



Lightning Minerals

Prospectus

Lightning Minerals Ltd
(ACN 656 005 122)

This Prospectus is being issued for the offer of:

- (a) up to 78,125,000 Quoted Options to Placement Participants, on the basis of one (1) free-attaching Quoted Option for every one (1) Placement Share subscribed for and issued under the Placement (**Placement Options Offer**); and
- (b) up to 40,000,000 Quoted Options to the Joint Lead Managers (or their respective nominees) (**Broker Options Offer**),

(together, the **Offers**).

ASX Code

L1M

Important Notice

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.

An investment in the Quoted Options offered in connection with this Prospectus should be considered of a speculative nature.

Table of contents

Corporate directory	3
Capital structure	3
1. Background to the Offers	7
1.1 Placement	7
1.2 The Offers	7
1.3 Conditional Offers	8
1.4 Purpose of this Prospectus	8
1.5 Opening and Closing Date	9
1.6 Minimum subscription	9
1.7 No underwriting	9
1.8 No rights trading	9
1.9 Application Forms	9
1.10 Issue date and dispatch	10
1.11 ASX quotation	11
1.12 CHES	11
1.13 Residents outside Australia	11
1.14 Taxation implications	11
1.15 Major activities and financial information	11
1.16 Privacy	12
1.17 Enquiries concerning this Prospectus	12
2. Effect of the Offers	13
2.1 Capital structure on completion of the Offers	13
2.2 Proposed use of funds	2
2.3 Effect on control of the Company	2
2.4 Substantial Shareholders	2
2.5 Financial effect of the Offers	3
3. Risk factors	4
3.1 Risks specific to the Company	4
3.2 Mining industry risks	6
3.3 General risks	12
4. Rights attaching to Securities	15
4.1 Rights and liabilities attaching to Shares	15
4.2 Terms and conditions of Quoted Options	16
5. Additional information	19
5.1 Company is a disclosing entity	19
5.2 Copies of documents	19
5.3 Information excluded from continuous disclosure notices	21

5.4	<i>Determination by ASIC</i>	21
5.5	<i>Market price of Shares</i>	21
5.6	<i>Dividend Policy</i>	21
5.7	<i>Interests of Directors</i>	21
5.8	<i>Related party transactions</i>	24
5.9	<i>Interests of other persons</i>	24
5.10	<i>Expenses of Offers</i>	24
5.11	<i>Consents</i>	24
5.12	<i>Electronic Prospectus</i>	25
6.	Directors' statement and consent	26
7.	Definitions	27

Important information

General

This Prospectus is issued by Lightning Minerals Ltd (ACN 656 005 122) (**Company**) for the purposes of Chapter 6D of the Corporations Act. This Prospectus is dated 23 February 2026 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Quoted Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

Application will be made to the ASX within seven days after the Prospectus Date for quotation of the Quoted Options the subject of this Prospectus.

The Quoted Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 11, 40 The Esplanade, Perth WA 6000, during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia.

The Company will also provide copies of other documents on request free of charge (see Section 5.2).

This Prospectus is a "transaction specific" prospectus for an offer of options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain, amongst other things, information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and

liabilities, financial position, profits and losses or prospects of the issuing company.

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

No investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

This document is important and should be read in its entirety before deciding to participate in the Offers.

Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Disclosing entity

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of options to acquire securities which are quoted enhanced disclosure securities and the securities are in a class of securities that were quoted enhanced disclosure securities at all times in the three months before the issue of this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision about whether to invest.

Having taken such precautions and having made such enquiries as are reasonable, the

Company believes that it has complied with the requirements of the ASX as applicable to disclosing entities from time to time, and which require the Company to notify ASIC of information available to the stock market conducted by the ASX, throughout the three months before the issue of this Prospectus.

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.

Overseas Shareholders

The Offers constituted by this Prospectus in electronic form are only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

No action has been taken to permit the offer of Quoted Options under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law and persons who come into possession of this Prospectus outside of Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer of Quoted Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Quoted Options may not be offered or sold, in any country outside Australia except to the extent permitted in Section 1.13.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Quoted Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://lightningminerals.com.au/>).

Forward-looking statements

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

Definitions, time and currency

Definitions of certain terms used in this Prospectus are contained in Section 7.

All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Corporate directory

Directors

David Vilensky	Non-Executive Chairman
Alexander (Alex) Biggs	Managing Director & Chief Executive Officer
Jamie Day	Non-Executive Director

Company Secretary

Justyn Stedwell

Registered Office

Level 11, 40 The Esplanade
Perth WA 6000
Phone: +61 (08) 9249 8806
Email: admin@lightningminerals.com.au
Website: <https://lightningminerals.com.au/>

Share Registry*

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Auditor*

HLB Mann Judd (Vic) Partnership
Level 9, 550 Bourke Street
Melbourne VIC 3000

Solicitors

Hamilton Locke Pty Ltd
Central Park Building
Level 39, 152–158 St Georges Terrace
Perth WA 6000

ASX Code: L1M

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Indicative timetable

Event	Date
Lodgement of Prospectus with ASIC	23 February 2026 (post-market close)
Opening Date of Offers	24 February 2026
Closing Date of Offers (5:00pm AWST)	2 March 2026
Anticipated date of issue of Quoted Options Lodgement of Appendix 2A applying for Official Quotation of Quoted Options	3 March 2026
Anticipated date for commencement of Quoted Options trading on a normal settlement basis	4 March 2026

Note: *The above dates are indicative only and may change without notice. The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company. The Company also reserves the right not to proceed with the Offers at any time before the issue of Quoted Options.*

Key details of the Offers

Size	A maximum of 118,125,000 Quoted Options.
Issue price	<ul style="list-style-type: none"> • Placement Options Offer – Nil. • Broker Options Offer – Nil.
Eligibility to participate in the Offers	<ul style="list-style-type: none"> • Placement Options Offer – the Placement Options Offer is open to Placement Participants only. Placement Participants will be entitled to apply for Quoted Options under the Placement Options Offer, on the basis of one (1) Quoted Option for every one (1) Placement Share subscribed for and issued under the Placement. • Broker Options Offer – the Broker Options Offer is open to the Joint Lead Managers and only the Joint Lead Managers (or their respective nominees) may apply for Quoted Options under the Broker Options Offer.

