



13 December 2024

ASX Limited - Company Announcements Platform

RAPID LITHIUM LIMITED (ASX: RLL)

RAPID LITHIUM TO UNDERTAKE PARTIALLY UNDERWRITTEN ENTITLEMENT OFFER TO FAST TRACK EXPLORATION IN THE USA

Rapid Lithium Limited (ACN 649 292 080) ('Rapid Lithium' 'RLL' or 'Company') is pleased to announce that it has entered into a mandate and underwriting agreement with GBA Capital Pty Ltd (GBA Capital), under which GBA has agreed to act as the sole partial underwriter to the amount of \$1,000,000 to a 1 for 1.46 pro rata non-renounceable entitlement offer (**Entitlement Offer**) for fully paid ordinary shares in the capital of the Company (**Shares**) to existing shareholders to raise up to \$2,000,000 (before costs associated with the Entitlement Offer).

The Entitlement Offer will allow existing eligible shareholders to apply for one new Share (**New Share**) for every 1.46 Shares held at 7pm (AEST) on Tuesday, 24 December 2024 (**Record Date**) at an offer price of \$0.004 per New Share (**Offer Price**). Shareholders who receive New Shares under the Entitlement Offer will also be offered 3 free attaching options exercisable at \$0.017 that expire on 23 October 2027 (**Free Attaching Options**) for every 2 New Shares issued under the Entitlement Offer prospectus that will be sent to eligible shareholders (**Entitlement Prospectus**). The intention is for the Free Attaching Options to be listed on ASX, subject to meeting the necessary ASX Listing Rule conditions.

The Entitlement Offer will give eligible shareholders the opportunity to maintain their shareholding in the Company without paying brokerage fees or other transaction costs, irrespective of holding size.

Funds raised from the Entitlement Offer will be applied towards exploration at the Company's projects in the USA, one-off costs associated with facilitating the Entitlement Offer and, to the extent there are any surplus funds, these will be allocated towards working capital. The Company



RAPID LITHIUM LTD
Level 10, Kyle House, 27-31 Macquarie Place
Sydney NSW 2000
ACN: 649292080

Error! Unknown document property name.

is in the process of renegotiating the payment and consideration terms associated with the acquisition of the Mateen and Ingersoll Projects, associated with the acquisition of Midwest Lithium Limited (refer ASX announcement of 22 August 2024 and Investor Presentation lodged with ASX on 4 September 2024), and any future exploration on these assets is subject to reaching such agreement. In the event agreement is not reached, exploration will focus on other projects within the Company's US asset portfolio

The Company intends to make the Entitlement Offer open to both eligible institutional shareholders and eligible retail shareholders at the same time.

Offer Price

All New Shares issued under the Entitlement Offer will be issued at a price of A\$0.004 per New Share, which represents a discount of approximately 33.3% to the Company's closing share price on the ASX on Tuesday, 10 December 2024 of \$0.006.

Proposed Entitlement Offer

The Entitlements will be non-renounceable and accordingly cannot be traded on the ASX.

Eligible shareholders will be sent a copy of the Entitlement Prospectus including a personalised entitlement and acceptance form on or around Monday, 30 December 2024. The Entitlement Prospectus will provide the details of how to participate in the Entitlement Offer.

Underwriting

GBA has entered into an underwriting agreement with the Company in respect of the Entitlement Offer (**Underwriting Agreement**) to partially underwrite the Entitlement Offer to the value of \$1,000,000.

GBA is an independently owned Australian stockbroking and capital markets firm, with offices in Sydney and Perth.

GBA may, at its cost, at any time appoint sub-underwriters to sub-underwrite the Entitlement Offer, subject to GBA ensuring that no sub-underwriter (together with their associates, within the meaning of the Corporations Act) acquires a relevant interest in more than 20% of the issued share capital of the Company.

GBA's obligations under the Underwriting Agreement, including to partially underwrite and manage the Entitlement Offer, are conditional on certain matters, including (but not limited to):

- For personal use only
- a) disclosure materials for the Entitlement Offer being released within the required timeframes;
 - b) certain diligence-related deliverables being provided within the required timeframes; and
 - c) entry by GBA into sub-underwriting agreements with the sub-underwriters.

If certain conditions are not satisfied or certain events occur, GBA may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by GBA would have a material adverse impact on the total amount of proceeds that could be raised under the Entitlement Offer and also whether the Entitlement Offer will proceed, which in turn would have a material adverse impact on the Company's financial position and liquidity.

