 562 932 622">Source of funds</th> <th data-bbox="932 562 1134 622">\$ (,000)</th> </tr> </thead> <tbody> <tr> <td data-bbox="572 622 932 683">Existing cash reserves</td> <td data-bbox="932 622 1134 683">approx. \$500</td> </tr> <tr> <td data-bbox="572 683 932 801">Proceeds from the Placement (before costs of the Placement)</td> <td data-bbox="932 683 1134 801">\$7,200</td> </tr> <tr> <td data-bbox="572 801 932 891">Proceeds from Offer (before costs of the Offer)</td> <td data-bbox="932 801 1134 891">up to \$12,500</td> </tr> <tr> <td data-bbox="572 891 932 947">Total sources of funds</td> <td data-bbox="932 891 1134 947">up to \$20,200</td> </tr> </tbody> </table> <p>The primary use of funds will be directed towards supporting the two drill rigs currently mobilising to the Walford Creek Project and the associated drilling program. In addition, the funds will be used to cover the administration and overhead costs of the Company.</p> <p>The Company notes that in addition to the Offer, it is seeking interests from buyers in relation to regional tenements excluding those of the Walford Creek Project.</p>	Source of funds	\$ (,000)	Existing cash reserves	approx. \$500	Proceeds from the Placement (before costs of the Placement)	\$7,200	Proceeds from Offer (before costs of the Offer)	up to \$12,500	Total sources of funds	up to \$20,200	Section 4.6
Source of funds	\$ (,000)											
Existing cash reserves	approx. \$500											
Proceeds from the Placement (before costs of the Placement)	\$7,200											
Proceeds from Offer (before costs of the Offer)	up to \$12,500											
Total sources of funds	up to \$20,200											
What is the allocation policy?	<p>The Company reserves the right at its sole discretion to allocate Shortfall Shares under the Shortfall facility.</p> <p>Any Application Monies paid for Shortfall Shares which are not issued to an Eligible Shareholder who applies for them will be returned to the Eligible Shareholder without interest.</p>	Section 3.11										
When will I receive confirmation that my Application has been successful?	It is expected that holding statements will be sent to successful Applicants on or about Wednesday, 1 June 2022.	Section 3.15										
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of the Offer Shares.	N/A										
How can I find out more about the Prospectus or the Offer?	For additional information, please contact Boardroom Registry Services on 1300 737 760 (callers within Australia), 02 9290 9600 (callers outside Australia), between 8.30am	Section 3.21										

Topic	Summary	More information
	and 5.00pm (AEST), Monday to Friday, or by email to corporateactions@boardroomlimited.com.au .	
Additional information		
What rights and liabilities attach to the Offer Shares and Loyalty Options on issue?	<p>The Offer Shares and Loyalty Options issued under this Prospectus and the Placement Shares will rank equally with the existing Shares on issue.</p> <p>A summary of the material rights and liabilities attaching to Offer Shares is set out in Section 6.</p> <p>A summary of the material rights and liabilities attaching to Loyalty Options is set out in Section 7.</p>	Sections 6 and 7
What is the Holding Condition?	<p>The Loyalty Option is a free attaching option which is exercisable by the Holder at any time in the Exercise Period, being the period starting on the Issue Date and ending at 5.00pm (AEST) on 31 December 2023. On exercise, a Holder must pay the Exercise Price per Loyalty Option.</p> <p>The exercise of the Loyalty Option is subject to a Holding Condition, requiring the Holder of the Loyalty Option to hold at least the number of Shares issued to it under this Offer at the time of Exercise.</p>	Section 7.5

3. **DETAILS OF THE OFFER**

3.1 **The Offer**

The Offer is a pro rata non-renounceable entitlement issue of Shares (the **Offer Shares**).

Eligible Shareholders will be entitled to one (1) Offer Share for every three (3) Shares held by it on the Record Date at an Issue Price of \$0.04.

For every two (2) Offer Shares issued to a Shareholder under the Offer, one (1) free attaching option (**Loyalty Option**) will be issued to the Shareholder.

The Offer is made only to Eligible Shareholders. An Application Form setting out your entitlement accompanies this Prospectus.

3.2 **Purpose of the Offer**

Concurrently with this Offer, the Company is undertaking the Placement. Under the Placement, as announced to the ASX on Monday, 9 June 2022, the Company has raised approximately \$7.2 million through the issue of approximately 179.2 million Shares to institutional investors identified by the Company.

Institutional investors being issued Shares under the Placement will also be issued one (1) free attaching Loyalty Option for every two (2) Share issued under the Placement. The Loyalty Options issued in connection with the Placement have the same terms and conditions, and are identical, to the Loyalty Options issued under this Offer. The issue of the Loyalty Options under the Placement will be conditional on shareholder approval.

The purpose of this Offer, and the issue of the Offer Shares, is to enable the Offer Shares to be issued to those Shareholders taking up the Offer with a free attaching Loyalty Option, so as to continue to participate in the growth of the Company.

As the Company will not admit the Loyalty Options for Official Quotation, the Company cannot use a cleansing prospectus for the purposes of section 708A(11) of the Corporations Act to issue the Loyalty Options under the Placement or the Offer, without a disclosure document.

The purpose of this Prospectus is to enable the Offer Shares and Placement Shares to be freely traded immediately following their issue in accordance with the Corporations Act and to provide disclosure for the issue of the Loyalty Options to enable the issue of the Shares on exercise of the Loyalty Options and any subsequent sale of those Shares to occur without any further disclosure.

3.3 **Ineligible Shareholders**

The Company has elected that it is unreasonable in the circumstances to make the Offer (inclusive of the Shortfall) to Shareholders who are Shareholders on the Record Date but with a registered address outside of Australia, New Zealand or Hong Kong (**Ineligible Shareholders**). The Company has made this election, having regard to the number of Shareholders in those other jurisdictions, the number and value of the Offer Shares that the Ineligible Shareholders would be offered and the cost of complying with the legal and regulatory requirements in those places. See Section 3.19 on appointment of a foreign holder nominee and the rights of Ineligible Shareholders in connection with the Offer.

The Company has not made any investigation as to the regulatory requirements that may prevail outside of Australia, New Zealand or Hong Kong, in which Shareholders are domiciled.

In any event, the Offer and the Shortfall are only made to and may only be accepted by Eligible Shareholders.

3.4 **Minimum subscription and oversubscription**

There is no minimum subscription to the Offer. The Company will accept oversubscriptions pursuant to the Shortfall Facility.

3.5 **Closing Date**

The Offer will close on Thursday, 26 May 2022 at 5.00pm (AEST). The Company reserves the right to close the Offer early or to extend the Closing Date of the Offer without prior notice.

3.6 **Escrow arrangements**

There are no escrow arrangements in respect of the Offer Shares.

3.7 **Not underwritten**

The Offer is not underwritten.

3.8 **Non renounceable**

The Offer is not renounceable, which means that your rights to subscribe for Shares under the Offer may not be traded, and are personal to you.

3.9 **Allowing your entitlement to lapse**

Shareholders who do not wish to take up their entitlements are not required to take any action. The Offer will lapse on the Closing Date.

