

PINNACLE MINERALS LIMITED
ACN 655 033 677

SHORT FORM PROSPECTUS – LOYALTY OPTIONS

For offers of:

- (a) a non-renounceable loyalty issue of one (1) Loyalty Option for every two (2) Shares held by Eligible Shareholders at an issue price of \$0.005 per Loyalty Option to raise up to \$90,938 (**Loyalty Offer**); and
- (b) 2,500,000 Options to GBA Capital and PAC Partners (or their nominees) (**Lead Manager Offer**).

IMPORTANT NOTICE

This Prospectus is important and requires your immediate attention. You should read this Prospectus in its entirety and consult your professional adviser in respect of the contents of this Prospectus.

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to another document lodged with the ASIC, the information of which is deemed to be incorporated in this Prospectus.

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1. TIMETABLE

Action	Date*
Announcement of Loyalty Offer	23 June 2022
Lodgement of Prospectus with the ASIC	23 June 2022
Lodgement of Prospectus and Appendix 3B with ASX	23 June 2022
Ex date	28 June 2022
Record Date for determining Entitlements	29 June 2022
Loyalty Offer opens (Announcement that prospectus has sent out to Shareholders)	4 July 2022
Last day to extend the Closing Date of the Loyalty Offer (prior to noon AEST)	8 July 2022
Closing Date for Loyalty Offer at 5:00pm*	13 July 2022
Securities quoted on a deferred settlement basis	14 July 2022
ASX notified of under subscriptions	18 July 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Options under the Loyalty Offer and Lead Manager Offer (prior to noon AEST)	20 July 2022
Last date for issue of Loyalty Options under the Shortfall Offer	25 July 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities under Shortfall Offer	2 August 2022

* The Directors may extend the Closing Date of the Loyalty Offer by giving at least 3 Business Days' notice to ASX prior to the respective Closing Date.

2. IMPORTANT NOTES

This Prospectus is dated 23 June 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their responsible officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

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

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

2.1 Short form prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means this Prospectus alone does not contain all the information that is generally required to satisfy the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in documents which have been lodged with ASIC on certain dates.

This Prospectus incorporates the disclosure document lodged by the Company with ASIC on 31 January 2022 for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for admission to the Official List of the ASX (**IPO Prospectus**). The IPO Prospectus related to the offer of 25,000,000 Shares at an issue price of \$0.20 per Share to raise \$5,000,000, and oversubscriptions of up to a further 5,000,000 Shares at an issue price of \$0.20 per Share to raise up to a further \$1,000,000.

In referring to the IPO Prospectus, the Company:

- (a) identifies the IPO Prospectus as being relevant to the issue of Loyalty Options under this Prospectus and containing information that will assist investors and their professional advisers in making an informed assessment of:
 - (i) the rights and liabilities attaching to the Loyalty Options and the underlying Shares;
 - (ii) the capacity of the Company to issue the underlying Shares; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
- (b) refers Shareholders and their professional advisers or analysts to the section of this Prospectus which summarises the information in the IPO Prospectus deemed to be incorporated in this Prospectus;

- (c) informs Shareholders and their professional advisers or analysts that, prior to the Closing Date, they are able to obtain, free of charge, a copy of the IPO Prospectus and a copy of this Prospectus by contacting the Company during normal business hours or by downloading a copy from the Company website at <https://pinnacleminerals.com.au/>; and
- (d) advises that the information in the IPO Prospectus will be primarily of interest to Shareholders and their professional advisers or analysts.

2.2 Risk factors

Potential investors should be aware that subscribing for Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 7 of the IPO Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Options pursuant to this Prospectus.

2.3 No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

2.4 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 Options issued under this Prospectus. The Company and the Joint Lead Managers 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://pinnacleminerals.com.au/>). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

2.5 Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://pinnacleminerals.com.au/>.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9426 0666 during office hours or by emailing the Company at admin@pinnacleminerals.com.au.

