

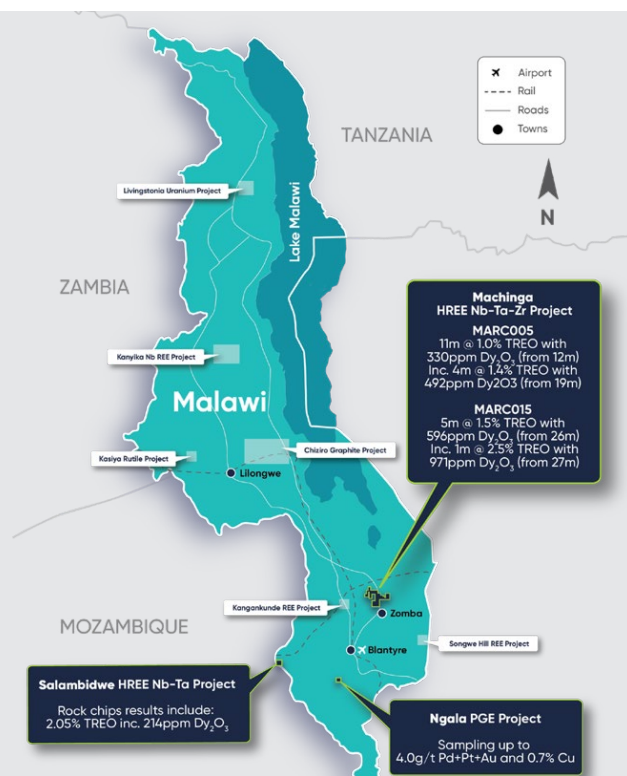
## INVESTMENT SUMMARY

Issuer	DY6 Metals Ltd
IPO	<b>Offer of \$5m to \$7m @ 20c</b> (25m to 35m shares)
Timing	Targeting End Q2 2023
Lead Manager	Sanlam Private Wealth
ASX Code	DY6
<b>M. Cap</b>	<b>\$9.1m</b> (min)
<b>EV</b>	<b>\$3.4m</b>
<b>Cornerstone</b>	<b>Total of <u>\$2.5m</u> committed</b>

## COMPANY OVERVIEW

Post IPO, DY6 Metals ("DY6") or the ("Company") will own **100%** of 3 highly prospective **Heavy Rare Earths & Critical Metals** Projects in Southern Malawi, a proven region for hosting economic REE deposits:

- ❖ **Machinga** – HREEs and Nb-Ta-Zr
- ❖ **Salambidwe** – HREEs and Nb-Ta; and
- ❖ **Ngala Hill** - Pd-rich PGEs, Cu & Ni, ("the Projects")



## NOTABLE PLAYERS IN MALAWI:

<b>Lindian Resources (ASX:LIN)</b>	"Kangankunde" is a rare earths project of potential global significance with the carbonatite host having outstanding grades of up to 237,000 ppm (23.7%) TREO. <b>DY6's Machinga is ~40km east of Kangankunde</b>
<b>Sovereign Metals (ASX:SVM)</b>	"Kasiya" is the world's largest natural rutile deposit JORC 2012 Mineral Resource of 1.8Bt at 1.01% rutile (resulting in over 18Mt tonnes of contained natural rutile) with graphite by-product JORC 2012 Mineral Resource of 1.8Bt at 1.32% graphite (containing over 23Mt of graphite)
<b>Mkango Resources (TSX/ AIM: MKA)</b>	"Songwe Hill" carbonatite-hosted total Measured and Indicated JORC 2012 Resource of 21Mt at 1.41% TREO
<b>Globe Metals (ASX:GBE)</b>	"Kanyika" JORC 2012 Combined Mineral Resource of 68.3Mt Nb2O5 (ppm) positioned to be the first niobium mine in Africa

## MARKET OPPORTUNITY

- Rare earths are used in many high-tech applications in small volumes but are critical to performance and are classified into 'light' and 'heavy' based on their atomic weight
- **Permanent Magnets** found in EVs, wind turbines, and phones represent the biggest demand for REEs

- HREEs, particularly **Dysprosium (Dy)** and **Terbium (Tb)** are crucial alongside LREEs in a high-performance magnet
- Compared with LREEs, HREEs such as Dy and Tb are less common and are more valuable
- Only minor production of HREEs outside of China
- There is not enough Dy and Tb to source projected demand forecasts
- Current geographical concentration supports creating an ex-China supply chain for these high-end magnetic uses
- DY6's Machinga and Salambidwe Projects are highly prospective for HREEs, particularly Dy and Tb
- Dysprosium is the chemical element with the symbol "Dy" and atomic number "66"
- Hence the Company's name "**DY6**"

