

Pre-quotations disclosure

DY6 Metals Ltd (**ASX: DY6**) (**DY6**, the **Company**) refers to its initial public offer (**Offer**) under the Company's prospectus dated 3 April 2023 (**Prospectus**). Capitalised terms in this announcement have the same meaning given to them under the Prospectus.

The Company has issued 35,000,000 Shares under the Offer to raise \$7,000,000 before costs. The Company also confirms the following:

1. All conditions precedent to the Offer have been satisfied, including:
 - (a) the Company raising no less than the Minimum Subscription under the Offer; and
 - (b) the Company receiving conditional approval to be admitted to the official list of ASX.
2. The Offer under the Prospectus closed on 10 May 2023 and the issue of securities subscribed for under the Prospectus (as detailed above) has been completed and the Company has received cleared funds for the full Maximum Subscription.
3. All conditions precedent to the Option Agreement have been satisfied and the following securities have been issued accordingly:
 - (a) 8,000,000 Shares at a deemed issue price of \$0.20 per Share to the Vendors or their nominees;
 - (b) 3,000,000 performance rights to the Vendor or their nominees; and
 - (c) 3,000,000 options exercisable at \$0.30 expiring on the date which is three (3) years from their date of issue.
4. The Company's statement of commitments (set out in Section 1.6 of the Prospectus) remain unchanged as the Company has raised the Maximum Subscription under the Offer.
5. The following securities are subject to ASX escrow:

Security	Number	Restriction Period
Shares	7,089,167	Expiring 24 months from the date of quotation
Shares	9,848,341	Expiring 12 months from their date of issue
Options	8,302,778	Expiring 24 months from the date of quotation
Options	697,222	Expiring 12 months from their date of issue

Performance Rights	1,500,000	Expiring 24 months from the date of quotation
Performance Rights	3,000,000	Expiring 12 months from their date of issue

6. Set out below is the Company's capital structure:

Security	Number
Shares	
Shares on issue at the date of the Prospectus	12,500,000
Shares issued as consideration to the Vendors	8,000,000
Shares issued under the Offer	35,000,000
Total	55,500,000
Options	
Exercisable at \$0.25 expiring within 4 years from issue	6,000,000
Exercisable at \$0.30 expiring within 3 years from issue	3,000,000
Total	9,000,000
Performance Rights	
Directors	1,500,000
Issued as consideration to the Vendors	3,000,000
Total	4,500,000

7. Waiver of Listing Rule 1.1 condition 12

Waiver Decision

1. Based solely on the information provided, ASX Limited ('ASX') grant DY6 Metals Ltd (the 'Company') a waiver from listing rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue 3,000,000 performance rights to Vendors or its nominees and 1,500,000 performance rights to 2 directors of DY6 (together 'Performance Right') with a nil exercise price on condition that the full terms and conditions of the Performance Rights are clearly closed in the Company's initial public offering prospectus ('Prospectus').
2. ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to the

Company's compliance with other listing rules

Basis for Waiver Decision

Listing Rule 1.1 condition 12

- 3. If an entity seeking admission to the official list has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports listing rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.*

Facts and Reasons for granting the waiver

- 4. In the present case, the number of Performance Rights will represent approximately 9.89% (min) to 8.11% (max) of the ordinary shares on issue at the time of the Company's admission on an undiluted basis. The Performance Rights are being issued to incentivise key management personnel and will only convert on the satisfaction of JORC resource hurdles. They are therefore unlikely to have any impact on the trading price of the Company's shares.*
- 5. It is considered that the existence of Performance Rights will not undermine the existence of the 20 cent rule in the circumstances. The waiver is granted on the condition that the full terms and conditions of the Performance Rights are clearly disclosed in the Company's prospectus.*

Listing Rule 6.1

Confirmation Decision – Vendor Performance Rights

- 6. Based solely on the information provided, ASX Limited ('ASX') confirms to DY6 Metals Pty Ltd (the 'Company') that the terms of 3,000,000 Performance Rights ('Performance Rights') proposed to be issued to the shareholders of Green Exploration Limited ('Vendor') for the acquisition of the Ngala, Salambidwe, Machinga Main and Machinga South projects in Southern Malawi ('Projects'), are appropriate and equitable for the purposes of Listing Rules 6.1 subject to the following conditions:*