Capital structure

Indicative capital structure	
Securities on issue as at the Prospectus Date	
Shares	277,328,319
Performance Rights ¹	46,922,727
Options ²	73,902,589
Securities on issue on completion of the Offers³	
Shares ³	277,328,319
Performance Rights	46,922,727
Options	
• <i>Unquoted Options⁴</i>	33,513,331
• <i>Quoted Options⁵</i>	158,514,258
• Total	192,027,589

Notes:

1. Subject to the satisfaction of various performance conditions and expiring on various dates between 18 June 2027 and 18 June 2029.
2. Comprising 40,389,258 quoted Options and 33,513,331 unquoted Options with varying exercise prices between \$0.075 and \$0.50 and expiry dates between 14 November 2026 and 14 August 2029.
3. Assumes that the Offers are fully subscribed, and no further Securities are issued, other than as set out below.

4. *Unquoted Options with varying exercise prices of between \$0.075 and \$0.50 and expiry dates between 14 November 2026 and 14 August 2029.*
5. *See Section 4.2 for the terms and conditions of the Quoted Options. The issue of the Quoted Options is conditional upon (amongst other things) ASX agreeing to grant Official Quotation of the Quoted Options on ASX by the time required under the Corporations Act (subject to compliance with the requirements of ASX and the Listing Rules for the quotation of a new class of securities). If this condition is not satisfied, then the Offers will not proceed. See Section 1.3 for further information.*

Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus.

Potential investors should read the Prospectus in full before deciding to invest in Quoted Options.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	-
<p>What are the Offers being made under the Prospectus?</p> <p>By this Prospectus, the Company is offering:</p> <ul style="list-style-type: none"> • up to 78,125,000 Quoted Options to Placement Participants, on the basis of one (1) free-attaching Quoted Option for every one (1) Placement Share subscribed for and issued under the Placement (Placement Options Offer); and • up to 40,000,000 Quoted Options to the Joint Lead Managers (or their respective nominees) (Broker Options Offer), <p>(together, the Offers).</p>	Section 1.2
<p>What is the purpose of this Prospectus?</p> <p>The primary purpose of this Prospectus is to:</p> <ul style="list-style-type: none"> • make the offers of Quoted Options under the Placement Options Offer and the Broker Options Offer; and • ensure that the on-sale of the Shares issued on conversion of the Quoted Options do not breach section 707(3) of the Corporations Act. 	Section 1.4
<p>What is the intended use of funds from the Offers?</p> <p>No funds will be raised from the issue of the Quoted Options under the Placement Options Offer as the Placement Options are free-attaching to the Placement Shares issued under the Placement.</p> <p>No funds will be raised from the issue of the Quoted Options under the Broker Options Offer as the Broker Options will be issued to the Joint Lead Managers for nil consideration.</p>	Section 2.2
<p>Who is eligible to subscribe under the Offers?</p> <ul style="list-style-type: none"> • Placement Options Offer – the Placement Options Offer is open to Placement Participants only. 	Section 1.2

Key Information	Further Information																								
<ul style="list-style-type: none"> Broker Options Offer – the Broker Options Offer is open to the Joint Lead Managers and only the Joint Lead Managers (or their respective nominees) may apply for Quoted Options under the Broker Options Offer. 																									
<p>What are the terms of the Quoted Options?</p> <p>The Quoted Options will be exercisable at \$0.04 each and will expire three (3) years from the date of issue.</p> <p>The full terms of the Quoted Options are set out in Section 4.2.</p>	Section 4.2																								
<p>Are the Offers underwritten?</p> <p>The Offers are not underwritten.</p>	Section 1.7																								
<p>What is the effect of the Offers?</p> <p>The effect of the Offers on the capital structure is set out below (refer to Section 2.1 for further details about the assumptions underpinning the table):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="background-color: #002060; color: white;">Indicative capital structure</th> </tr> <tr> <th colspan="2" style="background-color: #cccccc;">Securities on issue as at the Prospectus Date</th> </tr> </thead> <tbody> <tr> <td>Shares</td> <td style="text-align: right;">277,328,319</td> </tr> <tr> <td>Performance Rights</td> <td style="text-align: right;">46,922,727</td> </tr> <tr> <td>Options</td> <td style="text-align: right;">73,902,589</td> </tr> <tr> <th colspan="2" style="background-color: #cccccc;">Securities on issue on completion of the Offers³</th> </tr> <tr> <td>Shares</td> <td style="text-align: right;">277,328,319</td> </tr> <tr> <td>Performance Rights</td> <td style="text-align: right;">46,922,727</td> </tr> <tr> <td>Options</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">• <i>Unquoted Options</i></td> <td style="text-align: right;">33,513,331</td> </tr> <tr> <td style="padding-left: 20px;">• <i>Quoted Options</i></td> <td style="text-align: right;">158,514,258</td> </tr> <tr> <td style="padding-left: 20px;">• Total</td> <td style="text-align: right;">192,027,589</td> </tr> </tbody> </table> <p>It is not expected that the Offers will have any effect on the control of the Company.</p> <p>The Company does not consider that the Offers will have a material effect on the financial position of the Company. The expenses of the Offers will be met from the Company's existing cash reserves. The Offers will have an effect on the Company's financial position of reducing the cash balance by approximately \$43,223. Please refer to Section 5.10 for further details on the estimated expenses of the Offers.</p>	Indicative capital structure		Securities on issue as at the Prospectus Date		Shares	277,328,319	Performance Rights	46,922,727	Options	73,902,589	Securities on issue on completion of the Offers ³		Shares	277,328,319	Performance Rights	46,922,727	Options		• <i>Unquoted Options</i>	33,513,331	• <i>Quoted Options</i>	158,514,258	• Total	192,027,589	Section 2
Indicative capital structure																									
Securities on issue as at the Prospectus Date																									
Shares	277,328,319																								
Performance Rights	46,922,727																								
Options	73,902,589																								
Securities on issue on completion of the Offers ³																									
Shares	277,328,319																								
Performance Rights	46,922,727																								
Options																									
• <i>Unquoted Options</i>	33,513,331																								
• <i>Quoted Options</i>	158,514,258																								
• Total	192,027,589																								
<p>What are the risks of a further investment in the Company?</p>	Section 3																								

Key Information	Further Information
<p>Potential investors should be aware that subscribing for Quoted Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Future capital requirements: The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations. • General risks associated with operating overseas: The Company conducts and has interests in operations in Australia, Canada and Brazil. Consequently, the Company will be subject to the risks associated with operating in such countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations. Changes to mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability. • Tenure: Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements are subject to the applicable mining acts and regulations in Australia, Canada and Brazil and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Tenements in which the Company has an interest are subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the tenements liable for forfeiture. • Exploration and development risks: Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of acquired projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. • Operating risks: The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. • Sovereign risk: Overseas jurisdictions are subject to differing legal and political systems, when compared with the systems in place in Australia. Possible risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares. 	