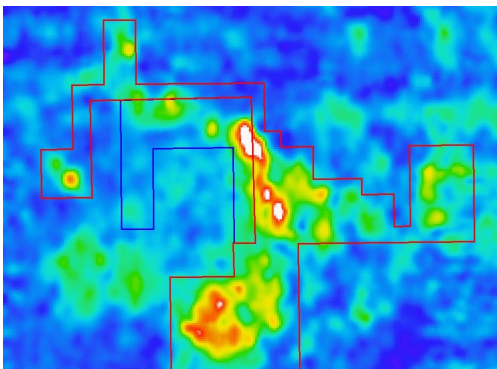
## KEY HIGHLIGHTS

- Includes **high-grade historical drilling, workings and walk-up drill targets**
- Significantly underexplored – potential to define new mineralised zones
- Attractive & Stable Mining Jurisdiction hosting major REE/critical metal deposits, incl.: **Lindian Resources (ASX:LIN), Globe Metals (ASX:GBE), Mkango Resources (MKA) and Sovereign Metals (ASX:SVM).**
- Initial exploration to focus on significant historical REE drill results
- Drill ready targets with short term news flow: ~5000m of drilling planned to immediately follow listing at Machinga Main Zone
- Experienced management and in-country team
- **Indicative EV of ~3.4m** on listing providing good leverage to future news-flow

## THE PROJECTS

### Machinga – HREE, Nb, Ta, Zr

- Granted EL (42.9km<sup>2</sup>) & 1 ELA (157.5km<sup>2</sup>) totalling ~200km<sup>2</sup>
- ~40km east of Lindian's (ASX:LIN) "Kangankunde"
- High-grade heavy rare earth oxides (HREOs) and Nb-Ta-Zr potential – **near surface** with **walk-up drill targets**
- 2010 trenching program (Machinga North) included:
  - **MATR001: 7m @ 1.26% TREO**
  - **MATR002: 33m @ 0.71% TREO**
  - **Inc.: 11m @ 1.00% TREO with 0.46% Nb<sub>2</sub>O<sub>5</sub>**
- 2010 drill program (Machinga North) included:
  - **MARC005: 11m @ 1.0% TREO with 330ppm Dy<sub>2</sub>O<sub>3</sub> (from 12m)**
  - **Inc.: 4m @ 1.4% TREO with 492ppm Dy<sub>2</sub>O<sub>3</sub> (from 19m)**
  - **MARC015: 5m @ 1.5% TREO with 596ppm Dy<sub>2</sub>O<sub>3</sub> (from 26m)**
  - **Inc.: 1m @ 2.5% TREO with 971ppm Dy<sub>2</sub>O<sub>3</sub> (from 27m)**
- **Very high ratio of HREO:TREO**, peak **39%**, average **33%**
- **Very high ratio of Dy<sub>2</sub>O<sub>3</sub>:TREO**, peak **3.9%**, average **3.3%**
- **7km radiometric anomaly** registering a 2.7 by 0.3km on the main target zone (Machinga North)
- Conveniently located along the major Lilongwe – Zomba highway, good infrastructure



Radiometric image of the Machinga Licence

### Salambidwe – HREE, Nb, Ta

- Granted EL, Area: 24.9km<sup>2</sup>
- The Salambidwe Project is a virgin rare earth prospect with limited previous exploration
- Previous rock chips results include: 2.05% TREO inc. 214ppm Dy<sub>2</sub>O<sub>3</sub>
- **The Salambidwe Ring Complex forms part of the Chilwa Alkaline Suite of southern Malawi that also hosts the Kangankunde Deposit (2.5Mt @ 4.2% TREO)**
- **The complex is approximately six kilometres in diameter** (approximately 85% occurs within the licence)

### Ngala Hill – PGE, Cu, Ni

- Granted EL, Area: 16.4km<sup>2</sup>
- Outcropping ultramafic chonolith with widespread Pd-Pt-Au-Cu mineralisation that is palladium-rich
- No significant modern exploration

- 3 zones of palladium rich Pd+Pt+Au+Cu mineralisation have been identified
- Main mineralised zone never been drilled
- Massive sulphides identified in outcrop with grades up to 4.0g/t Pd+Pt+Au and 0.7% Cu in saprolite or saprock. Significant potential for increased PGE grade in fresh rock (i.e., Julimar deposit)
- Proximal to the Nacala rail/ port corridor and power grid
- Numerous other regional targets

## 2023-24 WORK PROGRAM

### Machinga – HREE, Nb, Ta, Zr

- Diamond & RC Drilling – commencing Q2 23'
- Drilling Results – Aug-Sep 23

### Salambidwe – HREE, Nb, Ta

- Radiometrics, mapping, soil & rock chip sampling – Aug-Nov 23
- Diamond & RC Drilling – Nov-Dec 23
- Drilling Results – Feb-Mar 24

### Ngala Hill – PGEs, Ni, Cu

- Geophysics, mapping, soil & rock chip sampling – Aug-Nov 23
- RC Drilling – Nov-Dec 23
- Drilling Results – Feb-Mar 24

The Company recently completed a site visit with CSA Global as part of its due diligence review, assessed drill targets and completed a verification sampling program on the Machinga licence.

CSA Global is currently compiling the Independent Technical Assessment Report on the Projects for inclusion in the IPO Prospectus (lodgement late March).