- 6.1 The Company discloses in its initial public offering prospectus ('Prospectus'):*
 - 6.1.1 the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;*
 - 6.1.2 any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity;*
 - 6.1.3 In respect of the Performance Rights proposed to be issued to the Vendors in connection with the proposed acquisition of the Projects:*
 - (a) a statement to the effect that the Performance Rights are being issued in connection with an acquisition of the Projects;*
 - (b) an explanation why the Performance Rights are being issued in connection with the acquisition of the Projects, including the commercial goals the entity is trying to achieve, and the risks it is trying to manage, by imposing the relevant performance milestone;*
 - (c) details of Projects;*
 - (d) details of the Vendor;*
 - (e) details of how the Company determined the number of Performance Rights to be issued to the Vendor and why it considers that number to be appropriate*

and equitable; and

- (f) if any of the Performance Rights are being issued to someone who does not have an ownership interest in the Vendor, or if the Performance Rights are being issued disproportionately to the ownership interests of the Vendor, an explanation why that is the case and how that is considered appropriate and equitable.*

6.1.4 The number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.

6.1.5 The full terms of the Performance Rights, including:

- (a) The Performance Rights are not quoted.*
- (b) The Performance Rights are not transferrable.*
- (c) The Performance Rights do not confer any right to vote, except as otherwise required by law.*
- (d) The Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.*
- (e) The Performance Rights do not carry an entitlement to a dividend.*
- (f) The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.*
- (g) The Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.*
- (h) Each Performance Right is converted into one fully paid ordinary share on achievement of the relevant milestone.*
- (i) If the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.*

6.2 The Company makes an announcement immediately upon the satisfaction of any milestones, the conversion of any of the Performance Rights and the expiry of any of the Performance Rights.

6.3 The terms and conditions of the Performance Rights, including without limitation the relevant milestones that have to be satisfied before each Performance Right converts into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.

6.4 Upon conversion of the Performance Rights into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.

6.5 The Company discloses the following in each annual report and half-yearly report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:

6.5.1 The number of Performance Rights on issue during the relevant period;

6.5.2 A summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones;

6.5.3 Whether any of the Performance Rights were converted or cancelled during that period; and

6.5.4 *Whether any milestones were met during the period.*

7. *ASX has considered Listing Rule 6.1 only and makes no statement as to the Company's compliance with other listing rules.*

Confirmation Decision – Director Performance Rights

8. *Based solely on the information provided, ASX Limited ('ASX') confirms to DY6 Metals Pty Ltd (the 'Company') that the terms of 1,500,000 Performance Rights ('Performance Rights') issued to John Kay and Daniel Smith (together, 'Directors'), are appropriate and equitable for the purposes of Listing Rules 6.1 subject to the following conditions:*

8.1 *The Company discloses in its initial public offering prospectus ('Prospectus'):*

8.1.1 *the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;*

8.1.2 *any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity;*

8.1.3 *in respect of those Performance Rights proposed to be issued to the Directors:*

- (a) *a statement that Performance Rights are being issued to remunerate or incentivise the Directors;*
- (b) *details of the role (if any) the Directors will play in meeting the respective performance milestones;*
- (c) *details of the total remuneration package of the Directors;*
- (d) *if the Directors or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;*
- (e) *an explanation why it is considered necessary or appropriate to further remunerate or incentivise the Directors to achieve the applicable performance milestone; and*
- (f) *details of how the Company determined the number of Performance Rights to be issued to the Directors and why it considers that number to be appropriate and equitable;*

8.1.4 *The number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.*

8.1.5 *The full terms of the Performance Rights, including:*

- (a) *The Performance Rights are not quoted.*
- (b) *The Performance Rights are not transferrable.*
- (c) *The Performance Rights do not confer any right to vote, except as otherwise required by law.*
- (d) *The Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.*
- (e) *The Performance Rights do not carry an entitlement to a dividend.*
- (f) *The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.*