3.10 **Applications**

Applications for Offer Shares and Loyalty Options must be made on the Application Form in accordance with the instructions set out in this Prospectus and in the Application Form.

Shareholders are invited to complete the personalised Application Form in accordance with the instructions set out in the form and return the completed form, together with the Application Monies (in full), to the Share Registry so that it is received at the following address by no later than 5.00pm (AEST) on the Closing Date.

3.11 **Shortfall**

If any Shareholders do not take up their full entitlement, Offer Shares that are not taken up will form the Shortfall.

Eligible Shareholders, in addition to applying for their entitlement, may apply for Shortfall Shares (and free attaching Loyalty Options) under the Shortfall Offer. The Company may also identify other investors who are not Shareholders of the Company, to issue shares under the Shortfall Offer.

The Shortfall is a separate offer. The issue price of the Shortfall Shares is the same as those under the Offer (and the terms of the Loyalty Options are the same as under the Offer).

There is no guarantee that Eligible Shareholders or other investors will receive any or all of the Shortfall Shares (and free attaching Loyalty Options) they apply for. It is an express term of the Shortfall Offer that Eligible Shareholders and other investors may receive no allocation of Shortfall Shares (and free attaching Loyalty Options) applied for and if any are

allotted in response to an Application under the Shortfall Offer, the relevant Eligible Shareholder must accept any such lesser number of Shortfall Shares (and free attaching Loyalty Options) (being less than the number actually applied for) as are issued in response to such an Application.

Any Application Monies paid for Shortfall Shares which are not issued to an Eligible Shareholder or other investor who applies for them will be returned to the Eligible Shareholder or other investor without interest.

Shortfall Shares (and Loyalty Options) will be issued at the same time as the Offer Shares.

The Directors reserve the right to issue securities comprising the Shortfall at their absolute discretion within three months after the Closing Date, subject to the ASX Listing Rules and the Corporations Act. However, the Company reserves the right to close the Shortfall Offer early so applicants are encouraged to submit their application as soon as practicable.

(a) Allocation policy

The Directors reserve the right to issue securities comprising the Shortfall at their absolute discretion. In the event that there is a Shortfall and the Directors exercise this discretion, the allocation of Offer Shares under the Shortfall Offer will be determined by the Directors, having primary regard to the Company's objectives under the Shortfall Offer as well as the following factors:

- (i) desire to foster a stable, long-term investor register;
- (ii) ability to participate in potential future equity raisings;
- (iii) the timing that the application for Shortfall Shares is received (with preference given to applications received earlier in time); and
- (iv) any other factors that the Directors consider appropriate.

(b) Eligible Shareholders

Eligible Shareholders who wish to apply for Shortfall Shares above their full entitlement can complete the appropriate boxes on the Application Form accompanying the Prospectus and returning it with the requisite Application Monies.

(c) Other investors

Investors who are not Shareholders of the Company may seek to apply for Shortfall Shares by completing a Shortfall Offer application form and returning it with the requisite Application Monies.

3.12 **Payment by cheque**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian dollars to "Aeon Metals Limited".

Shareholders paying by cheque must return a completed Application Form and a completed cheque to the Share Registry no later than 5.00pm (AEST) on the Closing Date.

3.13 **Payment by BPAY**

For payment by BPAY, please follow the instructions on the 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 Application Form but are taken to have made the statements contained in that Application Form; and
- (b) you are deemed to have taken up such whole number of Offer Shares, and Shortfall Shares (if any), which is covered in full by your Application Monies.

It is your responsibility to ensure that your payment is received by the Share Registry no later than the Closing Date.

3.14 **Application of money held in Trust**

All Application Monies received for the Shares offered by this Prospectus will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received under this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Offer does not complete.

Shareholders who are issued less than the number of Shares applied for will receive a refund cheque for the relevant amount of application money (without interest) as soon as practicable following the Closing Date.

3.15 **Issue of Offer Shares**

The Company expects to issue the Offer Shares on Wednesday, 1 June 2022.

The Company participates in CHESSE. All trading on the ASX will be settled through CHESSE. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESSE in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESSE sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESSE, the Company will not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESSE (for Shareholders who elect to hold Shares on the CHESSE sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESSE sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the ASX Listing Rules.

3.16 **Rights and Liabilities**

The Offer Shares and the Shares issued on the exercise of the Loyalty Options offered under this Prospectus will, from their date of issue, rank equally in every respect with all existing Shares then on issue.

A summary of the rights and liabilities attached to the Offer Shares and Loyalty Options are set out, respectively, in Sections 6 and 7.

3.17 **Risk factors**

In addition to the general risks applicable to all investments in companies, there are specific risks associated with an investment in the Company, which are set out in Section 8.

3.18 **Notice to nominees, trustees and custodians**

Nominees, trustees or custodians must not apply for entitlements on behalf of any beneficial holder that would itself not be an Eligible Shareholder.

Return of a completed Application Form or payment via BPAY will constitute a representation by the Applicant that there has been no breach of such regulations with respect to the Offer.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial shareholder to participate in the Offer, in any country outside Australia, New Zealand and Hong Kong 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.

3.19 **Appointment of foreign holder nominee**

Pursuant to section 615 of the Corporations Act and ASX Listing Rule 7.7, the Company has appointed Bell Potter Securities Limited as an ASIC approved foreign holder nominee.

The nominee sale procedure will be implemented in accordance with section 615 of the Corporations Act as follows:

- (a) the Company will, at the issue price of \$0.04 per share, issue to Bell Potter Securities Limited, the Offer Shares that Ineligible Shareholders would be entitled to if they were eligible to participate in the Offer (**Nominee Shares**);
- (b) Bell Potter Securities Limited will have absolute and sole discretion to determine the timing and price at which the Nominee Shares will be sold and the manner of any such sale;
- (c) any interest earned on the proceeds of the sale of these entitlements will, firstly, be applied against expenses of such sale, including brokerage and any balance will accrue to the relevant Ineligible Shareholders. The net proceeds of the sale of these entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such entitlements (after deducting brokerage commission).

If any net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. There is a possibility that Ineligible Shareholders may receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, Bell Potter Securities Limited will not be required to sell any Nominee Shares at a particular price.

Neither the Company nor Bell Potter Securities Limited will be subject to any liability for failure to sell the Nominee Shares or to sell them at a particular price.

3.20 **Brokerage**

No brokerage, handling fees or stamp duty is payable by Shareholders in respect of their Applications for Offer Shares (or Loyalty Options) under this Prospectus. This amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment.

Application Monies will be held in trust in a subscription account until allotment of the Offer Shares. The subscription account will be established and kept by the Company on behalf of the Shareholder. Any interest on the Application Monies will be retained by the Company irrespective of whether allotment takes place.

3.21 **Enquiries**

Enquiries concerning the Application Form or relating to this Prospectus and the Offer should be directed to Boardroom Registry Services on 1300 737 760 (callers within Australia), 02 9290 9600 (callers outside Australia), between 8.30am and 5.00pm (AEST), Monday to Friday, or by email to corporateactions@boardroomlimited.com.au.