Key Information	Further Information
<ul style="list-style-type: none"> • Commodity price volatility: The Company's ability to proceed with the development of its rare earth, phosphate and niobium projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of rare earths, phosphate and other minerals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into. • Native title and Aboriginal heritage risks: The <i>Native Title Act 1993</i> (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans by delaying, restricting or prohibiting access to tenements. • First Nations: In relation to the Company's projects in Canada, there may be areas over which First Nations land claims exist at present or in the future. The impact of any such claim on the Company's Canadian projects cannot be foreseen with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which Canadian Projects are located would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties. It cannot be assured that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's Canadian projects. • Environmental risks: Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulation. • Quotation risk: The Company will apply for quotation of the Quoted Options subject to compliance with the requirements of ASX and the Listing Rules. The Company makes no guarantee that any such application for quotation will be successful and there is a risk that the Company will not be able to satisfy the ASX requirements for quotation. In the event that the Company is unable to satisfy the ASX requirements, the Quoted Options will still be issued, but will be Unquoted Options and there will be no public market for the Quoted Options. If the Quoted Options are admitted to official quotation by ASX, the price of the Quoted Options is subject to uncertainty and there can be no assurance that an active market for the Quoted Options will develop or continue after the Offers. • Option risk and dilution: Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Quoted Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares. There is a risk that the Quoted Options may expire at a time when they have little or no value. On completion of the Offers, assuming the Offers are fully subscribed, there will be up to 158,514,258 Quoted Options on issue. If exercised, these Quoted 	

Key Information	Further Information
<p>Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 36.37% (on the basis that the Offers are fully subscribed and no other Securities are issued or exercised at the date of this Prospectus).</p> <ul style="list-style-type: none"> • General market risks: Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption. 	
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3.</p>	Section 3

1. Background to the Offers

1.1 Placement

On 27 November 2025, the Company announced a capital raising of \$2.5 million (before costs) via the issue of:

- (a) up to 78,125,000 Shares to new and existing sophisticated, professional and other exempt investors (**Placement Participants**) at an issue price of \$0.032 per Share (**Placement Shares**); and
- (b) one (1) free attaching Quoted Option for every one (1) Placement Shares subscribed for and issued under the Placement (**Placement Options**),

(together, the **Placement**).

The Placement is comprised of the following two tranches:

- (a) **Tranche 1**: the issue of 28,874,248 Placement Shares on 5 December 2025 utilising the Company's available placement capacity under Listing Rule 7.1 and 19,832,831 Placement Shares on 5 December 2025 utilising the Company's available placement capacity under Listing Rule 7.1A (**Tranche 1 Placement Shares**); and
- (b) **Tranche 2**: subject to Shareholder approval, the issue of up to 29,417,921 Placement Shares (**Tranche 2 Placement Shares**) and 78,125,000 Placement Options (**Tranche 2 Placement Options**).

On 5 December 2025, the Company issued the Tranche 1 Placement Shares without prior Shareholder approval under Listing Rule 7.1 and Listing Rule 7.1A.

Evolution Capital Pty Ltd and GBA Capital Holdings Pty Ltd acted as joint lead managers to the Placement (together, the **Joint Lead Managers**). As partial consideration for the provision of joint lead managerial and capital raising services in connection with the Placement, the Company agreed to issue the Joint Lead Managers (or their respective nominees) up to 40,000,000 Quoted Options (**Broker Options**) subject to Shareholder approval under Listing Rule 7.1.

At the Company's general meeting of Shareholders held on 4 February 2026, the Company sought and obtained Shareholder approval to issue the Tranche 2 Placement Shares, the Tranche 2 Placement Options and the Broker Options.

1.2 The Offers

The Company is offering pursuant to this Prospectus a maximum of 118,125,000 Quoted Options each exercisable at \$0.04 each and expiring three (3) years from the date of issue. The Quoted Options are otherwise subject to the terms and conditions set out in Section 4.2.

The Offers are not open to the general public.

The Offers are as follows:

(a) **Placement Options Offer**

The Placement Options Offer is an offer of one (1) free-attaching Quoted Option for every one (1) Placement Shares subscribed for and issued under the Placement.

Only Placement Participants who participated in the Placement and were issued Placement Shares are eligible to participate in the Placement Options Offer.

Based on the number of Shares issued under the Placement, 78,125,000 Quoted Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the Placement Options under this Prospectus.

Shares issued on exercise of the Placement Options will rank equally with the Shares on issue at the Prospectus Date. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

(b) Broker Options Offer

The Broker Options Offer is an offer of up to 40,000,000 Quoted Options to the Joint Lead Managers (or their respective nominees) as part consideration for the provision of joint lead managerial and broker services provided to the Company in connection with the Placement. Payment must be made in full at the time of applying for the Broker Options in accordance with the instructions on the relevant Application Form.

No funds will be raised from the issue of the Broker Options under this Prospectus.

Only the Joint Lead Managers (or their respective nominees) may participate in the Broker Options Offer.

The Quoted Options offered under the Joint Lead Manager Options Offer will be exercisable at \$0.04 each and expire 3 years from the date of issue. The Broker Options are otherwise subject to the terms and conditions set out in Section 4.2.

Shares issued on exercise of the Broker Options will rank equally with the Shares on issue at the Prospectus Date. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

1.3 Conditional Offers

The issue of the Quoted Options under the Offers is subject to ASX agreeing to grant Official Quotation of the Quoted Options on ASX by the time required under the Corporations Act (subject to compliance with the requirements of ASX and the Listing Rules for the quotation of a new class of securities).

As required by Listing Rule 2.5 condition 6, the Quoted Options to be issued under this Prospectus will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied, which include (amongst other things):

- (i) there being a minimum of 100,000 Quoted Options on issue; and
- (ii) there being at least 50 holders with a marketable parcel (as defined in the Listing Rules).

If the Quoted Options to be issued under this Prospectus are not admitted to quotation within a period of three months from the Prospectus Date, any issue or transfer of Quoted Options in response to an Application made under this Prospectus will be void in accordance with section 723 of the Corporations Act and the Offers will not proceed. In such circumstances, the Company intends to proceed with the issue of these Quoted Options as Unquoted Options and there will be no public market for the Quoted Options.