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

2.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We 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.

We 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.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 7 of this Prospectus.

3. DETAILS OF THE OFFERS

3.1 Loyalty Offer

The purpose of the Loyalty Offer is to recognise the invaluable support the Company has received from its Shareholders in establishing the Company as a listed entity. The Loyalty Offer is an opportunity for Shareholders to further participate in the development of the Company.

The Loyalty Offer is being made as a non-renounceable entitlement issue of one (1) Loyalty Option for every two (2) Shares held by Shareholders registered at the Record Date at an issue price of \$0.005 per Loyalty Option. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, a maximum of 18,187,600 Loyalty Options will be issued pursuant to the Loyalty Offer to raise up to \$90,938. If all Loyalty Options issued under the Loyalty Offer are exercised (exercisable at \$0.25 on or before the date four (4) years from their issue), the Company will receive approximately \$4,546,900.

As at the date of this Prospectus, the Company has 9,250,000 Options on issue, of which all may be exercised prior to the Record Date in order to participate in the Loyalty Offer. Please refer to section 10.3 of the IPO Prospectus for information on the exercise price and expiry date of the Options currently on issue.

3.2 Lead Manager Offer

This Prospectus includes an offer of 2,500,000 Options at an issue price of \$0.005 each to the Joint Lead Managers (to be divided equally between PAC Partners and GBA Capital (or its nominees)) (**Lead Manager Options**). Each Lead Manager Option will be issued on the same terms and conditions as the Loyalty Options. Only Pac Partners and GBA Capital may accept the Options in relation to the Lead Manager Offer by using the relevant Application Form.

Only nominal funds will be raised from the Lead Manager Offer as the Lead Manager Options are being issued as consideration for the Lead Manager services provided by PAC Partners and GBA Capital.

3.3 Shortfall Offer

Any Entitlement not taken up pursuant to the Loyalty Offer will form the Shortfall (**Shortfall Offer**).

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Options proposed to be issued under the Loyalty Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the closing date of the Institutional Offer or the Retail Offer (as applicable). The issue price for each Option to be issued under the Shortfall Offer shall be \$0.005 being the price at which Loyalty Options have been offered under the Loyalty Offer.

Eligible Shareholders who wish to subscribe for Loyalty Options above their Entitlement are invited to apply for Shortfall under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall in accordance with Sections 3.7(b) and 3.8(c) of this Prospectus. However, the Directors reserve the right to issue Shortfall at their absolute discretion. The Board presently intends to allocate Shortfall as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall to that Eligible Shareholder would not take their voting power to in excess of 19.99% once the Loyalty Options are exercised; and
- (b) to other parties identified by the Directors, which may include parties not currently Shareholders of the Company.

No Loyalty Options will be issued to a party under the Shortfall Offer if the effect, upon conversion of the Loyalty Options, would be to increase that party's voting power in the Company to an amount greater than 19.99%. The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall than applied for or no Shortfall at all. However, the Directors do not intend to refuse an application for Shortfall from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall will be made by the Directors in consultation with the Joint Lead Managers and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall applied for will be issued to Eligible Shareholders.

The Company will have no liability to any applicant who receives less than the number of Shortfall they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

3.4 The Offers

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

All of the Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 10.2 of the IPO Prospectus for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offers and the intended use of funds raised are set out in Section 4.1 of this Prospectus.

3.5 Director participation

Company Directors, Messrs William Witham and Robert Hodby, wish to participate in the Loyalty Offer (**Participation Directors**) for the following amounts (which reflect their entitlement in the Loyalty Option Offer):

- (a) William Witham – 1,200,100 Options; and
- (b) Robert Hodby – 1,200,000 Options.

3.6 Minimum subscription

There is no minimum subscription for the Loyalty Offer.

