

23 March 2022

STATEMENT OF CONFIRMATIONS

Pinnacle Minerals Limited (ACN 655 033 677) (**Company** or **PIM**) provides the following confirmations to satisfy conditions for the admission of the Company's securities to quotation on ASX.

Capitalised terms set out in this announcement have the same meaning as set out in the Prospectus dated 31 January 2022 (**Prospectus**) unless stated otherwise.

1. COMPLETION OF THE OFFER AND ISSUE OF SECURITIES

The Company confirms that the Offer under the Prospectus has closed and the Company has completed the issue of:

- (a) 22,500,000 Shares to raise \$4,500,000 (before costs);
- (b) 4,500,000 Lead Manager Options to the nominees of the Lead Manager; and
- (c) a total of 4,750,000 Options to the Directors and the Company Secretary.

2. COMPLETION OF THE ACQUISITION AGREEMENTS AND ISSUE OF CONSIDERATION SHARES

The Company is pleased to advise that the conditions precedent to the Acquisition Agreements have been satisfied and the following agreements have completed:

- (a) the agreement with the Vendors of Bulk Minerals Pty Ltd (**Bulk Minerals**) dated 3 December 2021 pursuant to which the Company agreed to acquire 100% of the issued capital of Bulk Minerals (**Bulk Acquisition Agreement**); and
- (b) the agreement with Witby Clays Pty Ltd (**Witby Clays**) and Witby Industrial Minerals Pty Ltd dated 6 December 2021 pursuant to which the Company agreed to acquire 100% of the issued capital of Witby Clays (**Witby Acquisition Agreement**).

Furthermore, and pursuant to the Acquisition Agreements, the Company confirms it has completed the issue of:

- (c) 6,000,000 Shares to the Vendors of Bulk Minerals; and
- (d) 6,000,000 Shares to the Vendors of Witby Clays.

2. CONFIRMATION OF NO IMPOSED IMPEDIMENTS TO EXPLORATION

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering onto the tenements underlying the Company's Holly Kaolin and Bobalong Projects in Western Australia, such that the Company is able to spend its cash in accordance with its expenditure commitments as outlined in Section 5.7 of the Prospectus for the purposes of ASX Listing Rule 1.3.2(b).

3. RESTRICTED SECURITIES

The following securities are subject to ASX imposed escrow:

Security	Number	Restriction Period
Shares	10,800,200	Expiring 24 months from the date of quotation
Options	9,250,000 ¹	Expiring 24 months from the date of quotation
Shares	1,200,000	Expiring 12 months from the date of issue

Notes:

1. Comprising:

- (a) 4,750,000 Director and Company Secretary Options exercisable at \$0.25 each on or before the date which is three (3) years from the date on which the Options are issued.
- (b) 4,500,000 Lead Manager Options exercisable at \$0.25 each on or before the date which is three (3) years from the date of quotation of the Company's shares on the ASX.

4. CAPITAL STRUCTURE

Set out below is the Company's capital structure from the date of listing:

Security	Minimum Subscription (\$4,500,000)
Shares on issue at date of Prospectus	1,875,200
Shares issued pursuant to the Public Offer	22,500,000
Shares issued under Bulk Agreement	6,000,000
Shares issued under Witby Agreement	6,000,000
TOTAL	36,375,200

Options	Minimum Subscription (\$4,500,000)
Options on issue at date of Prospectus	Nil
Options issued to advisers in connection with the Public Offer ¹	4,500,000
Options issued to Directors ²	4,750,000
TOTAL³	9,250,000

Notes:

1. Options to issued pursuant to the Lead Manager Mandate. Exercisable at \$0.25 each on or before the date which is 3 years from the date of quotation of the Company's shares on the ASX.

2. The Company has issued the Director and the Company Secretary Options as follows:
- (a) William Witham – 1,000,000 Options;
 - (b) Stephen Ross – 1,000,000 Options;
 - (c) Robert Hodby – 1,250,000 Options;
 - (d) Lincoln Liu – 750,000 Options; and
 - (e) Jay Stephenson – 750,000 Options.

Each of the Director and Company Secretary Options will be exercisable at \$0.25 each on or before the date which is 3 years from the date of issue.