1.4 Purpose of this Prospectus

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the Quoted Options as they are not in a class of securities that were quoted securities at all times in the last 3 months.

Consequently, the Company has issued this Prospectus for the offers of the Quoted Options to Placement Participants and the Joint Lead Managers (or their respective nominees).

This Prospectus has also been issued to facilitate secondary trading of the Shares to be issued upon exercise of the Quoted Options to be issued under the Offers. Issuing the Quoted Options under this Prospectus will enable persons who are issued the Quoted Options to on-sell the Shares issued on exercise of the Quoted Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*.

Accordingly, the primary purpose of this Prospectus is to:

- (a) make the offers of Quoted Options under the Placement Options Offer and the Broker Options Offer; and
- (b) ensure that the on-sale of the Shares issued on conversion of the Quoted Options do not breach section 707(3) of the Corporations Act.

1.5 Opening and Closing Date

As set out in the Timetable, the Offers will open on 24 February 2026 (**Opening Date**) and are anticipated to close at 5.00pm (AWST) on 2 March 2026 (**Closing Date**).

The above dates are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early, extend the Closing Date or to withdraw the Offers at any time prior to issue of the Quoted Options. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

The Company will accept Application Forms for the Offers from the Opening Date until 5.00pm (AWST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules and the Corporations Act.

1.6 Minimum subscription

There is no minimum subscription under the Offers.

1.7 No underwriting

The Offers are not underwritten.

1.8 No rights trading

The rights to Quoted Options under the Offers are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your right to receive some or all of the Quoted Options to any other party. If you do not take up your right to receive the relevant Quoted Options by the Closing Date, the offer to you will lapse.

1.9 Application Forms

Applications must be made using the relevant Application Form attached to or made available with a copy of this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form. To the maximum extent permitted by law, the Directors will have discretion over which Applications to accept.

Completed Application Forms must be received by the Company prior to the Closing Date. Application Forms should be delivered in accordance with the instructions contained in the Application Form.

If the number of Quoted Options subscribed for under an Offer is more than the number of Quoted Options to which the Applicant is entitled under the Offer, the Company reserves the right to return the Application Form and not issue any Quoted Options to the Applicant or to accept it in respect of a lesser number of Quoted Options.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Quoted Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Quoted Options under an Offer. If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning an Application Form, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting, that the law in their place of residence and/or where they have been given the Prospectus does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the relevant Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Quoted Options to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Quoted Options are suitable for them given their investment objectives, financial situation or particular needs;
- (f) acknowledge that the Quoted Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia; and
- (g) meet the eligibility criteria of the expected target market for the Quoted Options outlined in the TMD, a copy of which can be accessed at the Company's website (<https://lightningminerals.com.au/>).

1.10 Issue date and dispatch

The Quoted Options will be issued only after ASX has granted permission for the Quoted Options to be quoted. It is expected that Quoted Options will be issued and quoted by ASX in accordance with the dates specified in the Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Quoted Options. Applicants who sell Quoted Options before they receive their holding statements do so at their own risk.

1.11 ASX quotation

Application for quotation of the Quoted Options will be made to ASX in accordance with the Timetable.

The fact that ASX may grant Official Quotation of the Quoted Options is not to be taken in any way as an indication of the merits of the Company or the Quoted Options offered pursuant to this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

1.12 CHES

The Company participates in the Clearing House Electronic Sub-register System known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of Securities pursuant to their acceptance of an Offer.

Shareholders who are broker sponsored will receive a CHES statement from ASX Settlement.

The CHES statement will specify the number of Quoted Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Quoted Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Quoted Options issued to you under this Prospectus and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Security holders at the end of any calendar month during which the balance of their Security holding changes. Security holders may request a statement at any other time; however, a charge may be made for additional statements.

1.13 Residents outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those set forth below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Quoted Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Quoted Options may not be offered or sold, in any country outside Australia.

1.14 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Quoted Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Quoted Options.

1.15 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2025, can be found in the Company's Annual Report announced on ASX on 30 September 2025.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 30 September 2025 are listed in Section 5.2.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.16 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the application and, if the application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

An Applicant has an entitlement to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

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

1.17 Enquiries concerning this Prospectus

For enquiries relating to this Prospectus and general shareholder enquiries, please contact the Company Secretary by email via justyn@lightningminerals.com.au.

2. Effect of the Offers

2.1 Capital structure on completion of the Offers

The principal effect of the Offers, assuming all Quoted Options offered under this Prospectus are issued, will be to increase the number of Options currently on issue by a maximum of 118,125,000 Options. Subject to satisfying the relevant ASX conditions for Official Quotation of a new class of Securities, application will be made for these Quoted Options to be quoted on ASX, creating a new class of quoted Options.

Assuming that no further Shares are issued and none of the existing Unquoted Options or Performance Rights are converted, the effect of the Offers on the Company's issued capital as at the Prospectus Date is as shown in the following table.

Indicative capital structure	
Securities on issue as at the Prospectus Date	
Shares	277,328,319
Performance Rights ¹	46,922,727
Options ²	73,902,589
Securities on issue on completion of the Offers³	
Shares	277,328,319
Performance Rights	46,922,727
Options	
• Unquoted Options ²	33,513,331
• Quoted Options ^{3,5}	158,514,258
• Total	192,027,589

Notes:

1. Subject to the satisfaction of various performance conditions and expiring on various dates between 18 June 2027 and 18 June 2029.
2. 33,513,331 Unquoted Options, comprising:
 - (a) 5,950,000 Options exercisable at \$0.25 and expiring on 27 September 2027;
 - (b) 400,000 Options exercisable at \$0.075 and expiring on 14 August 2029;
 - (c) 250,000 Options exercisable at \$0.25 each and expiring on 14 August 2029;
 - (d) 350,000 Options exercisable at \$0.105 each and expiring on 14 August 2029;
 - (e) 6,000,000 Options exercisable at \$0.105 each and expiring on 18 June 2027;
 - (f) 5,000,000 Options exercisable at \$0.25 each and expiring on 14 November 2026;
 - (g) 14,733,331 Options exercisable at \$0.075 each and expiring on 18 September 2028;
 - (h) 80,000 Options exercisable at \$0.30 each and expiring on 6 April 2027;
 - (i) 110,000 Options exercisable at \$0.40 each and expiring on 6 April 2027;
 - (j) 140,000 Options exercisable at \$0.50 each and expiring on 6 April 2027; and
 - (k) 500,000 Options exercisable at \$0.25 each and expiring on 12 December 2030.
3. Assumes that the Offers are fully subscribed, and no further Securities are issued, other than as set out below.
4. See Section 4.2 for the terms and conditions of the Quoted Options. The issue of the Quoted Options is conditional upon (amongst other things) ASX agreeing to grant Official Quotation of the Quoted Options on ASX by the time required under the Corporations Act (subject to compliance with the

requirements of ASX and the Listing Rules for the quotation of a new class of securities). If this condition is not satisfied, then the Offers will not proceed. See Section 1.3 for further information.