3.7 Acceptance

Your acceptance of the Loyalty Offer must be made by making payment in accordance with the payment instructions on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

Your acceptance must not exceed your Entitlement as shown on that form, unless you intend to apply for additional Loyalty Options under the Shortfall Offer (refer to Section 3.3 for further information), in which case the additional Loyalty Options applied for will be deemed to be an application for Loyalty Options under the Shortfall Offer.

The number of Loyalty Options to which Eligible Shareholders are entitled (your Entitlement) is shown on your personalised Entitlement and Acceptance Form which, along with this Prospectus, is accessible at <https://investor.automic.com.au/#/home>.

You may participate in the Loyalty Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) visit <https://investor.automic.com.au/#/home>. You will need to provide your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the online application system and follow the instructions provided including making payment by BPAY® or EFT; and
 - (ii) arrange payment for the appropriate application monies (at \$0.005 per Loyalty Option) by BPAY® or EFT in accordance with Section 3.8; or
- (b) if you wish to accept your **full** Entitlement and **apply for additional Shortfall**:
 - (i) visit <https://investor.automic.com.au/#/home>. You will need to provide your SRN or HIN and postcode to access the online application system and follow the instructions provided including making payment by BPAY® or EFT. You will be deemed to have applied for that number of Shortfall which in aggregate with your Entitlement is covered in full by your application monies. In order to participate in the Shortfall Offer, you must also apply for your Entitlement in full; and
 - (ii) arrange payment for the appropriate application monies (at \$0.005 per Loyalty Option) by BPAY® or EFT in accordance with Section 3.8; or
- (c) if you only wish to accept **part** of your Entitlement:
 - (i) visit <https://investor.automic.com.au/#/home>. You will need to provide your SRN or HIN and postcode to access the online

application system and follow the instructions provided including making payment by BPAY® or EFT; and

- (ii) arrange payment for the appropriate application monies (at \$0.005 per Loyalty Option) by BPAY® or EFT in accordance with Section 3.8; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

3.8 Payment by BPAY®

All payment must be made electronically via BPAY® or EFT. Please follow the instructions on the Entitlement and Acceptance Form or Shortfall Application Form to make payment by BPAY® or EFT which can be accessed at <https://investor.automic.com.au/#/home>. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY® or EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (b) you do not need to take up your full Entitlement;
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall (if any) under the Shortfall Offer, to the extent of the excess.

Eligible Shareholders will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the shareholder. BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Eligible Shareholders must:

- (a) access their participating BPAY® Australian financial institution either via telephone or internet banking;
- (b) select to use BPAY® and follow the prompts;
- (c) enter the biller code and unique CRN that corresponds to the online application;
- (d) enter the amount to be paid which corresponds to the value of Loyalty Options under the Entitlement and Acceptance Form or Shortfall Application Form;
- (e) select which account payment is to be made from;
- (f) schedule the payment to occur on the same day that the Entitlement and Acceptance Form or Shortfall Application Form is completed. Forms without payment will not be accepted; and
- (g) record and retain the BPAY® receipt number and date paid. Eligible Shareholders should confirm with their Australian financial institution whether there are any limits on the investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions on the personalised Entitlement and Acceptance Form, which can be downloaded at <https://investor.automic.com.au/#/home> and completing a BPAY® or EFT payment. If payment is not made via BPAY®, the Entitlement and Acceptance Form or Shortfall Application Form will be incomplete and will not be accepted. The BPAY® payment must be completed and received by no later than the Closing Date of the Loyalty Offer or the Closing Date of the Shortfall Offer (where applicable).

A BPAY® or EFT payment constitutes a binding and irrevocable offer to subscribe for the number of Loyalty Options paid for, if the payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such as valid is final, however an Eligible Shareholder will not be treated as having applied for more Loyalty Options than is indicated by the amount of the or BPAY® or EFT payment.

By making a payment by BPAY or EFT, you will be taken to have declared that you have personally received the Entitlement and Acceptance Form together with a complete and unaltered copy of the Prospectus.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 4:00pm (WST) on the respective Closing Date**.