- (g) *The Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.*
 - (h) *Each Performance Right is converted into one fully paid ordinary share on achievement of the relevant milestone.*
 - (i) *If the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.*
- 8.2 *The Company makes an announcement immediately upon the satisfaction of any milestones, the conversion of any of the Performance Rights and the expiry of any of the Performance Rights.*
- 8.3 *The terms and conditions of the Performance Rights, including without limitation the relevant milestones that have to be satisfied before each Performance Right converts into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.*
- 8.4 *Upon conversion of the Performance Rights into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.*
- 8.5 *The Company discloses the following in each annual report and half-yearly report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:*
- 8.5.1 *The number of Performance Rights on issue during the relevant period;*
 - 8.5.2 *A summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones;*
 - 8.5.3 *Whether any of the Performance Rights were converted or cancelled during that period; and*
 - 8.5.4 *Whether any milestones were met during the period.*
9. *ASX has considered Listing Rule 6.1 only and makes no statement as to the Company's compliance with other listing rules.*
8. The Company confirms the following:
- (a) *Muhammed Aasin Hassam has resigned as a director of GEL and acknowledges that none of the Vendors has, nor will have, the right to be or to appoint a director to the board of DY6 or any of its subsidiary for a period of 24 months after the day of admission;*
 - (b) *there are no legal, regulatory, statutory or contractual impediments to entering the Ngala, Salambidwe and Machinga Main and carrying out exploration activities such that DY6 will be able to spend its cash in accordance with its commitments for the purpose of Listing Rule 1.3.2(b);*
 - (c) *the Machinga South tenement application is still pending approval from the Department of Mines, Malawi;*
 - (d) *the renewal of tenement EL0510 (Ngala Hill) is still pending approval from the Department of Mines, Malawi;*

- (e) completion of the Vendors' reorganisation as contemplated in the Prospectus and the indirect change of control of the tenements of each of the Ngala, Salambidwe, Machinga Main and Machinga South, following the reorganization has occurred in accordance with the Option Agreement; and
- (f) the option under the Option Agreement has been exercised in accordance with the Option Agreement and completion of DY6's acquisition of Green Exploration (Australia) Pty Ltd has occurred.

-ENDS-

This announcement has been authorised by the Board of DY6 Metals Ltd.

For further information please contact:

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Pro Forma Historical Statement of Financial Position

The table below set out the Pro Forma Statement of Financial Position as at 31 December 2022. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Notes	Notional Historical 31 December 2022 \$	Pro forma adjustments \$	Impact of Capital Raising Offer Maximum (\$7m) \$	Pro forma balance Maximum (\$7m) \$
Current assets					
Cash at bank	3	121,538	217,500	6,335,362	6,674,400
Other receivables		1,903	-	-	1,903
Total current assets		123,441	217,500	6,335,362	6,676,303
Non-current assets					
Exploration Expenditure	4	20,094	2,265,522	-	2,285,616
Total non-current assets		20,094	2,265,522	-	2,285,616
TOTAL ASSETS		143,536	2,483,022	6,335,362	8,961,919
Current liabilities					
Trade and other payables		28,893	-	-	28,893
Total current liabilities		28,893	-	-	28,893
TOTAL LIABILITIES		28,893	-	-	28,893
NET ASSETS		114,642	2,483,022	6,335,362	8,933,026
EQUITY					
Issued capital	5a	145,000	2,160,000	6,248,965	8,553,965
Share based payment reserve	5b	31,597	442,466	331,035	805,098
Accumulated losses	5c	(61,955)	(119,445)	(244,638)	(426,037)
TOTAL EQUITY		114,642	2,483,022	6,335,362	8,933,026

1.1 Notes to and forming part of the Historical Financial Information

Note 3: Cash Assets

	Pro forma balance	
	Minimum	Maximum
	\$	\$
Cash Assets	4,800,827	6,674,400
Notional historical balance as at 31 December 2022	121,538	121,538
<i>Subsequent events:</i>		
Proceeds from Shares issued pre-IPO	560,000	560,000
<i>Pro forma adjustments:</i>		
Proceeds from the Capital Raising Offer	5,000,000	7,000,000
Capital raising costs – cash settled	(538,211)	(664,638)
Payments for capitalised exploration expenditure	(242,500)	(242,500)
Payment to Daniel Smith and John Kay	(100,000)	(100,000)
Total	4,679,289	6,552,862
Pro Forma Balance	4,800,827	6,674,400