2.2 Proposed use of funds

No funds will be raised from the issue of the Quoted Options under the Placement Options Offer as the Placement Options are free-attaching to the Placement Shares issued under the Placement.

The Company will receive \$0.04 for each Quoted Option exercised. If all Quoted Options are issued and exercised, the Company will receive approximately \$4,725,000 (before costs). There is no certainty that any of the Quoted Options will be exercised.

It is currently intended that funds raised from the Placement and any funds raised from the exercise of the Quoted Options will be applied towards:

- (a) exploration and drilling activities;
- (b) general working capital; and
- (c) costs of the Placement.

The above is a statement of current intentions at the Prospectus Date. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

The application of any funds from the exercise of Quoted Options will depend on when Quoted Options are exercised and the status of the Company's projects and requirements at the relevant time.

2.3 Effect on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

The maximum number of Quoted Options proposed to be issued under the Offers is 118,125,000. If all of these Quoted Options are exercised, the Shares issued on exercise will constitute approximately 29.87% of the Shares on issue following completion of the Offers (assuming the Offers are fully subscribed and no further Securities are issued or exercised at the date of this Prospectus).

2.4 Substantial Shareholders

Based on the substantial shareholding notices that have been provided to the Company and ASX, those persons which together with their associates have a voting power in 5% or more of the Shares on issue as at the date of this Prospectus are set out below:

Substantial Shareholder	Shares	Voting power¹
ESG Minerals Limited	21,969,506	7.92%
FNQ Resources Pty Limited	17,937,536	6.47%
Toronga Pty Ltd	28,000,000	10.10%

Notes:

1. *Based on 277,328,319 Shares on issue at the Prospectus Date.*
2. *Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to the Company, or in respect of which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.*

2.5 Financial effect of the Offers

The Company does not consider that the Offers will have a material effect on the financial position of the Company.

If all Quoted Options are issued and exercised (which is not certain), it would have the effect on the Company's financial position of increasing the cash balance by approximately \$4,725,000 (before costs).

The expenses of the Offers will be met from the Company's existing cash reserves. The Offers will have an effect on the Company's financial position of reducing the cash balance by approximately \$43,223. Please refer to Section 5.10 for further details on the estimated expenses of the Offers.

3. Risk factors

An investment in Quoted Options offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in the Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Risks specific to the Company

(a) Future capital requirements

The Company does not have operating revenue and is unlikely to generate any operating revenue unless and until a project or projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop its projects and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) General risks associated with operating overseas

The Company conducts and has interests in operations in Australia, Canada and Brazil. Consequently, the Company will be subject to the risks associated with operating in such countries. Such risks can include economic, social or political instability or change, hyperinflation, currency non convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations. Changes to mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

(c) Ongoing Funding Requirements

The Company has no operating revenue and is unlikely to generate any operating revenue until the Projects are successfully developed and production commences (if

at all). The future capital requirements of the Company will depend on many factors including its business development activities. Notwithstanding this, the Company anticipates that its existing financial resources, along with the proceeds generated under the Offers, will be sufficient to enable it to carry out its planned business operations.

However, in order to successfully develop the Projects, further funding may be required in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

There is no guarantee that additional capital or funding, if and when required, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, which may have a material adverse effect on the Company.

(d) New projects and acquisitions

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements / permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from the projects and/or raising additional capital (if available).

Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project / business activities will remain.

(e) Returns not guaranteed

There is no guarantee of any income distribution or capital return on the Shares nor is there a guarantee of repayment of capital amounts. Shareholders will not be entitled to any guaranteed distributions of profits or capital. There is no guarantee that distributions will be at a certain level or that there will be distributions at all.

(f) Quotation risk

The Company will apply for quotation of the Quoted Options subject to compliance with the requirements of ASX and the Listing Rules, however, the Quoted Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Quoted Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

The Company makes no guarantee that any such application for quotation will be successful and there is a risk that the Company will not be able to satisfy the ASX requirements for quotation. In the event that the Company is unable to satisfy the ASX

requirements, the Quoted Options will still be issued, but will be Unquoted Options and there will be no public market for the Quoted Options. If the Quoted Options are admitted to official quotation by ASX, the price of the Quoted Options is subject to uncertainty and there can be no assurance that an active market for the Quoted Options will develop or continue after the Offers.

(g) **Option risk and dilution**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Quoted Options offered under this Prospectus will, at any particular time, have an exercise price which is lower than the price of the Shares.

There is a risk that the Quoted Options may expire at a time when they have little or no value.

On completion of the Offers, assuming the Offers are fully subscribed, there will be up to 158,514,258 Quoted Options on issue. If exercised, these Quoted Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 36.37% (on the basis that the Offers are fully subscribed and no other Securities are issued or exercised at the date of this Prospectus). However, each Quoted Option has an exercise price of \$0.04 which means that the Company will receive additional funds of up to \$4,725,000 (before costs) upon exercise of the Quoted Options, assuming all Quoted Options the subject of the Offers are issued and subsequently exercised. There is no certainty that Quoted Options, if issued, will be exercised in full, or at all.

3.2 Mining industry risks

(a) **Resource risks**

There is inherent uncertainty with mineral resource and ore reserve estimates. Regardless of JORC Code or other status, there is a risk that actual mining performance will not deliver performance in line with mineral resource and ore reserve estimates.

(b) **Exploration and development risks**

Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, adverse government policy, geological conditions, commodity prices or other technical difficulties.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its projects, a reduction in

the cash reserves of the Company and possible relinquishment of part or all of its projects.

(c) **Native title and Aboriginal heritage risks**

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on the Company's operations and future plans by delaying, restricting or prohibiting access to tenements.