The Company reserves the right to close the Offer early.

If you require assistance, please contact the Company Secretary, Jay Stephenson, on + 61 8 9426 0666.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of Loyalty Options (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.9 Not underwritten

The Loyalty Offer is not underwritten.

PAC Partners and GBA Capital have been appointed as Joint Lead Managers (which includes acting as Shortfall Placement Agent) to the Loyalty Offer. PAC Partners and GBA Capital will use its best endeavours to place any Shortfall that arises under the Shortfall Offer.

3.10 Dilutionary effect

Shareholders should note that if they do not participate in the Loyalty Offer, their holdings, upon the future exercise of the Loyalty Options offered under the Offer (provided no existing Options are exercised and performance rights vest), are likely to be diluted by approximately 33.33% (as compared to their holdings and

number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Loyalty Offer	Holdings if Loyalty Offer not taken Up	% post Offer
Shareholder 1	10,000,000	27.49%	5,000,000	10,000,000	17.52%
Shareholder 2	5,000,000	13.75%	2,500,000	5,000,000	8.76%
Shareholder 3	2,000,000	5.50%	1,000,000	2,000,000	3.50%
Shareholder 4	1,000,000	2.75%	500,000	1,000,000	1.75%

Notes:

1. This table assumes that all Loyalty Options issued under the Loyalty Offer are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event that:
 - (a) the Company does not issue the Loyalty Options under the Offers; and/or
 - (b) all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed,

the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.11 Joint Lead Managers

PAC Partners Securities Pty Ltd (AFSL 335374) and GBA Capital Pty Ltd (AFSL 237549) have been appointed as Joint Lead Managers to the Loyalty Offer (which includes acting as the shortfall placement agent for the Loyalty Offer) (**Joint Lead Managers**). The Company has entered into a Joint Lead Manager Mandate with the Joint Lead Managers, the material terms of which are summarised in Section 7.2.

As part of its Joint Lead Managers duties, the Joint Lead Managers will use its best endeavours to place all Entitlements that are not accepted by Shareholders under the Shortfall Offer.

3.12 ASX listing

Application for Official Quotation of the Loyalty Options and Lead Manager Options offered pursuant to this Prospectus within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Loyalty Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Loyalty Options and will repay all application monies for the Options within the time prescribed under the Corporations Act, without interest.

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

3.13 Issue

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

The Loyalty Options issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Loyalty Options issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the applicant as soon as practicable after the closing date of the Shortfall Offer.

Where the number of Loyalty Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

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

The Company's decision on the number of Loyalty Options to be allocated to an applicant will be final.

Holding statements for Shares issued under the Loyalty Options will be mailed as soon as practicable after the issue of the Shares.

3.14 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Loyalty Options or otherwise permit an offering of the Loyalty Options the subject of this Prospectus in any jurisdiction outside Australia. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of the Loyalty Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and the Loyalty Options will not be issued to Shareholders with a registered address which is outside Australia.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.15 Nominees and custodians

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

3.16 Enquiries

Any questions concerning the Loyalty Offer should be directed to Jay Stephenson, Company Secretary, on + 61 8 9426 0666.

4. PURPOSE AND EFFECT OF THE OFFERS

4.1 Purpose of the Offers

The purpose of the Offers is to reward the loyalty of Company shareholders and will result in the raising of up to \$90,938.

The funds raised from the Offers are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer ¹	\$25,000	27.5%
2.	Working capital	\$65,938	72.5%
	Total	\$90,938	100%

Notes:

1. Refer to Section 7.5 of this Prospectus for further details relating to the estimated expenses of the Offers.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including technical success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.2 Effect of the Offers

The principal effect of the Offers, assuming all the Loyalty Options offered under the Prospectus are issued, will be to:

- (a) increase the cash reserves by approximately \$65,938 after deducting the estimated expenses of the Offers immediately after completion of the Offers; and
- (b) increase the number of Options on issue from 9,250,000 as at the date of this Prospectus to 29,937,600 Options.