The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- a) failure to satisfy certain conditions precedent to the Underwriting Agreement within the required timeframe;
- b) the offer documents do not comply with the Corporations Act or a statement in any of the offer documents is or becomes false, misleading or deceptive or is likely to be false, misleading or deceptive, including by material omission, in each case in a material respect;
- c) certain regulatory actions occur against or involving the Company, its directors and / or officers in relation to the Entitlement Offer or offer documents or that may otherwise delay the Entitlement Offer, subject to certain exceptions;
- d) the Company or any of its related corporations becomes insolvent;
- e) the Company ceases to be admitted to the official list of ASX or any shares issued by the Company are suspended from quotation or are subject of an ASX statement that the shares will be suspended or cease to be quoted (for the avoidance of doubt this clause does not apply to the voluntary suspension of the Company granted by ASX in connection with the Offer);
- f) ASX makes a statement to any person it will not grant permission for the official quotation of the New Shares under the Entitlement Offer, or the approval is subsequently withdrawn;
- g) the Company withdraws the offer or any part of it, or indicates in writing to GBA that it does not intend to, or is unable to proceed with the Offer or any part thereof;

- For personal use only
- h) the Company is or will be prevented from conducting or completing the Entitlement Offer in accordance with the agreement;
 - i) the Company does not provide a certificate when required to under the Underwriting Agreement;
 - j) the Company alters its constitution without the prior written consent of GBA;
 - k) the Company alters its capital structure (other than as contemplated under the Offer or the Underwriting Agreement);
 - l) there are delays in the timetable for the Entitlement Offer for more than two business days without consent of GBA;
 - m) the commencement of certain material legal proceedings against any member of the Company or any director or other officer of the Company;
 - n) certain material regulatory actions by ASIC occur in relation to the Offer or which would prevent the Company from making the Offer;
 - o) a director of the Company or any related corporation of it is charged with an indictable offence relating to a financial or corporate matter;
 - p) any material adverse change occurs, in the assets, liabilities, share capital, share structure, financial position or performance, profits, losses or prospects of the Company or any of its subsidiaries from those respectively disclosed in any offer document, the Company's most recent financial results or in certain public announcements;
 - q) except as disclosed to GBA prior to the date of the Underwriting Agreement, a change in the board or senior management of the Company is announced or occurs;
 - r) a representation, warranty or material statement by the Company is or becomes false, misleading or incorrect when made or regarded as made;
 - s) the Company fails to perform or observe any of its obligations under the Underwriting Agreement or breaches any warranty or covenant given within the Underwriting Agreement;
 - t) there is a material omission from the results of the due diligence investigation performed in respect of the Company or the verification material or the results of the due diligence investigation or the verification material are false or misleading;

- For personal use only
- u) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America or the Peoples Republic of China or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon, Israel, Palestine, Russia or Ukraine;
 - v) an application is made to the Takeovers Panel pursuant to the Corporations Act in relation to the affairs of the Company;
 - w) the Company receives a request from ASIC to make changes to its Prospectus, a supplementary prospectus is required to be lodged with ASIC, or the Company lodges a supplementary prospectus that has not been approved by GBA;
 - x) the S&P ASX 200 Index is drops below a certain specified threshold; or
 - y) for more than two business days, a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America.

The ability of GBA to terminate the Underwriting Agreement in respect of some events will depend on whether in the reasonable opinion of GBA, it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect or could give rise to a liability of GBA under the Corporations Act.

Under the Underwriting Agreement, GBA will receive a 6% underwriting fee of the offer proceeds from the Entitlement Offer and 6% fee for the proceeds from any Shortfall Securities that GBA procures valid Applications for under the Shortfall Offer. GBA will pay any fees due to the sub-underwriters from the underwriting fee.

Subject to Shareholders' approval, the number Broker Options to be granted to GBA or its nominee(s) will be 30% of all Free Attaching Options granted under the Entitlement Offer, up to a maximum of 225,000,000 Broker Options.

In the event that Shareholders' approval is not obtained for the grant of the Broker Options, the Company will pay to GBA the value of the Broker Options based on a Black & Scholes valuation as at the date of the Shareholders' meeting, up to a maximum amount of \$50,000 (excluding GST).