The Company also intends to undertake the Loyalty Option Offer three (3) months after the Company's admission to the Official List. Shareholders recorded as Shareholders on the Company's register on the date that is three (3) months following the Company's admission to the Official List will be given the opportunity to participate in the Loyalty Option Offer and subscribe for Loyalty Options at a price of \$0.01 per Loyalty Option. The Loyalty Options will be exercisable at \$0.25 each on or before the date which is 36 months from the date of issue.

5. **UPDATED STATEMENT OF COMMITMENTS (BASED ON ACTUAL AMOUNT RAISED UNDER THE PUBLIC OFFER)**

The Company intends to apply funds raised from the Public Offer, which raised the Minimum Subscription of \$4,500,000 (before costs), together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$) \$4,500,000	Percentage of Funds (%)
<i>Existing cash reserves¹</i>	300,000	6.00
<i>Funds raised from the Offer</i>	4,500,000	94.00
Total	4,800,000	100
Allocation of funds		
Granted Tenement Exploration		
<i>Heritage</i>	120,000	2.50
<i>Surface and relogging</i>	320,000	6.67
<i>Geophysics</i>	175,000	3.65
<i>Drilling & assaying</i>	1,735,000	36.15
<i>Project Studies & Metallurgy</i>	450,000	9.36
<i>Sub-Total</i>	2,800,000	58.33

Funds available	Minimum Subscription (\$) \$4,500,000	Percentage of Funds (%)
Other Costs		
<i>Business Development and Adviser Fees</i>	250,000	5.21
<i>Expenses of the Offer³</i>	505,400	10.53
<i>Administration and Compliance costs⁴</i>	850,000	17.71
<i>Working capital⁵</i>	394,600	8.22
<i>Sub-Total</i>	2,000,000	
Total	4,800,000	100

Notes:

1. Refer to the Financial Information set out in Section 6 of the Prospectus for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 30 June 2021, the Company has expended approximately \$125,000 in progressing the Acquisitions and preparing the Prospectus.
2. Access agreements have been entered into in respect of portions of two of the Company's granted tenements, E70/5347 & E70/5348. Both these tenements have identified drilling targets and the drilling budgets outlined above have been allocated to these areas on E70/5347 & E70/5348. The heritage budget allocation will be used for exploration approvals and securing access agreements for the Holly Project (E70/5690 & E70/5676) which the Company considers will be forthcoming in the near term. The geophysics and relogging budget will be split across both WA projects. In the event that the Company's South Australian tenements are granted, funds may be reallocated to exploration expenditure on these tenements. Refer to Section 5.6 and the Independent Technical Assessment Report in Annexure A of the Prospectus for further details with respect to the Company's proposed exploration programs at the Projects.
3. Expenses of the Offer includes ASIC and ASX fees, Lead manager Fees, Legal Fees, Independent Geologist's Fees, Investigating Accountant's Fees, IPO Management, Share Registry fees, Marketing and distribution and miscellaneous costs.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,
 the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.

6. UPDATED PRO-FORMA BALANCE SHEET (BASED ON ACTUAL AMOUNT RAISED UNDER THE PUBLIC OFFER)

The Company's pro-forma statement of financial position based on the actual amount raised under the Public Offer, being \$4,500,000 (before costs), is set out below:

CURRENT ASSETS	Pro Forma Based on actual raise 31 December 2021
Cash and Cash Equivalents	4,291,100
Other receivables	0
Other current assets	0
TOTAL CURRENT ASSETS	4,291,100
NON-CURRENT ASSETS	
Exploration and Evaluation	2,400,000
TOTAL NON-CURRENT ASSETS	2,400,000
TOTAL ASSETS	2,400,000
CURRENT LIABILITIES	
Trade and other payables	152,621
Total Non-Current Liabilities	0
TOTAL LIABILITIES	152,621
Net Assets	6,626,534
EQUITY	
Issued Capital	7,200,000
Capital raising costs	-917,593
Reserves	832,500
Accumulated losses	-488,393
	6,626,534

Notes:

- Based on Pinnacle Minerals Limited 31 December 2021 auditor reviewed accounts
- Proforma includes the following transactions:
 - Acquisition of Bulk Mineral Holdings Pty Ltd with the issue of 6m Shares at \$0.20.
 - Acquisition of Witby Clays Pty Ltd with the issue of 6m Shares at \$0.20.
 - Issue of 22.5m IPO Shares at \$0.20 per Share less capital raising costs
 - Issue of 4.5m Broker Options valued at 9c per Option using Black Scholes.



For further information, please contact:

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Authorised for release by the board of Pinnacle Minerals Limited