



PRE-QUOTATION DISCLOSURE

Metal Hawk Limited (ACN 630 453 664) (**Company**) provides the following confirmations to satisfy the conditions for admission of the Company's securities to quotation on ASX.

Capitalised terms used in this announcement not otherwise defined have the meaning given in the Company's prospectus dated 29 September 2020 (**Prospectus**).

1. Confirmation of completion of Offers

The Company confirms the issue of:

- (a) 27,500,000 Shares at an issue price of \$0.20 each, pursuant to the Public Offer; and
- (b) 2,000,000 unquoted options to Canaccord Genuity (Australia) Limited (or its nominees) at an issue price of \$0.0001 per option, with 1,000,000 options having an exercise price of \$0.25 with an expiry date 3 years from admission and 1,000,000 options having an exercise price of \$0.30 with an expiry date 4 years from admission under the Lead Manager Offer.

2. Updated pro-forma statement of financial position

An updated pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus (\$5,500,000) is set out below.

CURRENT ASSETS	Pro-forma After Offers (\$)
CURRENT ASSETS	
Cash and cash equivalents	5,534,571
Trade and other receivables	826
Prepayments	67,223
TOTAL CURRENT ASSETS	5,602,620
NON CURRENT ASSETS	
Exploration and evaluation	894,549
TOTAL NON CURRENT ASSETS	894,549



For personal use only

CURRENT ASSETS	Pro-forma After Offers (\$)
TOTAL ASSETS	6,497,169
CURRENT LIABILITIES	
Trade and other payable	(84,699)
TOTAL CURRENT LIABILITIES	(84,699)
TOTAL LIABILITIES	(84,699)
NET ASSETS (LIABILITIES)	6,412,470
EQUITY	
Share capital	6,442,905
Reserves	1,300,562
Accumulated losses	(1,330,997)
TOTAL EQUITY	6,412,470

Notes:

1. The cash and cash equivalents balance above does not account for working capital movements over the period from 29 September 2020 until the date of Official Quotation.
2. The pro forma Statement of Financial Position is to be read in conjunction with the Independent Limited Assurance Report as set out in Annexure A of the Prospectus

3. **Updated statement of commitments**

An updated statement of commitments based on the actual amount of funds raised under the Prospectus (\$5,500,000) is set out below:

Source of funds	\$
Existing cash as at 29 September 2020	355,000
Proceeds from Offers	5,500,000
Total funds available	5,855,000



For personal use only

Proposed use of funds – Year 1	Maximum Subscription	
	\$	%
Exploration expenditure	1,230,000	21.1
Directors' fees	350,400	6.0
General administration fees and working capital	241,400	4.1
Future acquisition costs	170,000	2.9
Estimated expenses of the Offer	524,028	9.0
Total funds allocated – Year 1	2,515,828	43.1
Proposed use of funds – Year 2	Maximum Subscription	
	\$	%
Exploration expenditure	2,080,000	35.7
Directors' fees	350,400	6.0
General administration fees and working capital	241,400	4.1
Future acquisition costs	646,263	11.1
Total funds allocated – Year 2	3,318,063	56.9
TOTAL FUNDS ALLOCATED	5,833,891	100

Shareholders should note that the above estimate expenditures will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities. Due to market conditions, the development of new opportunities and/or any number of other factors, actual expenditure levels may differ significantly from the above estimates.



4. **Restricted securities**

The Company confirms the following securities will be subject to restriction pursuant to the ASX Listing Rules for the period outlined below:

Class	Number	Restriction Period
Fully paid ordinary shares	7,350,000	24 months from the date of official quotation
Fully paid ordinary shares	900,000	12 months from the date of issue (6 April 2021)
Fully paid ordinary shares	250,000	12 months from the date of issue (until 13 August 2021)
Fully paid ordinary shares	1,000,000	12 months from the date of issue (until 14 August 2021)
Fully paid ordinary shares	62,500	12 months from the date of issue (until 1 September 2021)
Fully paid ordinary shares	1,000,000	12 months from the date of issue (until 14 September 2021)
Fully paid ordinary shares	625,000	12 months from the date of issue (until 15 September 2021)
Unquoted Options with an exercise price of \$0.30 each and expiry date of 4 years from admission	5,250,000	24 months from the date of official quotation
Unquoted Options with an exercise price of \$0.25 each and expiry date of 3 years from admission	5,250,000	24 months from the date of official quotation
Unquoted Options with an exercise price of \$0.30 each and expiry date of 4 years from admission	1,562,500	12 months from the date of issue (until 15 September 2021)