3.22 **Foreign Offer Restrictions**

This Prospectus does not constitute an offer of Offer Shares and Loyalty Options of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Offer Shares and Loyalty Options may not be offered or sold, in any country outside Australia except to the extent permitted below.

(a) Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. 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.

(b) New Zealand

The Offer Shares and Loyalty Options are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the Offer of these securities is being made in reliance on the 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.

4. OVERVIEW OF THE COMPANY

4.1 Company overview

The Company was admitted to the ASX in June 2007. The Company is an exploration company focussed on advancing and discovering base metal projects in Queensland. Its flagship project is the Walford Creek copper cobalt deposit, located 35 km west of Doomadgee which hosts approximately 44 Mt of ore across three deposits (Vardy, Marley, and Amy). It is the Company's belief that significant exploration upside exists within the Walford Creek Project area.

In addition to this, the Company holds prospective tenure for iron oxide copper gold mineralisation, and sediment hosted mineralisation within the Mount Isa district, and porphyry copper gold targets in Southeast Queensland.

The Company's 2021 Annual Report (refer to ASX release dated 22 October 2021 titled 'Annual Report to Shareholders') provides further overview information.

As announced in the ASX release dated 29 April 2022 titled 'Quarterly Activities / Appendix 5B Cash Flow Report, the Company holds a substantial regional tenement package that is highly prospective for copper and base metals. Given the on-going focus on Walford Creek Project, the decision was made to establish a data room to allow interested third parties the opportunity to submit proposals in relation to advancing exploration on these regional tenement packages. A number of proposals have been received and these are currently under evaluation. A similar process was more recently established to allow interested parties to review the Walford Creek Project. This process is expected to run over the next quarter.

4.2 Walford Creek Project

Numerous companies have explored within the tenement area. The area was initially targeted by MIM in 1961, largely concentrating on the discovery of a significant strata-bound lead-zinc system. The main lead/zinc discovery was achieved by WMC in the period 1989 to 1996. Copper Strike Limited held the ground in 2004 to 2006 and identified a zone of copper enrichment within the pyritic lead/zinc mineralisation, which was its main focus of exploration.

Prior to the Company's acquisition of Aston Metal's Walford Creek Project tenements, in January 2010 Aston Metal's entered into a joint venture agreement with Copper Strike Limited on exploration permits for minerals (EPMs) 14220 and 14854 in the Walford Creek Project area. In 2010, Aston Metal's applied for the area now covered by EPM 18552 and in May 2011, it purchased Copper Strike's remaining 30% interest in EPMs 14220 and 14584, thus obtaining 100% interest in the Walford Creek Project tenements.

The Company currently owns 100% of the Walford Creek Project through its 100% wholly owned subsidiaries Aeon Walford Creek Ltd and Aeon Walford Exploration Pty Ltd. The Walford Creek Project consists of six contiguous EPMs.

The Vardy, Marley and Amy currently defined resource estimates and exploration potential are all confined to EPM 14220. The project area is wholly contained within EPM 14220 however, in 2020 the Company applied for and was granted EPM 27512 to secure the area for mineral exploration and possible infrastructure location.

Exploration opportunity, in the form of prospective lithologies is considered to exist in tenure held to the east of EPM 14220 including within EPM 14854, EPM 18552, EPM 26906, EPM 26316 and recent application EPM 27512 immediately adjacent to the Vardy resource.

EPM 26316 was a joint venture between Footprint Resources Pty Ltd and the Company. The tenement was transferred into Aeon Walford Creek Pty Ltd on 5 January 2021, with Aeon

Walford Creek Pty Ltd holding 100% of the tenement and an agreed net smelter return royalty.

The Walford tenements are situated on the faulted northern margin of the Proterozoic Mount Isa Inlier. EPM 14220 forms part of the Company's larger Walford Creek Project area, which includes EPMs 14220, 14854, 18552, 26906, 27512 and 26316.

The tenements occupy a largely east-west trending structural belt centred approximately 340 km north-northwest of Mount Isa, 65 km west-northwest of the Doomadgee township and 110 km north-northwest of the world class Century Zn-Pb-Ag Mine.

4.3 **Recent operational developments**

The Company's activities report for the quarter ending 31 March 2022 highlights the following operational developments (refer to ASX release dated 29 April 2022 titled 'Quarterly Activities / Appendix 5B Cash Flow Report'):

- (a) updated mineral resource estimates for Vardy and Marley zones;
- (b) step-out drilling identifies potential Vardy zone repeat at Le Mans zone;
- (c) the Company's success in securing two Collaborative Exploration Incentive (**CEI**) grants totalling \$296,800 to conduct geophysical surveys at the Walford Creek Project and Mount Isa West;
- (d) planned large scale 2022 drilling program to focus on major resource upgrade opportunities;
- (e) Pre-Feasibility Study paused (see Section 4.4 for more detail);
- (f) processes commenced to allow potential third-party evaluation of Walford Creek Project and regional tenement exploration packages; and
- (g) continued strong upwards trend in Walford Creek Project relevant commodity prices.

4.4 **Scoping study and Pre-Feasibility Study**

A scoping study was completed in June 2021 based on a combination of open-cut and underground mining in conjunction with a processing flowsheet producing a bulk sulphide concentrate which is leached to recover copper, zinc, cobalt and nickel end products. The primary focus of the Pre-Feasibility Study was to resolve a project scope ahead of the next study phase.

Strategically, Walford Creek Project already hosts one of Australia's highest grade, best defined, primary cobalt deposits, in-situ with a suite of other battery metals (copper, zinc and nickel). Such metals, processed into high quality end products using a low carbon footprint flowsheet, are crucial in terms of Australia's future critical minerals security and fundamental to achieving worldwide net zero carbon emissions. The development and long term operation of Walford Creek Project has the potential to be of great importance to the future national interest through its ability to play a leading role in contributing to Australia's critical minerals' independence.

As the Company has approached the more advanced stages of the Pre-Feasibility Study, it has become increasingly apparent that indicative Walford Creek Project economics have become more sensitive to development scale and operational longevity. The potential to enhance these drivers, as well as incorporating a higher proportion of higher grade Amy material earlier in the mining schedule, are all factors that could independently, and in combination, significantly further enhance Walford Creek Project economics and ultimate development pathway.

The decision was therefore made to advance Walford Creek Project on a more measured timeline. It is thus targeted to yield enhanced intrinsic value on the back of exploration success, and, building in-situ value as market supply and demand forces realign in response to the coming age of energy transformation and evolution in the metal markets that underpin it.

It is increasingly apparent that the demand growth for battery metals is unlikely to abate in the foreseeable future. Progressively, the collective market view is also evolving in response to recognition that there is a growing weakness in current and planned battery metal supply versus demand. Superimposed on this powerful thematic is the growing realisation by governments that critical minerals' independence and security are in the national interest and that new project developments can be facilitated by greater policy support and incentivisation.