4.3 Pro-forma balance sheet

The unaudited pro forma balance sheet as at 31 May 2022 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

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

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

	Pro Forma 31 May 2022
CURRENT ASSETS	\$
Cash and Cash Equivalents	4,001,915
Other receivables	59,373
Other current assets	45,980
TOTAL CURRENT ASSETS	4,107,268
NON-CURRENT ASSETS	
Exploration and evaluation	2,548,558
TOTAL NON-CURRENT ASSETS	2,548,558
TOTAL ASSETS	6,655,826
CURRENT LIABILITIES	
Trade and other payables	39,318
Total Non-Current Liabilities	0
TOTAL LIABILITIES	39,318
NET ASSETS (LIABILITIES)	6,616,508
EQUITY	
Issued Capital	7,290,958
Capital raising costs	-926,326
Reserves	1,032,500
Accumulated losses	-780,624
TOTAL EQUITY	6,616,508

4.4 Effect on capital structure

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

Shares

	Number
Shares currently on issue	36,375,200
Total Shares on issue after completion of the Offers	36,375,200

Options

	Number
Options currently on issue ^{1,2}	9,250,000
Loyalty Options offered ^{3,4}	18,187,600
Lead Managers Options ⁵	2,500,000
Total Options on issue after completion of the Offers	29,937,600

Notes:

- 1 Comprising 4,500,000 unquoted Options issued exercisable at \$0.25 each on or before 23 March 2025 (being three (3) years from the date of issue) and 4,750,000 unquoted Options issued exercisable at \$0.25 each on or before 9 March 2025.
- 2 The full terms of the existing Options on issue are set out in Section 10.3 of the IPO Prospectus.
- 3 Assumes all Loyalty Options offered are taken up under either the Loyalty Offer or the Shortfall Offer.
- 4 The full terms and conditions of the Loyalty Options are set out in Section 6.1.
- 5 The Joint Lead Managers will be issued 2,500,000 Options on the same terms and conditions as the Loyalty Options.

5. INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

5.1 IPO Prospectus

This Prospectus is a short form prospectus issued in accordance with section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates, by reference, information contained in the IPO Prospectus and pursuant to which the Company issued:

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

5.2 Included information

The IPO Prospectus contains all information that Shareholders require in relation to the Loyalty Offer and the IPO Prospectus in its entirety is deemed to be incorporated in this Prospectus. The material provisions of the IPO Prospectus are summarised below in Section 5.3 and will primarily be of interest to Shareholders and their professional advisers or analysts.

The IPO Prospectus will be made generally available by being posted on the Company's website (<https://pinnacleminerals.com.au/>). In addition, the Company will make a copy of the IPO Prospectus available to Shareholders free of charge if so requested.

5.3 Summary of Information Deemed to be Incorporated

In accordance with section 712 of the Corporations Act, set out below is a summary of the information contained in the IPO Prospectus that is deemed to be incorporated in this Prospectus. The headings and page numbers referred to below are references to the IPO Prospectus.

- (a) **Chair's Letter (page 8):** A summary of the corporate strategy and exploration business of the Company.
- (b) **Investment Overview (pages 11 – 23):** An overview of the Company, its Directors, its asset portfolio and prospects.
- (c) **Company and Project Overview (pages 30 – 53):** This section provides an overview and discussion of the Company's mineral exploration portfolio and proposed exploration program for the Company's Projects, including the Company's use of funds and the Company's substantial shareholders.
- (d) **Risk Factors (Pages 60 – 66):** This section lists a number of risks that may have a material effect on the financial position and performance of the Company and the value of its securities, as well as the Company's exploration and development activities and an ability to fund those activities. This section includes (1) Company specific risks, being tenure and access risk, exploration risk, mine development risk, climate change, COVID-19, reliance on key personnel and restricted securities reducing liquidity; (2) industry specific risks, being exploration costs, operations, environmental and native title; and (3) General risks being economic, commodity price volatility and exchange rate risk, competition risk,

market conditions, taxation, additional requirements for capital, agents and contractors, force majeure, litigation risks and insurance.