Note 4: Capitalised Exploration Expenditure

	Pro forma balance	
	Minimum	Maximum
	\$	\$
Capitalised Exploration Expenditure	2,285,616	2,285,616
Notional historical balance as at 31 December 2022	20,094	20,094
<i>Pro forma adjustments:</i>		
Acquisition of tenements of GEL:		
Issuance of Shares	1,600,000	1,600,000
Issue of Performance Rights	400,000	400,000
Buyout of existing royalties & expenditure	242,500	242,500
Assets recognised on acquisition of GEL	23,022	23,022
Total	2,265,522	2,265,522
Pro Forma Balance	2,285,616	2,285,616

Note 5: Equity

	Number of Shares	Number of Shares	Pro forma balance	
	Minimum	Maximum	Minimum	Maximum
			\$	\$
a) Contributed Equity	45,500,000	55,500,000	6,673,966	8,553,966
Fully paid ordinary share capital as at 31 December 2022	8,500,000	8,500,000	145,000	145,000
<i>Subsequent events:</i>				
Shares issued under the pre-IPO capital raise	4,000,000	4,000,000	560,000	560,000
<i>Pro forma adjustments:</i>				
Shares issued under the Capital Raising Offer	25,000,000	35,000,000	5,000,000	7,000,000
Shares issued to vendors for acquisition of mining tenements	8,000,000	8,000,000	1,600,000	1,600,000
Capital raising costs – cash settled	-	-	(300,000)	(420,000)
Capital raising costs – equity settled	-	-	(331,035)	(331,035)
Total	37,000,000	47,000,000	6,528,965	8,408,965
Pro Forma Balance	45,500,000	55,500,000	6,673,966	8,553,966

	Number	Number	Pro forma balance	
	Minimum	Maximum	Minimum	Maximum
			\$	\$
b) Share Based Payment Reserve	-	-	805,098	805,098
Options on issue as at 31 December 2022	5,500,000	5,500,000	31,597	31,597
Performance Rights on issue as at 31 December 2022 ²	1,500,000	1,500,000	-	-

Subsequent event adjustments:

Issue of Options to Directors ³	500,000	500,000	42,466	42,466
<i>Pro forma adjustments:</i>				
Issue of Lead Manager Options ³	3,000,000	3,000,000	331,035	331,035
Issue of Performance Rights to Vendors ¹	3,000,000	3,000,000	400,000	400,000
Total	9,500,000	9,500,000	773,501	731,501
Pro Forma Balance	13,500,000	13,500,000	805,098	805,098

Performance Rights

¹ Convert into Shares on a 1:1 basis subject to the satisfaction of any of the milestones as set out in Section 7.4. Management has assigned an 100% probability of the milestones attaching to the Tranche 1 & 2 Performance Rights being achieved and 0% for Tranche 3.

² Convert into Shares on a 1:1 basis subject to the satisfaction of any of the milestones as set out in Section 7.4. As these Performance Rights vest over the period of the Milestone terms, no value has been attributed to the issue of these Performance Rights on Admission.

³ Refer to table below for details

	Milestones	Conversion Number	Expiry Date
Performance Rights	The Performance Rights will convert into Shares upon the satisfaction of any one of the milestones set out in Sections 7.4 before the Expiry Date.	4,500,000	5 years from date of issue

Director Options

	Director Options
Number	500,000
Spot price	\$0.14
Exercise price	\$0.25
Expiry date	20 March 2027
Expected volatility	100%
Risk free rate	3.25%
Fair value	\$0.08493
Fair value (\$)	\$42,466
Model	Black-Scholes Option Valuation
Vesting conditions	Immediately

Lead Manager Options

	Lead Manager Options
Number	3,000,000
Spot price	\$0.20
Exercise price	\$0.30
Expiry period	3 years
Expected volatility	100%
Risk free rate	3.25%
Fair value	\$0.11034
Fair value (\$)	\$331,034
Model	Black-Scholes Option Valuation
Vesting conditions	Immediately

Pro forma balance

	Minimum	Maximum
	\$	\$
c) Accumulated Losses	(419,610)	(426,037)
Notional historical accumulated losses as at 31 December 2022	(61,955)	(61,955)
<i>Pro forma adjustments:</i>		
Capital raising costs – cash settled	(238,211)	(244,638)
Payment to Daniel Smith and John Kay	(100,000)	(100,000)
Expensing of Directors Options	(42,466)	(42,466)
Elimination of pre-acquisition reserves in GEL	23,022	23,022
Total	(357,656)	(364,083)
Pro Forma Balance	(419,610)	(426,037)