The Company also gives certain representations, warranties and undertakings to GBA and an indemnity to GBA and certain affiliated parties subject to certain carve-outs that are considered standard for an agreement of this type. As part of the undertakings, the Company has agreed to not for a prescribed period of time, without the prior written consent of GBA, allot, sell or otherwise

dispose or agree to allot, sell or otherwise dispose of any shares or other securities in the capital of the Company, subject to certain conditions.

Expenses and indemnity

The Company must pay and will indemnify and keep indemnified the GBA against and in relation to all reasonable third party costs and expenses of and incidental to the Entitlement Offer, the Shortfall Offer, and the issue of Offer Securities under those offers (including reasonable legal costs and disbursements). GBA must obtain the Company's consent before incurring expenses greater than \$2,000. In addition, the Underwriter is entitled to reasonable legal fees and disbursements up to a maximum of \$10,000 in aggregate (plus GST).

Sub-underwriting

GBA has entered into sub-underwriting agreements with sophisticated and professional ASX investors to sub-underwrite the Entitlement Offer up to the value of \$1 million (**Sub-Underwriting Agreements**). The Underwriter will be responsible for any fees payable to any sub-underwriters.

GBA will provide on-going support for the Company and to their clients introduced to the Company by way of this Entitlement Offer.

Sub-underwriting by Strata Investment Holdings

Strata Investment Holdings Plc (**Strata**), which currently holds more than 10% of the Shares, has executed a Sub-Underwriting Agreement and has agreed to subscribe for a further \$100,000 worth of New Shares through the underwriting process. This equates to 5% of the total amount being raised under the Entitlement Offer.

Strata is entitled to a sub-underwriting fee of 1.5 % of the amount of Strata's sub-underwritten amount, which is payable by GBA to Strata after GBA has received its underwriting fee from the Company. In addition, for every one dollar sub-underwritten by Strata, Strata will be allocated eight free attaching options in accordance with the terms of the Entitlement Issue. The free attaching options will have an exercisable price of \$0.017 per option with an expiry date of 23 October 2027.

The termination rights under the Sub-Underwriting Agreement with Strata are broadly the same as the termination rights that exist under the Underwriting Agreement, which are described above.

Shortfall

The Company grants GBA the first right to place any Shortfall Securities in consultation with the Company within three months of the date on which the offer closes.

Timetable

The indicative timetable for the proposed Entitlement Offer is as follows:

Activity	Date
Announcement of the intention to conduct an Entitlement Offer on ASX and Lifting of Trading Halt Lodgement of Appendix 3B	Friday, 13 December 2024
Lodgement of Prospectus with ASIC and ASX and despatch of notices to optionholders	Wednesday, 18 December 2024
Ex date	Monday, 23 December 2024
Record Date for Retail Entitlement Offer (7:00pm AEDST)	Tuesday, 24 December 2024
Offers opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Monday, 30 December 2024
Last day to extend the Entitlement Offer Closing Date (prior to 12:00pm (AEDT))	Tuesday, 28 January 2025
Closing Date of Entitlement Offer (5:00pm (AEDT))	Friday, 31 January 2025
Securities Quoted on a Deferred Settlement Basis	Monday, 3 February 2025
Announcement of results of the Entitlement Offer Notification of Shortfall Subscriptions under underwriting agreement	Tuesday, 4 February 2025
Settlement of Entitlement Offer	Wednesday, 5 February 2025
Allotment of New Shares and Options issued under Entitlement Offer including Appendix 2A and 3G	Thursday, 6 February 2025
Normal ASX trading of New Shares issued under the Entitlement Offer	Friday, 7 February 2025
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Monday, 10 February 2025

Note: This timetable is indicative only and subject to change. All references to time are to time in Sydney, Australia. Subject to the Corporations Act, the Listing Rules and other applicable laws, Rapid Lithium reserves the right to vary the above dates without notice. Any extension of the Closing Date will have a corresponding delay on the anticipated date for issue of the New Shares. Rapid Lithium also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time before the issue of the New Shares. If that occurs, the relevant Application Monies (without interest) will be returned to Applicants.

This announcement has been authorised on behalf of the Rapid Lithium Limited Board by: Martin Holland, Managing Director.

-ENDS-

For further information, please contact:

Martin C Holland – Managing Director

Rapid Lithium Limited

E: mch148@outlook.com