METAL HAWK
LIMITED

ASX ANNOUNCEMENT | ASX: MHK

Class	Number	Restriction Period
Unquoted Options with an exercise price of \$0.25 each and expiry date of 3 years from admission	1,562,500	12 months from the date of issue (until 15 September 2021)
Unquoted Options with an exercise price of \$0.20 each and expiry date of 3 years from admission	1,000,000	12 months from the date of issue (14 September 2021)

For personal use only

METAL HAWK LIMITED
www.metalhawk.com.au

Level 2, 18 Kings Park Road
West Perth WA 6005

+61 8 9226 0110
admin@metalhawk.com.au



5. **Capital structure**

The Company's capital structure at the date of admission is:

Security	Number
Shares	47,247,500
Options ¹	17,925,000

Notes

1. Comprising:
 - a. 1,000,000 unquoted options with an exercise price of \$0.20 and an expiry date 3 years from admission;
 - b. 10,362,500 unquoted options with an exercise price of \$0.25 and an expiry date 3 years from admission.
 - c. 6,562,500 unquoted options with an exercise price of \$0.30 and an expiry date 4 years from admission.

6. **Statement of confirmation - tenements**

The Company confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the following tenements and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b):

- (a) E26/0210
- (b) E26/0216
- (c) P26/4174
- (d) P25/2289
- (e) P25/2290
- (f) P25/2335
- (g) P25/2370
- (h) E27/0596
- (i) P27/2428
- (j) E27/0615



(k) E27/0562

(l) E63/1936

7. **Statement of confirmation – performance securities**

7.1 As set out in Section 6.2(b) of the Prospectus, the Company entered into an option agreement with Spartan Exploration Pty Ltd (**Spartan**) dated 15 May 2019 (**Spartan Agreement**), pursuant to which the Company has acquired 100% legal and beneficial ownership of five prospecting licences (P25/2289, P25/2290, P25/2335, P25/2370 and P25/2371, which form the Clinker Hill Project) (**Spartan Tenements**), and pursuant to which the Company has agreed to pay and/or issue the following to Spartan (or its nominees):

(a) initial consideration of \$25,000 and 900,000 Shares (which has been paid/issued);

(b) at the Company's election, either a cash payment of \$500,000 or the issue of 2,500,000 Shares (**Milestone A Shares**) (subject to Shareholder approval) to Spartan within 45 days of the Company achieving an indicated or measured resource (as defined in the JORC Code), on the Spartan Tenements of one or more of the following:

(i) no less than 100,000 tonnes of gold ore with a minimum cut-off grade of 1.0g/t Au or greater, with no less than 100,000 ounces of contained gold or gold Metal Equivalents;

(ii) no less than 100,000 tonnes of nickel ore with a minimum cut-off grade of 1.0% Ni or greater, with no less than 15,000 tonnes of nickel contained metal or nickel Metal Equivalents;

(iii) no less than 100,000 tonnes of copper ore with a minimum cut-off grade of 1.0% Cu or greater, with no less than 30,000 of contained copper or copper Metal Equivalents;

(iv) no less than 100,000 tonnes of zinc ore with a minimum cut-off grade of 5.0% Zn or greater, with no less than 60,000 tonnes of contained zinc or zinc Metal Equivalents; or

(v) no less than 100,000 tonnes of silver ore with a minimum cut-off grade of 50 g/t Ag or greater, with no less than 4,000,000 ounces of contained silver Metal Equivalents,

(together, **Milestone A**); and

(c) at the Company's election, either a cash payment of \$100,000 or the issue of 500,000 Shares (**Milestone B Shares**) (subject to Shareholder approval), to Spartan within 45

For personal use only



days of the Company achieving assay results disclosing assays of drill hole intersections conducted in relation to the Spartan Tenements showing either:

- (i) gold intercepts on a grade-thickness basis of ≥ 20 -gram metres Au, where the grade of the bulk interval is greater than 1.0 grams per tonne over no less than 20 metres;
- (ii) nickel intercepts on a grade-thickness basis of 20%*m*, providing the grade of the mineralisation is $\geq 1.0\%$ Ni (eg. $\geq 20\text{m @ } 1.0\%$ Ni) where the grade of bulk interval is greater than 1.0% nickel over 20*m*;
- (iii) copper intercepts on a grade-thickness basis of 20%*m* Cu, providing the grade of the mineralisation is $\geq 1.0\%$ Cu (eg. $\geq 20\text{m @ } 1.0\%$ Cu) where the grade of bulk interval is greater than 1% Cu over 20*m*;
- (iv) zinc intercepts on a grade-thickness basis of 20%*m* Zn, providing the grade of the mineralisation is $\geq 5.0\%$ Zn (eg. $\geq 4\text{m @ } 5.0\%$ Zn) where the grade of bulk interval is greater than 5% Zn over 4*m*; or
- (v) silver intercepts on a grade-thickness basis of ≥ 1000 -gram metres Ag, (eg. $\geq 20\text{m @ } 50\text{g/t Ag}$) where the grade of the bulk interval is greater than 50 grams per tonne Ag over no less than 20 metres,

(together, **Milestone B**).

7.2 The Company provides the following information in respect of the Milestone A Shares and Milestone B Shares (together, the **Spartan Shares**).

- (a) A total of 3,000,000 Spartan Shares are to be issued to Spartan.
- (b) The Company does not have an existing relationship with Spartan (or its associates) other than by reason of entering into the Spartan Agreement. Spartan is not a promoter, director, employee or adviser to the Company. Spartan currently holds 900,000 Shares (issued as initial consideration under the Spartan Agreement) and, upon Admission, will have a holding equal to 1.77% of Shares. In the event the Spartan Shares are issued, Spartan will have a relevant interest equal to 7.69% of Shares (assuming no further dilution). The Company is not a shareholder of Spartan.
- (c) The Company believes the issue of the Spartan Shares as part consideration for the acquisition of the Spartan Tenements is appropriate as:
 - (i) the quantum of the Spartan Shares reflects reasonable fair value of the Spartan Tenements in view of the Company having conducted arm's length negotiations with representatives of Spartan to arrive at the commercial terms of the acquisition;



For personal use only

- (ii) as with the acquisition of any exploration asset that does not have a meaningful track record of profitability, there is not always an appropriate formal valuation methodology available when determining the purchase price. This is reflected in the structure of the consideration for the acquisition having a deferred component which is tied to the performance of the asset (which reduces the degree by which the acquisition is considered 'at risk');
 - (iii) the relevant performance milestones are appropriately linked to the performance of the Spartan Tenements and as such, the proposed issue of the Spartan Shares is in line with the commercial goals of the Company (which are, to add shareholder value by acquiring, exploring, evaluating and exploiting mineral resource project opportunities);
 - (iv) the Company believes the opportunity presented under the Spartan Agreement represents an opportunity that is in the best interests of shareholders of the Company;
 - (v) the issue of the Spartan Shares (rather than paying cash) offers the Company a prudent means of conserving the Company's available cash reserves; and
 - (vi) the Spartan Shares will be issued to Spartan (who at the time of entering into the Spartan Agreement was the registered holder of the Spartan Tenements) rather than a person who does not have an ownership interest in the Spartan Tenements.
- (d) In the event Milestone A and Milestone B are met and the Spartan Shares are issued, the total number of Shares on issue will increase from 47,247,500 Shares to 50,247,500 Shares (representing a 6.4% increase in the total number of Shares on issue).
- (e) The expiry date by which the milestones must be achieved is 15 May 2024. In the event Milestone A is not achieved by 15 May 2024, the Company will not issue the Milestone A Shares. Similarly, in the event Milestone B is not achieved by 15 May 2024, the Company will not issue the Milestone B Shares
- (f) The Spartan Shares are to be issued to Spartan. Accordingly, none of the Spartan Shares will be issued to a person who did not have an ownership interest in the Spartan Tenements at the time of entering the Spartan Agreement, and the Spartan Shares will not be issued disproportionately to the ownership interest of Spartan in the Spartan Tenements.



METAL HAWK
LIMITED

ASX ANNOUNCEMENT | ASX: MHK

By order of the Board

Chris Marshall
Company Secretary

For personal use only

METAL HAWK LIMITED
www.metalhawk.com.au

Level 2, 18 Kings Park Road
West Perth WA 6005

+61 8 9226 0110
admin@metalhawk.com.au