(d) **First Nations**

In relation to the Company's projects in Canada, there may be areas over which First Nations land claims exist at present or in the future. The impact of any such claim on the Company's Canadian projects cannot be foreseen with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which Canadian Projects are located would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties. It cannot be assured that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's Canadian projects.

(e) **Operating risk**

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

(f) **Mine Development**

Possible future development of mining operations on the Company's projects or other tenements applied for or acquired by the Company is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. If the Company commences production on any existing or future projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of existing or future projects.

(g) **Tenure**

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements are subject to the applicable mining acts and regulations in Australia, Canada and Brazil and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions

or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. Tenements in which the Company has an interest are subject to the relevant conditions applying in each jurisdiction. Failure to comply with these conditions may render the tenements liable for forfeiture.

(h) Access, permits and approvals

In order to undertake mineral exploration on the Company's tenements, the Company has various access deeds in place and will seek to implement others in key areas of the Company's projects as and when it determines that activities should be undertaken.

Certain mineral rights and interests to be held by the Company are subject to the need for ongoing or new government approvals and permits. These requirements, including work permits and environmental approvals, will change as the Company's activities develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations. The Company's capacity to undertake future mining operations in its Tenement area will be affected by various factors such as:

- (i) potential inability to obtain necessary consents and approvals to mine;
- (ii) delay to obtaining necessary consents and approvals to mine;
- (iii) increased costs in obtaining necessary consents and approvals to mine; and
- (iv) limited ground available for mining due to access restrictions and limitations.

(i) Resources, reserves and exploration targets risk

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(j) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(k) Regulatory compliance risk

The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Obtaining necessary permits can be a time-consuming process and there is

a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of its projects.

(l) **Land access risk**

The Company's rights in the tenements may be obtained by grant by regulatory authorities or be subject to contracts with third parties. The Company may lose its rights to exclusive use of, and access to any, or all, of the tenements.

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Mineral rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary approvals or consents to conduct exploration or evaluation activities within or outside of the tenements. Additionally, the Company may not be able to access the tenements due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

(m) **Environmental risk**

The operations and proposed activities of the Company are subject to environmental regulation under the laws in Australia. The costs of complying with these laws and regulations may impact the development of economically viable projects. 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 field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or

regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect.

(n) **Commodity price volatility**

The Company's ability to proceed with the development of its rare earth, phosphate and niobium projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of rare earths, phosphate and other minerals. Consequently, any future earnings are likely to be closely related to the price of this commodity and the terms of any off-take agreements that the Company enters into.

The world market for rare earths is subject to many variables and may fluctuate markedly. These variables include world demand, forward selling by producers and production cost levels in major mineral-producing regions. Rare earth prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates, as well as geopolitics. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

(o) **Joint venture risk**

The medium to long term plans and strategies of the Company may evolve over time due to review, analysis and assessment of results from its planned exploration activities. This is consistent with other entities conducting mineral exploration similar to the Company.

As with most exploration entities, the Company may sell or dispose of its interests in any of its existing and future projects which are no longer of strategic importance to the Company and its objectives. Such a disposal may, for example, take the form of a tenement sale. The Company may also wish to develop its projects or future projects through joint venture or farm-in arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company, could be affected by the default of any of the joint venture participants or their failure to act in the best interests of the joint venture, which in either case would likely have an adverse effect on the interests and prospects of the Company.

(p) **Third party risk**

The operations of the Company will require involvement of a number of third parties, including suppliers. With respect to these third parties, and despite applying best practice in terms of precontracting due diligence, the Company is unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company may become a party; and
- (ii) insolvency, default on performance or delivery by any operators, contractors or service providers.

These contracts typically contain provisions providing for early termination of the contracts upon giving varying notice periods and paying varying termination amounts. The early termination of any of these contracts, for any reason, may mean that the Company will not realise the full value of the contract, which is likely to adversely affect the growth prospects, operating results and financial performance of the Company.

(q) **Sovereign risk**

Overseas jurisdictions are subject to differing legal and political systems, when compared with the systems in place in Australia. Possible risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

(r) **Competition risk**

The industry in which the Company will be involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Some of the Company's competitors 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. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(s) **Reliance on key personnel**

The Company will be reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(t) **Occupational health and safety**

Exploration and production activities may expose the Company's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

(u) **Insurance**

The Company intends to continue to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. 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 results of the Company. Insurance against all risks

associated with mining exploration and production is not always available and where available the costs can be prohibitive.

3.3 General risks

(a) **State of Australian and International Economies**

A downturn in the Australian and/or the international economy may negatively impact the performance of the Company which in turn may negatively impact the value of securities in the Company.

(b) **Changes in Accounting Standards**

Australian Accounting Standards (**AAS**) are developed and implemented by the Australian Accounting Standards Board (**AASB**). The AASB may introduce new or refined AAS, which may affect the measurement and recognition of balance sheet items and income statements, including revenue and receivables. Conversely, interpretations of existing AAS may differ. Changes to AAS issued by the AASB or changes to generally held views about the application of such AAS may adversely affect the performance and position reported in the Company's financial statements.

(c) **Counterparty performance**

There is a risk that counterparties who have contracted with the Company do not perform their obligations pursuant to such contracts.

(d) **Infectious diseases**

The price of the Company's Securities may be adversely affected by the economic uncertainty caused by infectious diseases. Measures to limit the transmission of infectious diseases implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations and may interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.

(e) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(f) **Investment in capital markets**

As with all stock market investments, there are risks associated with an investment in the Company. Securities listed on the stock market 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 Shares regardless of the Company's performance.

(g) **General economic conditions**

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters. A prolonged

deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and financial position. The Company's future possible revenues and Share prices may be affected by these factors, which are beyond the control of the Company.

(h) **Changes in government policies and legislation**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company the future performance of the Company or any return on an investment in the Company.

(i) **Force majeure**

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

(j) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(k) **Climate change risks**

The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(l) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(m) **Litigation risk**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any proven claim or dispute may adversely impact the Company's operations, financial performance and financial position. As at the date of this Prospectus, there are no material legal proceedings affecting the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its Securities. Investors should consider that the investment in the Company is high risk and should consult their professional adviser before deciding whether to apply for Quoted Options pursuant to this Prospectus.

4. Rights attaching to Securities

4.1 Rights and liabilities attaching to Shares

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

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend will carry interest as against the Company.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Further increase in capital**

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

(f) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in any usual or common form or in any other form that the Directors approve.

Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **Terms and conditions of Quoted Options**

The Quoted Options granted under the Offers (referred to as “**Options**” for the purpose of this Section 4.2) will be issued on the following terms and conditions:

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

- (b) **(Exercise Price)**: The amount payable upon exercise of each Option will be A\$0.04 **(Exercise Price)**.
- (c) **(Expiry Date)**: Each Option will expire at 5:00pm (AWST) on the date that is 3 years from the date of issue **(Expiry Date)**. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)**: The Options are exercisable at any time on or prior to the Expiry Date **(Exercise Period)**.
- (e) **(Quotation)**: The Company will apply for quotation of the Options on ASX.
- (f) **(Notice of Exercise)**: The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (g) **(Exercise Date)**: A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (h) **(Timing of issue of Shares on exercise)**: Within 5 Business Days after the Exercise Date the Company will, subject to paragraphs (i) and (k):
 - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which, if applicable, cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
- (i) **(Restrictions on transfer of Shares)**: If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (j) **(Shares issued on exercise)**: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (k) **(Takeovers prohibition)**: The issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act.
- (l) **(Reconstruction of capital)**: If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) **(Entitlement to dividends)**: The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.

- (o) **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
- (p) **(Adjustment for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
- (q) **(Change in exercise price):** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (r) **(Adjustment for bonus issue):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (s) **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
- (t) **(Amendments required by ASX):** The terms of the Options may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
- (u) **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's Constitution.

5. Additional information

5.1 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit report or review. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.2 below). Copies of all documents announced to the ASX can be found at the Company's website (<https://lightningminerals.com.au/investor-centre/asx-announcements/>).

5.2 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2025 as lodged with ASX on 30 September 2025 (**Annual Report**), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) above, until the date of this Prospectus:

Date lodged	Subject of Announcement
09/02/2026	Section 708A Notice
09/02/2026	Application for quotation of securities – L1M
06/02/2026	Resignation of Managing Director
05/02/2026	Amended Final Director's Interest Notice
04/02/2026	Final Director's Interest Notice
04/02/2026	Results of Meeting
02/02/2026	Resignation of Non-Executive Director
30/01/2026	Quarterly Activities/Appendix 5B Cash Flow Report
15/01/2026	Change in substantial holding
08/01/2026	Change in substantial holding
19/12/2025	Notice of General Meeting, Proxy Form & Access Letter
15/12/2025	Change of Director's Interest Notices x 2

Date lodged	Subject of Announcement
15/12/2025	Notification regarding unquoted securities – L1M
11/12/2025	Aggressive Growth Strategy for Mt Turner Gold Project
05/12/2025	Section 708A Notice
05/12/2025	Application for quotation of securities - L1M
27/11/2025	Results of Meeting
27/11/2025	Proposed issue of securities - L1M
27/11/2025	Proposed issue of securities - L1M
27/11/2025	Proposed issue of securities - L1M
27/11/2025	\$2.5 Million Raising to Fund Aggressive Exploration Strategy
25/11/2025	Trading Halt
18/11/2025	Investor Presentation
17/11/2025	Final Assays Confirm Extension of Gold System at Mt Turner
10/11/2025	More High-Grade Gold & Base Metals at Mt Turner Project
03/11/2025	Change in substantial holding
31/10/2025	Application for quotation of securities - L1M
30/10/2025	Quarterly Activities/Appendix 5B Cash Flow Report
29/10/2025	Becoming a substantial holder
29/10/2025	Completion of Drilling at Mt Turner Gold Project
27/10/2025	Notice of Annual General Meeting, Proxy Form & Access Letter
22/10/2025	Change in substantial holding
21/10/2025	High Grade Gold Intersected at Mt Turner Gold Project
09/10/2025	Change in substantial holding
03/10/2025	Initial Director's Interest Notice
03/10/2025	Appointment of David Vilensky as Non-Executive Chairman
01/10/2025	Annual General Meeting
30/09/2025	Annual Report to Shareholders

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and

- (c) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

5.3 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

5.4 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Quoted Options under this Prospectus.

5.5 Market price of Shares

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of the Offers, and the respective dates of those sales were:

Lowest: \$0.02 on 19 and 23 February 2026

Highest: \$0.032 on 27 November 2025

The latest available closing market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.02 per Share on 23 February 2026.

5.6 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

5.7 Interests of Directors

(a) Security holdings

The relevant interest of each of the Directors (together with their associates) in Securities as at the date of this Prospectus is set out below:

Director	Shares	Voting power ¹	Unquoted Options	Quoted Options	Performance Rights
Alex Biggs ²	1,472,035	0.53%	750,000	132,143	2,995,454
Jamie Day ³	Nil	0%	500,000	Nil	436,364
David Vilensky ⁴	Nil	0%	500,000	Nil	436,364

Notes:

1. Based on 277,328,319 Shares on issue at the Prospectus Date.
2. Mr Biggs' Securities are held as follows:
 - (a) directly, comprising:
 - (i) 209,249 Shares;
 - (ii) 750,000 unquoted Options exercisable at \$0.25 each and expiring 22 November 2027;
 - (iii) 25,000 quoted Options exercisable at \$0.25 each and expiring 13 March 2028; and
 - (iv) 2,995,454 Performance Rights subject to the satisfaction of various performance conditions; and

- (b) indirectly by ALBI Super Pty Ltd <Albi Super Fund A/C> (an entity which Mr Biggs is a director a beneficiary), comprising:
- (i) 1,262,786 Shares; and
 - (ii) 107,143 quoted Options exercisable at \$0.25 each and expiring 13 March 2028.
3. Mr Day's Securities are held directly, comprising:
- (a) 500,000 Options exercisable at \$0.25 each and expiring on 27 September 2027; and
 - (b) 436,364 Performance Rights subject to the satisfaction of a certain performance condition.
4. Mr Vilensky's Securities are held indirectly by Coilens Corporation Pty Ltd (an entity which Mr Vilensky is a director), comprising:
- (a) 500,000 Unquoted Options exercisable at \$0.25 each and expiring on 12 December 2030; and
 - (b) 436,364 Performance Rights subject to the satisfaction of a performance condition.