- (e) **Board and Management (pages 67 – 74):** This section provides profiles of the Board of Directors and key management, interests of Directors and outline of the Corporate Governance policy of the Company.
- (f) **Material Contracts (pages 75 – 79):** This section summarises the agreements which may have a material effect on the business of the Company.
- (g) **Rights Attaching to Shares (pages 80 – 82):** This section outlines and summarises rights and liabilities attaching to the Shares.
- (h) **Terms and Conditions of Options (pages 82 – 84):** This section outlines and summarises rights and liabilities attaching to the Company's Options on issue as at the date of this Prospectus.
- (i) **Additional Information (pages 86 – 88):** Provides a range of information for investors that was required to be disclosed in the IPO Prospectus, including:
 - (i) Interests of Directors;
 - (ii) Interests of Experts and Advisors named in the IPO Prospectus; and
 - (iii) Consents.
- (j) **Independent Technical Assessment Report (Annexure A):** Written by Agricola Mining Consultants Pty Ltd, the report provides detail of the geology, exploration history, exploration potential and the proposed exploration program and budget for the Company's Projects.
- (k) **Solicitor's Report on Tenements (Annexure B):** Prepared by Steinepreis Paganin, the report details the Company's interest in the mining tenements described in the IPO Prospectus. Among other things, the report details the company's interests in the tenements, the status of the tenements and all native title claims relevant to them.
- (l) **Investigating Accountant's Report (Annexure C):** Prepared by Hall Chadwick Audit (WA) Pty Ltd, these sections contain historical and pro-forma financial information for the purposes of the offer of Shares under the IPO Prospectus.
- (m) **Corporate Governance Statement (Annexure D):** Prepared by Steinepreis Paganin, these sections contain historical and pro-forma financial information for the purposes of the offer of Shares under the IPO Prospectus.

6. RIGHTS AND LIABILITIES ATTACHING TO THE LOYALTY OPTIONS AND LEAD MANAGER OPTIONS

6.1 The Loyalty Options and Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Loyalty Option and Joint Lead Managers Option.

(b) **Exercise Price**

Subject to paragraph (l), the amount payable upon exercise of each Option will be \$0.25 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date falling four (4) years from their issue (**Expiry Date**). A Loyalty Option and Lead Manager Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Notice of Exercise**

The Option may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.

(f) **Options to be quoted**

Application will be made by the Company to ASX for official quotation of the Options.

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of shares**

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

(i) issue the Share;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations

Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Loyalty Options.

(i) **Ranking of Shares**

Shares issued on exercise of an Option will rank equally with the then issued Shares.

(j) **Participation in new issues**

Without exercising the Options, the option holder will have no right or entitlement to participate in new issues of Shares offered to the Shareholders.

(k) **Change of exercise price or the number of underlying Shares**

The Options do not confer the right to a change in Exercise Price or a change in the number of underlying Shares over which the Options can be exercised.

(l) **Option terms on the reorganisation of capital**

If the issued capital of the Company is reconstructed, the option terms must be amended to the extent necessary to comply with the Corporations Act and the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

6.2 Shares

The Shares issued upon exercise of the Options will be fully paid ordinary shares in the Company. Full details of the rights and liabilities attaching to Shares are set out in section 9.2 of the IPO Prospectus.

7. ADDITIONAL INFORMATION

7.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.2 Joint Lead Managers Mandate

In consideration for their services as Joint Lead Managers (which includes acting as the shortfall placement agent to the Loyalty Offer), the Company has agreed to issue the Joint Lead Managers the Lead Manager Options.

In addition, the Company will reimburse the Joint Lead Managers for reasonable expenses incurred in performing their duties.