As previously announced (see the Company's ASX release dated 29 March 2022, titled 'Walford Creek 2022 Exploration Update'), the Company has secured the services of two multi-purpose drill rigs to commence a 19,000 metre drilling programme in early May 2022. The Company is also set to undertake an airborne electromagnetic (**AEM**) survey to complement the existing gravity and magnetic surveys completed in 2021. With a well-tested regional geological model complementing an unprecedented geological data set, the Company's management and Board believe there is strong potential upside from aggressive exploration of the Company's prospects over the coming six months.

4.5 **Exploration strategy**

Regional exploration targets were refined in 2021 following extensive project wide magnetic and gravity surveys conducted in Q2 2021. These were largely outlined in the Company's ASX release dated 9 August 2021. Subsequent drilling at Vardy Deeps has increased the priority for several of these targets, and drill hole planning has now occurred. The objective is to systematically test these targets progressively over the coming two years. The intent is to await the CEI funded AEM survey results prior to drill testing these, ensuring that drill testing efficiency is maximised by having all the relevant data available prior to commencement. It is likely the addition of this data will cause some re-rating and addition to this target portfolio.

An aggressive drilling exploration strategy has been developed for the 2022 field season designed to advance the following strategies:

- to establish the presence for strike extensions of the existing Marley resource through systematic step out drilling at Le Mans;
- to establish the presence for higher grade copper within the Amy Deposit;
- to test the concept of further stacked mineralisation occurring beneath the existing mineral resources within the Walford Dolomite; and
- to conduct initial drill testing of a minimum of three regional targets, with follow on metres allocated upon merit.

In 2021, the Company completed high resolution magnetic and gravity surveys which provided valuable additional targeting data for regional exploration within the Walford Creek Project area. This data has been used both to "fingerprint" the existing known mineral resources, as well as refine the structural architecture of the project area.

AEM is considered to be an additional primary tool for refining targets and maximising the chances of drilling success. Wide spaced AEM data was previously collected by CSIRO in 1998 at the Walford Creek Project, with coverage extending only to the Amy-Vardy trend. These AEM results identified a broadly flat-lying, strong conductor that clearly delineates the pyritic shales of the PY1 unit, even at depth.

In 2022, the Company will fly a new CEI-funded high resolution survey. The survey objective is to assist in mapping the PY1 horizon, with the additional benefit of refining the location of the Fish Rive Fault and its associated splays that are masked by sediments to the East of the Walford Creek Project. The current geological model emphasises the importance of identifying these structures and stratigraphic units to the targeting of high-grade mineralisation.

The Company was successful in applying for \$200,000 in funding from the Queensland government's CEI scheme to subsidise this survey.

This will allow approximately 1,000 line-kilometres of high-resolution data to be acquired. The footprint for this data acquisition will encompass coverage of the entire the Fish River Fault and associated structures.

This additional high resolution geophysical data from this survey will further enhance the existing targeting information that is based on high resolution magnetic and gravity data sets. Upon completion, the Company will possess an outstanding high resolution geophysical data set that can be used to guide exploration targeting across the entire Walford Creek Project tenement package of some 400 km².

Initially, both drill rigs will be assigned to expanding the mineral resources west of the recently updated Marley/Vardy deposits into the Le Mans zone and beyond into the Amy zone. Once the AEM survey is completed, one or both drill rigs will move to initial drill testing of the satellite targets identified following the 2021 magnetic and gravity surveys as well as any additional targets generated from the planned CEI funded AEM survey.

If successful, either a longer mine life and/or increased scale could be contemplated with each potentially providing a source of substantial additional value to the Walford Creek Project.

4.6 **Proposed sources and uses of funds**

The strategy for 2022 is to test the full extent of the exploration potential at Walford Creek Project in order to deliver a step change in scale for the proposed project ahead. Depending on the results of the 2022 exploration program and other work streams, it is envisaged that the proposed scope of works for the Walford Creek Project would be revisited.

A project at a larger scale would further emphasise the importance of the Walford Creek Project's development within an Australian context and would increase its attractiveness to potential third parties that might wish to participate.

The Company notes that in addition to the Offer, it is seeking interests from buyers in relation to regional tenements excluding those of the Walford Creek Project.

Following closing of the Offer, it is anticipated that the following funds will be available to the Company:

Source of funds	\$ (,000)
Existing cash reserves	approx. \$500
Proceeds from the Placement (before costs of the Placement)	\$7,200
Proceeds from Offer (before costs of the Offer)	up to \$12,500
Total sources of funds	up to \$20,200

The primary use of funds will be directed towards supporting the two drill rigs currently mobilising to the Walford Creek site and the associated drilling program. In addition, the funds will be used to cover the administration and overhead costs of the Company.

4.7 **Dividend Policy**

The Directors have no current intentions of paying dividends in the short to medium term. The Board will review this policy as appropriate. The determination and amount of any dividend are at the sole discretion of the Board.

Any future determination as to the payment of dividends will be at the discretion of the Board and will depend on the conditions then existing, including the Company's financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors the Board deems relevant.

4.8 **Further information concerning the Company**

As a disclosing entity the Company is subject to regular reporting and disclosure obligations under the ASX Listing Rules. Shareholders may view a record of the Company's ASX announcements at the Company's website www.aeonmetals.com.au.

5. EFFECT OF THE OFFER ON THE COMPANY

5.1 Effect of the Offer

The issue of the Offer Shares issued in connection with the Offer may raise up to \$12.5 million (assuming 100% take up by Shareholders under the Offer).

The Loyalty Options do not have an issue price, however the Exercise Price is payable on exercise of the Loyalty Options. The Exercise of the Loyalty Options may raise up to \$19,725,062 (assuming 100% take up by Shareholders under the Offer and exercise of all Loyalty Options).

The allotment of the Placement Shares and Offer Shares will have an effect on the capital structure and financial position of the Company. The principal effects of the Placement and the Offer are:

- (a) the issue of approximately 179.2 million Placement Shares and corresponding Loyalty Options issued (conditional on shareholder approval) in connection with the Placement has raised approximately \$7.2 million;
- (b) the issue of up to approximately 314.2 million Offer Shares and corresponding Loyalty Options issued in connection with the Offer may raise up to \$12.5 million and an additional \$12.5 million through the exercise of the Loyalty Options (assuming 100% take up by Shareholders under the Offer and exercise of all Loyalty Options);
- (c) the Company's net cash funds will increase by up to \$19.7 million, being the funds received under the Placement and the Offer;
- (d) the Company will receive approximately \$19.7 million if all Loyalty Options are exercised; and
- (e) the total number of securities on issue by the Company will be changed as per the table set out in Section 5.2.