The relevant interest of each of the Directors (together with their associates) in Securities following completion of the Offers (assuming the Offers are fully subscribed and no further Securities are issued) is set out below:

Director	Shares	Voting power ¹	Unquoted Options	Quoted Options	Performance Rights
Alex Biggs ²	1,472,035	0.53%	750,000	132,143	2,995,454
Jamie Day ³	Nil	0%	500,000	Nil	436,364
David Vilensky ⁴	Nil	0%	500,000	Nil	436,364

Notes:

1. Based on 277,328,319 Shares on issue.
2. Mr Biggs' Securities are held as follows:
 - (a) directly, comprising:
 - (i) 209,249 Shares;
 - (ii) 750,000 unquoted Options exercisable at \$0.25 each and expiring 22 November 2027;
 - (iii) 25,000 quoted Options exercisable at \$0.25 each and expiring 13 March 2028; and
 - (iv) 2,995,454 Performance Rights subject to the satisfaction of various performance conditions; and
 - (b) indirectly by ALBI Super Pty Ltd <Albi Super Fund A/C> (an entity which Mr Biggs is a director a beneficiary), comprising:
 - (i) 1,262,786 Shares; and
 - (ii) 107,143 quoted Options exercisable at \$0.25 each and expiring 13 March 2028.
3. Mr Day's Securities are held directly, comprising:
 - (a) 500,000 Options exercisable at \$0.25 each and expiring on 27 September 2027; and
 - (b) 436,364 Performance Rights subject to the satisfaction of a certain performance condition.
4. Mr Vilensky's Securities are held indirectly by Coilens Corporation Pty Ltd (an entity which Mr Vilensky is a director), comprising:
 - (a) 500,000 Unquoted Options exercisable at \$0.25 each and expiring on 12 December 2030; and
 - (b) 436,364 Performance Rights subject to the satisfaction of a performance condition.

(b) **Remuneration of Directors**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$350,000 following approval by Shareholders on 21 November 2023. This aggregate amount is to be allocated among the non-executive directors in the proportion and manner they

agree or, in default of agreement, among them equally. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described.

The remuneration of executive directors is to be fixed by the Board. As at the date of this Prospectus, the Company has one Executive Director, Alex Biggs. The Company has agreed to pay Mr Biggs a base salary of \$297,420 per annum (inclusive of statutory superannuation).

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, share-based payments, termination payments and superannuation contributions.

Director	FY ended 30 June 2025 (A\$)	FY ended 30 June 2024 (A\$)
Alex Biggs ¹	297,420	515,186
Jamie Day ²	61,378	-
David Vilensky ³	-	-

Notes:

1. Appointed as Chief Executive Officer on 14 September 2022 and appointed as Managing Director on 28 September 2023. As announced on 6 February 2026, Mr Biggs resigned as Managing Director and CEO which will be effective from 6 May 2026, following the expiry of his 3 months' notice period.
2. Appointed as a Non-Executive Director on 28 November 2024.
3. Appointed as Non-Executive Director on 3 October 2025.

(c) **Information disclosed in this Prospectus**

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

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- (iii) the Offers,

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

- (iv) as an inducement to become, or to qualify as, a Director; or

- (v) for services provided in connection with the formation or promotion of the Company, or the Offers.

5.8 Related party transactions

There are no related party transactions involved in the Offers that are not otherwise described in this Prospectus.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

5.9 Interests of other persons

Except as disclosed in this Prospectus, no underwriter, expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last 2 years prior to the date of this Prospectus in the formation or promotion of the Company, the Quoted Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Quoted Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Quoted Options offered under this Prospectus.

5.10 Expenses of Offers

The estimated expenses of the Offers are approximately as follows:

	\$
ASIC lodgement fee	\$3,206
ASX quotation fee (excluding GST)	\$20,017
Legal fees and expenses (excluding GST)	\$20,000
TOTAL	\$43,223

5.11 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Hamilton Locke Pty Ltd has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automatic Pty Ltd has given its written consent to being named in this Prospectus as share registry to the Company. Automatic Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5.12 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

6. Directors' statement and consent

This Prospectus is authorised by each of the Directors of the Company.

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

A handwritten signature in blue ink, consisting of a series of connected loops and a final downward stroke.

David Vilensky
Non-Executive Chairman
Dated: 23 February 2026

7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Report has the meaning given in Section 5.2(a).

Applicant means a person who submits an Application Form.

Application Form means an application form attached to or made available with a copy of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

ASX Settlement Operating Rules means ASX Settlement Operating Rules of ASX Settlement.

AWST means Australian Western Standard Time, being the time in Perth, Australia.

Board means the board of Directors.

Broker Options means the 40,000,000 Quoted Options offered under the Broker Options Offer, pursuant to this Prospectus.

Broker Options Offer means the offer of up to 40,000,000 Quoted Options to the Joint Lead Managers (or their respective nominees) on a 50/50 basis, under this Prospectus.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date has the meaning given in the Timetable.

Company or **Lightning Minerals** means Lightning Minerals Ltd (ACN 656 005 122).

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

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

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

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Joint Lead Managers means, collectively, GBA Capital Holdings Pty Ltd (ACN 662 913 617) and Evolution Capital Pty Ltd (ACN 652 397 263).

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition), as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Listing Rules means the listing rules of ASX.

Offers means either or both, as the context requires, the Placement Options Offer and the Broker Options Offer.

Official Quotation means the quotation of Securities on the official list of ASX.

Opening Date has the meaning given in the Timetable.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

Performance Right means a right, subject to certain terms and conditions, to acquire a Share on the satisfaction (or waiver) of certain performance conditions.

Placement has the meaning given in Section 1.1.

Placement Options means a maximum of 78,125,000 Quoted Options offered under the Placement Options Offer (which includes the Director Placement Options), pursuant to this Prospectus.

Placement Options Offer means the offer of up to 78,125,000 Quoted Options to Placement Participants, on the basis of one (1) free-attaching Quoted Option for every one (1) Placement Shares subscribed for and issued under the Placement, pursuant to this Prospectus.

Placement Participants has the meaning given in Section 1.1.

Placement Shares has the meaning given in Section 1.1.

Projects means the Company's mineral exploration projects in Australia, Brazil and Canada.

Prospectus means this prospectus dated 23 February 2026.

Prospectus Date means 23 February 2026.

Quoted Options means either or both, as the context requires, the Placement Options and the Broker Options offered pursuant to this Prospectus and subject to the terms and conditions in Section 4.2.

Section means a section of this Prospectus.

Securities means any securities including Shares, Options and/or Performance Rights issued or granted by the Company.

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

Shareholder means the holder of a Share.

Timetable means the indicative timetable on page 2 of this Prospectus.

TMD means target market determination.