7.3 Interests of experts and advisers

A full disclosure of the interests of experts and advisers of and to the Company for the issue of the IPO Prospectus is set out in the IPO Prospectus in particular section 10.6 "Interests of Experts and Advisers." Other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

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

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

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

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

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

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

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$84,238 (excluding GST and disbursements) for legal services provided to the Company.

PAC Partners and GBA Capital have acted as the Joint Lead Managers to the Company in relation to the Loyalty Offer. The Company estimates it will pay PAC Partners and GBA Capital \$nil and 2,500,000 Lead Manager Options for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners has been paid fees totalling \$279,000 (excluding GST and disbursements) for corporate advisory and capital raising services provided to the Company and GBA Capital has been paid fees totalling \$9,000 (excluding GST and disbursements) for capital raising services provided to the Company.

7.4 Consents

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

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section;
- (c) PAC Partners has given its written consent to being named as Joint Lead Managers to the Company in this Prospectus. PAC Partners has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC;
- (d) GBA Capital has given its written consent to being named as Joint Lead Managers to the Company in this Prospectus. GBA Capital has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC;
- (e) Steinepreis Paganin has given its written consent to being named as:
 - (i) the solicitors to the Company in this Prospectus; and
 - (ii) for the incorporation of and reference to the Solicitor's Report on Tenements in the IPO Prospectus and the reference to that report in this Prospectus.

Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;

- (f) Hall Chadwick Audit (WA) Pty Ltd has given its written consent to the incorporation of and reference to the Independent Limited Assurance Report in the IPO Prospectus and the reference to that report in this Prospectus. Hall Chadwick Audit (WA) Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (g) Agricola Mining Consultants Pty Ltd has given its written consent to the incorporation of and reference to the Independent Geologist's Report in the IPO Prospectus and the reference to that report in this Prospectus. Agricola Mining Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.5 Expenses of the Offers

In the event that all Entitlements are accepted, the total expenses of the Offers are estimated to be approximately \$25,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	1,250
Legal fees	10,000
Share Registry Fees	4,500
Printing and distribution	2,500
Miscellaneous	3,544
Total	25,000

7.6 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on + 61 8 9426 0666 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at <https://pinnacleminerals.com.au>.

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

7.7 Financial forecasts

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

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

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Loyalty Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.9 Privacy Act

If you complete an application for Loyalty Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the settlement rules of the securities clearing house which operates CHES. You should note that if you do not provide the information required on the application for Loyalty Options, the Company may not be able to accept or process your application.

8. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



William J A Witham
Chair
For and on behalf of
Pinnacle Minerals Limited

9. GLOSSARY

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

Applicant means a Shareholder who applies for Options pursuant to the Loyalty Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

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

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

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

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

Company means Pinnacle Minerals Limited (ACN 655 033 677).

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

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

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia.

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

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

GBA Capital means GBA Capital Pty Ltd (AFSL 237549).

IPO Prospectus has the meaning as defined in Section 2.1 of this Prospectus.

Joint Lead Managers means PAC Partners Securities Pty Ltd (AFSL 335374) and GBA Capital Pty Ltd (AFSL 237549).

Lead Manager Offer means the offer of Options to the Joint Lead Managers.

Lead Manager Options means the 2,500,000 Options payable to the Joint Lead Managers in consideration for acting as Joint Lead Managers to the Loyalty Offer.

Loyalty Offer means the offers of Loyalty Options the subject of this Prospectus.

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

Offers means the Loyalty Offer, the Lead Manager Offer and the Shortfall Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share, including a Loyalty Option as the context requires.

PAC Partners means PAC Partners Securities Pty Ltd (AFSL 335374).

Participation Directors means Company Directors, Messrs William Witham and Robert Hodby.

Prospectus means this prospectus.

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

Section means a section of this Prospectus.

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

Shareholder means a holder of a Share.

Shortfall means the Loyalty Options not applied for under the Loyalty Offer.

Shortfall Offer has the meaning given in Section 3.3.

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