5.2 Effect on capital structure

On the basis that the Placement and the Offer is fully subscribed, the effect of the Placement, Offer and exercise of the Loyalty Options is set out below:

	Number of Shares	Number of Loyalty Options	Cash (A\$) (on issue or exercise, as applicable)
As at the date of this Prospectus (undiluted)	865,808,888	-	-
Shares issued under Tranche 1 Placement	76,950,000	38,475,000	3,078,000 (Shares) and 3,078,000 (Loyalty Options)
Total Shares entitled to Rights	942,758,888	-	-
Maximum subscription under the Offer (100% take up)	314,252,962	157,126,481	12,570,118 (Shares) and 12,570,118 (Loyalty Options)

Subscription under the Offer (50% take up)	157,126,481	78,563,241	6,285,059 (Offer Shares) and 6,285,059 (Loyalty Options)
Exercise of Loyalty Options (under Tranche 1 and the Offer, assuming 100% take up of the Offer)	195,601,481	-	15,648,118
TOTAL: Tranche 1 + the Offer (at 100% take up and 100% conversion of Loyalty Options to Shares)	586,804,443	-	31,296,237
Shares issued under Tranche 2 Placement (OCP + Directors)	102,299,455	51,149,728	4,091,978
Exercise of Loyalty Options (Tranche 2)	51,149,728	-	4,091,978
TOTAL: Tranche 2 (at 100% conversion of Loyalty Option to Shares)	153,449,183		8,183,956
TOTAL the Offer + Tranche 1 + Tranche 2 (at 100% take up and 100% conversion of Loyalty Options to Shares)	740,253,626	-	39,480,193
Total share capital following Placement and Offer (at 100% take up, being 493, 502,417 Shares issued under the Offer and Placement)	1,359,311,305	246,751,209	
Total share capital following Placement and Offer (and conversion) (at 100% take up and 100% conversion of options to shares)	1,606,062,514	-	-

5.3 Effect on control

The issue of the Offer Shares, the Placement Shares and the Loyalty Options is not expected to have any material effect on control of the Company.

The Company notes that the OCP Group holds an approximate 43.46% interest in the Company. The OCP Group will participate in the Placement, however the issue of Shares to OCP Group under the Placement will be subject to Shareholder approval. The OCP Group has informed that the Company that it will participate in the rights issue up to a cap of \$1.2m. Any participation by shareholders will reduce OCP's aggregate holding resulting from the Placement and rights issue.

5.4 Financial effect of the Offer and the Placement

The expenses of the Offer and the Placement are approximately \$588,904 as noted in section 9.8. The expenses of the Offer will be met from the proceeds of the Placement and the Offer.

5.5 Pro-forma statement of Financial Position

Table 1.1.1 sets out the unaudited Consolidated Statement of Financial Position as at 31 December 2021 and adjustments to reflect the effect of closing of the Offer, as if all the pro forma transactions had occurred or were in place as at 31 December 2021. The pro-forma consolidated balance sheet illustrates the effect of the Placement and the Offer as if the Placement and the Offer were fully subscribed and nets the cost of the Placement and Offer.

There have been no other material transactions between 31 December 2021 and the date of this Prospectus that has impacted, or will impact, the Company's financial position.

The pro-forma balance sheet has been prepared to provide Shareholders with information on the assets and liabilities of the Company and its controlled entities as noted below. The pro-forma balance statement is intended to be illustrative only, will not reflect the actual financial position of the Company as at the date of this Prospectus and is not necessarily indicative of the Company's view of its financial position at closing of the Offer or at any future date.

Table 1.1.1. Pro-forma statement of Financial Position

	Audited Statement December 2021 (\$'000)	Impact of the Placement and the Offer (\$'000)¹	Pro-forma Statement December 2021 (\$'000)
ASSETS			
Cash and equivalents	2,722	19,700	21,422
Trade and other receivables	334	-	334
Other investments	53	-	53
Prepayments	40	-	40
Total current assets	3,149	19,700	22,849
Property, plant and equipment	252	-	252
Other assets	36	-	36
Exploration and evaluation assets	90,699	-	90,699

¹ Assuming Placement Shares approved by shareholders, and assumes 100% take up by Shareholders under the Offer.

Total non-current assets	90,987	-	90,987
Total assets	94,136	-	94,136
LIABILITIES		-	
Trade and other payables	1,063	-	1,063
Employee benefits	242	-	242
Provisions	50	-	50
Loans and borrowings	-	-	-
Total current liabilities	1,355	-	1,355
Loans and borrowings	26,278	-	26,278
Total non-current liabilities	26,278	-	26,278
Total liabilities	27,633	-	27,633
Net assets	66,503	-	66,503
EQUITY			
Share capital ²	118,280	19,700	137,980
Reserves	3,560	-	3,560
Accumulated losses	(55,313)	-	(55,313)
Total equity attributable to owners of the Company	66,527	19,700	86,227
Non-controlling interests	(24)	-	(24)
Total equity	66,503	19,700	86,203

² The Loyalty Options to be issued pursuant to the Placement and the Offer will be issued for nil consideration and will have no immediate effect on the Company's statement of financial position. If the Loyalty Options are exercised, this will affect increase the Company's cash position and share capital. If the maximum number of Loyalty Options are issued and then exercised during the Exercise Period, the Company will raise approximately \$19.7 million. The Company is not able to specify with any certainty the extent of any change to the statement of financial position given the uncertainty around the number of Loyalty Options to ultimately be issued and exercised.

6. RIGHTS AND LIABILITIES ATTACHING TO OFFER SHARES

6.1 Overview

The Offer Shares are fully paid ordinary Shares in the Company. The Offer Shares will be of the same class and will rank equally with other Shares as at the date of issue. The rights and liabilities attaching to the Offer Shares are detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during ordinary business hours, and in certain circumstances is regulated by the Corporations Act, the ASX Listing Rules and at law.

The following is a non-exhaustive summary of the rights and liabilities attaching to the Offer Shares.

6.2 General meetings and notices

Each Shareholder is entitled to receive notice of and to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

6.3 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every Shareholder present in person or by proxy at a general meeting of the Company has one vote on a show of hands and one vote per Share held on a poll.

A Shareholder who holds a Share which is not fully paid is entitled, on a poll, to a fraction of the number of votes equal to the proportion which the amount paid on those Shares bears to the total issue price of those Shares.

Where there are two or more joint holders of a Share and more than one of them is present at a general meeting and tenders a vote in respect of the Share, only the vote of the Shareholder whose name appears first in the register of members counts.

6.4 Dividend rights and distributions in kind

Subject to the Constitution, the terms of issue of Shares and the Corporations Act, the Board may determine to pay any dividends as it considers appropriate and fix the time for payment.

Subject to the ASX Listing Rules and the rights of any persons entitled to Shares with special rights as to dividends, any profits of the Company are to be divided among Shareholders in proportion to the aggregate amounts paid up on the Shares held by them respectively (excluding any amount paid in advance of calls).

6.5 Issue of further Shares in the Company

Subject to the Corporations Act and the ASX Listing Rules, the Board may issue, grant options over, or otherwise dispose of unissued Shares in the Company at the times and on such terms and conditions as the Board determines.

6.6 Variation of class rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of Shares, the rights attached to the Shares in any class may (subject to sections 246C and 246D of the Corporations Act) be varied or cancelled only with the written consent of the holders of

75% of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

6.7 Transfer of Shares in the Company

Subject to the Constitution, the Corporations Act and the ASX Listing Rules, the Shares are freely transferable. The Board may refuse to register a transfer of Shares only if that refusal would not contravene the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules.

6.8 Indemnities

To the extent permitted by law, subject to the Constitution, and where the Board considers it appropriate, the Company may indemnify a Director, secretary or executive officer of the Company out of the assets of the Company against any liability incurred by that person as an officer of the Company.

6.9 Winding up

Subject to the Constitution and the rights of Shareholders with special rights in a winding-up, if the Company is wound up, any surplus assets of the Company will be divided among the Shareholders in proportion to the percentage of the capital paid up on their Shares when the winding up begins.

6.10 Shareholder liability

As the Offer Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Board and will therefore not become liable for forfeiture.

6.11 Amendment of Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at the general meeting.

7. RIGHTS AND LIABILITIES ATTACHING TO LOYALTY OPTIONS

7.1 Entitlement

A Loyalty Option will be issued for every two (2) Offer Shares subscribed for under the Offer. Each Loyalty Option entitles the Holder to subscribe for 1 fully paid ordinary Share in the Company.

7.2 Exercise Price

A Loyalty Option will be exercisable at the Exercise Price, being \$0.08, and is payable in full upon exercise.

7.3 Expiry Date

Unless exercised earlier, the Loyalty Options will expire at the conclusion of the Exercise Period, being 5.00pm (AEST) on 31 December 2023.

7.4 Exercise Period

Subject to the Holding Condition, the Loyalty Options are exercisable at any time prior to the end of the Exercise Period. Any number of options, in multiples of one thousand (1,000) may be exercised by the Holder of the Loyalty Options.

Should a Holder choose to issue part, but not all, of its Loyalty Options, the Company must issue to the Holder an option certificate in respect of the outstanding Options not exercised at that time.

7.5 Holding Condition

The Holder may only exercise a Loyalty Option, if at the time it exercises that Loyalty Option, the Holder holds at least the same number of Shares that were issued to the Holder under the Offer and/or the Placement (as applicable), excluding any Shares that have been, or are to be issued, following the exercise of a Loyalty Option.

7.6 Loyalty Option Certificates

On issue of the Loyalty Options, the Company will issue each Holder a certificate or holding statement which sets out:

- (a) the number of Loyalty Options issued to the Holder;
- (b) the Exercise Price;
- (c) the Issue Date; and
- (d) the Exercise Period.

7.7 Notice of Exercise

The Loyalty Options may be exercised by delivering a duly completed Exercise Notice together with BPAY or electronic funds transfer for the full payment of the Exercise Price.

7.8 Timing of issue of Shares on exercise

Within 5 Business Days of the Exercise Date, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Loyalty Options specified in the Exercise Notice and for which cleared funds have been received by the Company.

7.9 **Shares issued on exercise**

Upon the valid exercise of the Loyalty Options the payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with existing ordinary Shares in the Company.

A summary of the rights and entitlements attaching to ordinary Shares in the Company are set out in Section 6 of this Prospectus. The full rights attaching to Shares are set out in the Company's Constitution, the ASX Listing Rules and the Corporations Act. Any Shareholder may request a copy of the Constitution from the Company.

7.10 **Participation in new issues**

Holders of the Loyalty Options do not have any right to participate in any new issues of securities in the Company which are made to Shareholders generally. The Company will provide Holders with not less than 5 Business Days' notice prior to the relevant record date for any new pro rata issue (to determine entitlements to any new pro rata issue of securities made to Shareholders generally) to give the Holder the opportunity to exercise the Loyalty Options, in sufficient time to receive Shares entitling participation in the new pro rata issue.

7.11 **Transferability**

The Loyalty Options are non-renounceable and are non-transferable and may not be exercised by any other person other than the Shareholder. The Loyalty Options will not be traded on ASX.

7.12 **Reconstruction of capital**

In the event of a reconstruction (including any consolidation, subdivision, reduction, return or cancellation) of the capital of the Company:

- (a) the number of Loyalty Options, the Exercise Price, or both will be reconstructed as appropriate, in a manner consistent with the ASX Listing Rules, with the intention that such reconstruction will not result in the Holder receiving a benefit that Shareholders do not receive; and
- (b) subject to the provisions with respect to rounding of entitlements as approved at a meeting of Shareholders to reconstruct the capital, in all other respects the terms for the exercise of the Loyalty Options will remain unchanged.

7.13 **Bonus issues**

If there is a bonus issue of Shares, the number of Shares over which the Option is exercisable increases by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the bonus issue.

7.14 **Official quotation**

The Company will not apply for Official Quotation of the Loyalty Options. On exercise of the Loyalty Option the Company will apply to the ASX for Official Quotation of the Shares.

7.15 **Amendment to terms of Loyalty Options**

The terms of the Loyalty Options shall only be changed if holders of ordinary Shares in the Company (whose votes in favour are not to be disregarded under the ASX Listing Rules) approve of such change.

However, the terms of the Loyalty Options shall not be changed to reduce the Exercise Price, increase the number of Loyalty Options or change the Exercise Period.

8. RISK FACTORS

Based on the information available, a non-exhaustive list of risk factors which may affect the Company's financial position, prospects and the price of its listed securities include the following.

8.1 Risks specific to the Company

(a) Pre-Feasibility Study paused

The Walford Creek Scoping Study was completed in June 2021 (refer to ASX release dated 30 June 2021 titled 'Walford Creek Copper/Cobalt Project – Moving Forward Towards Development') and outlined the projected economics of development under the preferred bulk flotation and pressure oxidation flowsheet.

Key Pre-Feasibility Study workstreams were commenced shortly thereafter. In late February 2022, the Company advised that the Pre-Feasibility Study whilst still incomplete was on track (refer to ASX release dated 23 February 2022 titled 'Walford Creek Pre-Feasibility Study Paused with Renewed Exploration Focus').

In the period since then geopolitical events have seen a dramatic heightening of already elevated global input cost and supply chain volatility (as well as, positively, further upward metal price pressures). This rapidly emerging, general inflationary environment has challenged the basis to complete a consistent and coherent economic assessment of the Walford Creek Project in north-west Queensland, Australia.

The Board resolved to pause the Pre-Feasibility Study to allow both the external environment to settle and for the internal upside environment to be explored more fully before finalising project scope.

(b) Future capital requirements

The Company's activities will require significant expenditures. Whilst the Offer will position the Company well, there can be no assurances that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's business strategy.

If the Company is unable to use debt or equity to fund operations after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing (if available) may involve restrictive covenants, which may limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(c) Exploration and evaluation

Mineral exploration and development are inherently high risk undertakings. The tenements of the Company are at various stages of exploration.

The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approval necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be not be as successful resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

(d) Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploration would involve obtaining the necessary licenses or clearances from the relevant authorities that may require conditions to be satisfied and / or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploration may require participation of other companies whose interests and objectives may not be the same as the Company's.

(e) Mining and development

Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the Company's control. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, component operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

(f) Resource estimations

Resource estimates are inherently prone to variability. They involve expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made. Despite employing qualified professionals to prepare resource estimates, such estimate may nevertheless prove to be inaccurate. Furthermore, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

(g) Commodity price and exchange trade

The revenue to be derived through the future sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company in its Australian operations are and will be taken into account in Australian currency, exposing the Company to fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) Environmental

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

(i) Native Title

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Indigenous Australians exist. If native title rights do exist, the Company's ability to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(j) Title risks

Interests in tenements in Australia are governed by legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

(k) Joint venture parties, agents and contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the service providers used by the Company for any activity.

(l) Insurance and uninsured

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be

available or may not be adequate to cover any resulting liability. The occurrence of an event that is not covered, or fully covered, by insurance could have a material adverse effect on the business, financial condition and the Company's results.

(m) Government regulation

The Company's mining, processing, development and mineral exploration activities are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

(n) Occupational health and safety

The exploration and mining industry is subject to increasing occupational health and safety responsibility and liability. The Company may become liable for past and current conduct which violates such laws and regulations, which may be amended by the relevant authorities. Penalties for breaching health and safety laws can be significant and victims of workplace accidents may also commence civil proceedings against the Company. These events may not be insured, or may be uninsurable.

Changes to health and safety laws and regulations may also increase compliance costs for the Company, which would negatively impact the financial results of the Company.

(o) Reliance on key personnel

The Company's success depends largely on the core competencies of its Directors and management, and their familiarisation with, and ability to operate, in the mining industry as well as the Company's ability to retain its key executives.

The Company also depends on key external personnel with technical expertise, for example to carry out drilling. If the Company cannot secure such expertise or if the current services cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully, or within the timeframes and budget targeted by the Company.

(p) Competition

The Company competes with other companies some of which have greater financial and other resources than the Company and as a result may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these other companies.

(q) Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

(r) Economic risk

General economic conditions in Australia and internationally, movements in interest, inflation and currency exchange rates, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws and changes to dividend imputation in Australia may have an adverse effect on the Company's exploration, development and future production activities, as well as on its ability to fund those activities.

8.2 Risks related to the securities investment and market risks

(a) Market conditions

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

(b) Security investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Offer Shares and regardless of the Company's performance.

(c) Liquidity risk

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the Offer.

(d) Speculative nature of investment

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

(e) Not exhaustive

The above list of risk factors should not be taken as an exhaustive list of all of the risks faced by the Company or by Shareholders. The factors and others not specifically referred to, may, if materialising, affect the financial performance of the Company and the value of the Offer Shares offered under this Prospectus.

The Offer Shares carry no guarantee with respect to payments of any dividends, returns, returns of capital or market value at any time.

8.3 Other general risks

The future viability and profitability of the Company is dependent on a number of other factors which affect the performance of all industries including (but not limited to) the following:

- financial failure or default by a party to any contract to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities;
- industrial disputes;
- litigation;
- natural disasters, including pandemics; and
- acts of terrorism or an outbreak of international hostilities.

9. ADDITIONAL INFORMATION

9.1 Company is a disclosing entity

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Specifically, the Company is required to continuously disclose any information 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' to which the special content rules under section 713 of the Corporations Act apply. In general terms transaction specific prospectuses are only required to contain information in relation to the effect of the issue of Offer Shares on the Company and the rights and liabilities attaching to the Offer Shares and to the Loyalty Options.

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. Shareholders 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 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 FY21 annual financial report of the Company being the most recent financial report of the Company lodged with ASIC before the issue of this Prospectus (the **FY21 Annual Report**); and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act.

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

9.2 Interests of Directors

Each Director's direct and indirect interests in the Company's Shares at the date of this Prospectus and their entitlement to take up Offer Shares is set out in the table below.

The Directors have participated in the Placement, subject to shareholder approval, to continue their support for the Company and may also elect to participate under the Offer. The Directors invite Shareholders to participate and thank you for your support.

Director	Direct and indirect	Entitlement to Offer Shares
Dr Fred Hess	2,500,000 ordinary fully paid shares 517,241 ordinary fully paid shares held by Hess Family Super Pty Ltd <Hess Pension Fund A/C>. 4,250,000 shares (Loan Funded Shares) held by Tander Wealth Fund Pty Ltd ATF <The Claudia Hess Trust>. 4,250,000 shares (Loan Funded Shares) held by Biddy Wealth Fund Pty Ltd ATF <The Bridget Hess Trust>.	1,005,747 Offer Shares
Mr Paul Harris	4,767,858 ordinary fully paid shares held by Hollach Capital Limited. 346,708 ordinary fully paid shares held by Wunulla Holdings Pty Ltd <Wunulla Super Fund A/C>.	1,704,855 Offer Shares
Mr Ivan Wong	2,767,241 ordinary fully paid shares held by Great Pacific Investments Pty Limited. 347,061 ordinary fully paid shares held by Teresa Yi Yan Wong. 16,000,000 ordinary fully paid shares held by SLW Minerals Corporation Pty Ltd.	6,371,434 Offer Shares
Mr Andrew Greville	2,767,241 ordinary fully paid shares held by Mr Andrew Greville & Mrs Louise Greville <Alg Family A/C>.	922,413 Offer Shares

The Directors have subscribed for approximately 2.75m Shares under the Placement, being a total of \$110,000, and will be issued the corresponding number of Loyalty Options. Issue of these Placement Shares, and Loyalty Options, is subject to Shareholder approval.

9.3 Directors remuneration

The Constitution specifies that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting of Shareholders.

At the 2021 annual general meeting, Shareholders approved the adoption of the remuneration report. As at the date of this Prospectus, Directors are remunerated as follows:

Director	Salary and fees (\$)	Options and rights (\$)
Dr Fred Hess	156,089 plus superannuation	Nil

Mr Paul Harris	218,475	294,828
Mr Ivan Wong	59,361 plus superannuation	145,944
Mr Andrew Greville	59,361 plus superannuation	145,944

Information regarding the remuneration received by Directors for the preceding two financial years can be found in the Aeon Metals Limited 2021 Annual Report lodged with ASX on 22 October 2021.

9.4 **Market Price of Shares**

The highest and lowest market sale price of the Company's Shares during the three (3) months immediately preceding the lodgement of this Prospectus and the last market sale price on the date before the lodgement date of this Prospectus are set out below.

	3 month high	3 month low	Last market close
Price	\$0.084	\$0.043	\$0.045
Date	4 April 2022	29 April 2022	4 May 2022

9.5 **Officers' indemnities**

The Company has agreed to indemnify the current Directors against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors, except where the liability arises out of the conduct involving a lack of good faith.

The Company may also make a payment in relation to legal costs incurred by Directors in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director.

9.6 **Details of substantial holders**

The particulars of substantial holders as disclosed in the substantial Shareholders' notices given to the Company as at the date of this Prospectus are as follows:

Shareholder	Number of Shares	Voting power
OCP Group	382,440,013	43.46% ³

9.7 **Related party transactions**

The 2021 Annual Report recorded stated that there were no related party transactions during the year other than transactions with key management personnel as part of their remuneration. At the date of this Prospectus, no other transactions with related parties and Directors interest exist that the Directors are aware of.

³ Voting power as at the date of this Prospectus is exclusive of shares allocated to the OCP Group under the Placement. The Shares allocated to OCP Group under the Placement are subject to shareholder approval.

9.8 **Interests of experts and advisers**

Except as disclosed in this Prospectus, no other person named in this Prospectus is performing a function in a professional advisory or other or other capacity in connection with the preparation or distribution of the Prospectus.

- (a) Ashurst have provided various legal services and have or will receive professional fees of approximately \$70,000 (excluding disbursements and GST) for legal work undertaken by them in connection with the Offer and this Prospectus.
- (b) Bell Potter Securities has acted as lead manager in relation to the Offer. The Company has paid, or has agreed to pay fees of approximately \$518,904 for their role as lead manager for the Placement and the Offer.
- (c) Boardroom Pty Limited continues to provide share registry services to the Company including in relation to the Offer, including printing and postage.

9.9 **Taxation**

The Board do not consider that it is appropriate to provide offerees with advice regarding the taxation consequences of accepting the Offer under this Prospectus. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in respect of any issue.

9.10 **Competent persons statements**

The information in this Prospectus that relates to exploration results for the Walford Creek Project is based on information compiled Mr Andrew Moorhouse who is a Member of the Australian Institute of Geoscientists and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Moorhouse is a full-time employee of AEON Metals Limited and consents to the inclusion in the Prospectus of the Exploration Targets and Exploration Results in the form and context in which they appear.

9.11 **Consents**

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this Section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement (if any) included in this Prospectus with the consent of that party as specified in this Section.

Ashurst has given and, at the time of lodgement of this Prospectus, have not withdrawn their written consent to being named in this Prospectus as legal advisers to the Company in respect of the Offer in the form and context in which they are named.

Bell Potter Securities has given and, at the time of lodgement of this Prospectus, have not withdrawn their written consent to being named in this Prospectus as lead manager to the Company in respect of the Offer in the form and context in which they are named.

Boardroom Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its written consent to being named in this Prospectus as the share registry to the Company in respect of the Offer in the form and context in which it is named.

9.12 **Directors' Authorisation**

The 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 ASIC and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in blue ink, appearing to read "Paul Harris", is enclosed in a light blue rectangular box.

Paul Harris
Non-Executive Chairman

Dated: 9 May 2022

10. GLOSSARY OF TERMS

\$ or A\$	means Australian dollars
AEM	means airborne electromagnetic.
AEST	means Australian Eastern Standard Time.
Applicant	means a person who submits an Application Form.
Application	means a valid application for Shares pursuant to this Prospectus.
Application Form	means the application form which accompanies this Prospectus under which an Eligible Shareholder may apply for Offer Shares under the Offer.
Application Monies	means application monies for Shares under the Offer received and banked by the Company.
Ashurst	means Ashurst Australia (ABN 75 304 286 094).
ASIC	means Australian Securities and Investments Commission
ASX	means ASX Limited ABN 98 008 624 691 and, where the context requires, the market operated by ASX.
ASX Settlement	means ASX Settlement Pty Limited ABN 49 008 504 532
ASX Settlement Operating Rules	means the operating rules of ASX Settlement.
ASX Listing Rules	means the official listing rules of ASX.
Board or Board of Directors	means the board of directors of the Company.
CEI	means Collaborative Exploration Initiative.
CHES	means the Clearing House Electronic Subregister System
Closing Date	means 5.00pm (AEST) on Thursday, 26 May 2022.
Company	means Aeon Metals Limited ACN 121 964 725.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Shareholders	means those Shareholders who, on the Record Date, have a registered address in Australia, New Zealand or Hong Kong.
EPM	means exploration permit for minerals.
Exercise Notice	means a notice given by the Holder to the Company to exercise a Loyalty Option.
Exercise Period	means the period starting on the Issue Date and ending at 5.00pm (AEST) on 31 December 2023.

Exercise Price	\$0.08 per Loyalty Option.
Exposure Period	means the period of seven days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than seven days pursuant to section 727(3) of the Corporations Act.
Holder	means the holder of a Loyalty Option.
Holding Condition	means the condition applying on the exercise of a Loyalty Option, requiring that, at the time of exercise of a Loyalty Option (as contemplated by section 7.5), a Holder must hold at least the same number of Shares that were issued to the Holder under the Offer and/or the Placement (as applicable), excluding any Shares that have been, or are to be issued, following the exercise of the Options.
Ineligible Shareholder	means a Shareholder that is not an Eligible Shareholder.
Issue Date	means the date of issue of a Loyalty Option to a Holder.
JORC Code	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
Loyalty Option	means an option issued to a Shareholder under this Offer or under the Placement and may be used to acquire by way of issue one (1) Share for the Exercise Price, exercisable no later than the conclusion of the Exercise Period.
Mt	means metric tonnes.
OCP or OCP Group	OCP Asia (Singapore) Pte. Limited and funds managed by it.
Offer	means this non-renounceable pro rata entitlement offer to Shareholders.
Offer Period	means the period between the Opening Date and the Closing Date.
Offer Price	\$0.04 per Offer Share.
Offer Shares	means the Shares in the Company issued to Shareholders under the Offer.
Official Quotation	means official quotation on ASX.
Opening Date	means Tuesday, 17 May 2022.
Placement	means the placement to institutional investors identified by the Company, announced to the ASX on Monday, 9 May 2022.
Placement Shares	means the Shares in the Company issued under the Placement.
Pre-Feasibility Study	means the pre-feasibility study conducted at the Walford Creek Project.

Prospectus	means this transaction specific prospectus issued under section 713 of the Corporations Act.
Record Date	means 7.00pm on Thursday, 12 May 2022.
Share Registry	means Boardroom Pty Limited.
Shareholder	means a holder of one or more Shares.
Shares	means the fully-paid ordinary shares in the Company.
Shortfall	means any Offer Shares in respect of which the Offer has not been accepted.
Shortfall Offer	means the offer for Shareholders and Eligible Applicants to apply for Offer Shares (and Loyalty Options) in accordance with Section 3.11.
Shortfall Shares	means the Shares in the Company issued to Shareholders and Eligible Applicants under the Shortfall Offer.
Walford Creek Project	means the 100% Company owned, Walford Creek Copper-Cobalt Project in north-west Queensland, Australia.

11. **CORPORATE DIRECTORY**

Directors

Dr Fred Hess (managing director)

Mr Paul Harris (non-executive chairman)

Mr Ivan Wong (non-executive director)

Mr Andrew Greville (non-executive director)

Officers

Mr David Hwang (company secretary)

Registered and Principal Office

Aeon Metals Limited ACN 121 964
725
C/- Automic Pty Ltd
Level 5, 126-130 Phillip Street
Sydney, NSW 2000
info@aeonmetals.com.au
www.aeonmetals.com.au

Legal Advisor

Ashurst Australia
Level 11, 5 Martin Place
Sydney NSW 2000

Lead Manager

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney, NSW, 2000

Stock Exchange Listing

Australian Securities Exchange
(ASX)
ASX Code: AML

Share Registry

Boardroom Pty Limited
ACN 003 209 836
Grosvenor Place
Level 12, 225 George Street
Sydney, NSW, 2000
Telephone: 1300 737 760 (callers
within Australia) Telephone: +61 2
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This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.