Holder	Min (\$5m Shares)	Max (\$7m Shares)	Options	Perf. Rights
Existing	12,500,000	12,500,000	4,000,000	-
Board	-	-	2,000,000	1,500,000
Vendors	8,000,000	8,000,000	-	3,000,000
Lead Manager	-	-	3,000,000	-
IPO share offer	25,000,000	35,000,000	-	-
<b>Total Post IPO (undiluted)</b>	<b>45,500,000</b>	<b>55,500,000</b>	<b>9,000,000</b>	<b>4,500,000</b>
<b>MCap Post IPO</b>	<b>\$9,100,000</b>	<b>\$11,100,000</b>	-	-
<b>Enterprise Value</b>	<b>\$3,394,600</b>	<b>\$3,394,600</b>	-	-

A total of \$705k has been raised pre-IPO

## DISTRIBUTION

Existing – 27%  
Vendors – 18%  
Public Offer – 55%  
(~27% to cornerstones Zhenshi Group and Zhung Nam)

## TIMETABLE FOR IPO (INDICATIVE ONLY)

Offer Opening Date	Early Apr 23
Offer Closing Date	Early May 23
Issue of Securities	Early June 23
Expected Trading	Early June 23

## BOARD & MANAGEMENT

### Mr Dan Smith

Non-Executive  
Chairman

Mr Smith holds a Bachelor of Arts, is a Fellow of the Governance Institute of Australia, and has over 15 years' primary and secondary capital markets expertise. He is a director and co-founder of Minerva Corporate, a boutique corporate services and advisory firm. He has advised on and been involved in over a dozen IPOs/RTOs on the ASX, AIM and NSX. Mr Smith is currently non-executive director for several companies on AIM/ASX operating in the resources sector and has been heavily involved in project origination and evaluation.

### Mr Myles Campion

Non-Executive  
Director

Mr Campion has over 30 years' experience in the natural resources sector, including exploration geology, resource analysis, fund management, equities research and project and debt financing.

He started his career as an exploration and mining geologist in Australia covering base metals and gold, that included being the Project Geologist at LionOre responsible for the exploration, discovery and BFS completion of the Emily Ann Nickel Sulphide Mine.

Mr Campion's financial experience ranges from Australian and UK equities research through to project and debt financing in London and Fund Manager for the OEIC Australian Natural Resources Fund for 5 years in Perth. He has been the Executive Director of Europa Metals Ltd since August 2020 and is a Non-Executive Director at Katoro Gold PLC. Mr Campion has an M.Sc. in Minerals Exploration from the Royal School of Mines in London and B.Sc. Honors in Geology from University of Wales College Cardiff.

### Mr John Kay

Non-Executive  
Director

Mr Kay is an experienced corporate lawyer and corporate adviser. He has over 15 years' experience in equity capital markets, M&A and resources gained through both private practice and inhouse roles in Australia and the UK.

He currently operates a corporate advisory practice, Arcadia Corporate, which provides corporate advisory and capital raising services to listed and unlisted companies in the small cap mining sector. He has previously held a number of non-executive and company secretarial roles for ASX listed mining and energy companies and has advised on over a dozen IPOs/RTOs on the ASX. Mr Kay holds a Bachelor of Laws from the University of Western Australia and is admitted to practice as a lawyer in Western Australia and England & Wales.

### Dr Nannan He

Non-Executive  
Director

Dr He has over 10 years' experience in geosciences, chemical material trading, exploration and resources investment. Via her investment vehicle, Woodsouth Asset Management, she has been actively examining exploration and resource projects worldwide and has built strong networks, particularly throughout the Southeast Asian market.

Dr He holds a PhD in Geochemistry from Curtin University, a MS in Geochemistry in Hokkaido University, and a BS in Mineral Resource Exploration from Jilin University.

### Dr Eric Lilford

Technical  
Consultant

A mining engineer and a minerals and energy economist, with over 30 years' experience in various senior and executive roles in mining, investment banking, consulting and academic roles. He has multi-commodity expertise and has had operations and government experience across most African mining countries.

Dr Lilford is a member of the international Rare Earths Standards Committee, ISO Australia, and is on the Experts Panel for the IMF.

### Mr Allan Younger

Technical  
Consultant

Geologist with 40+ years' experience in all facets of the resources industry and most commodities. Specialist explorer highly experienced in target generation and project generation. Advanced expertise in multi-element geochemistry application and Interpretation.

### Mr Hilton Banda

Malawi Technical  
Consultant

Mr Banda runs an experienced Malawian geological, geotechnical, mining and environmental consultancy, Akatswiri Mineral Resources, which will assist the Company's executive management team in Malawi.

## SOURCE AND APPLICATION OF FUNDS

Funds Available	Min (\$5m)	Max (\$7m)
Pre-IPO funds	705,400	705,400
IPO offer funds	5,000,000	7,000,000
<b>TOTAL</b>	<b>5,705,400</b>	<b>7,705,400</b>
Allocation of funds		
Exploration	3,090,000	4,705,000
New Project Eval.	455,400	500,400
Working Capital	1,100,000	1,200,000
Costs of Offer	560,000	700,000
Admin. Costs	500,000	600,000

## CORNERSTONE INVESTMENTS

Total of **\$2.5m committed** at IPO from two Hong Kong based strategic investor groups: Zhenshi Group (\$1.5m) and Zhung Nam New Material Company (\$1m)

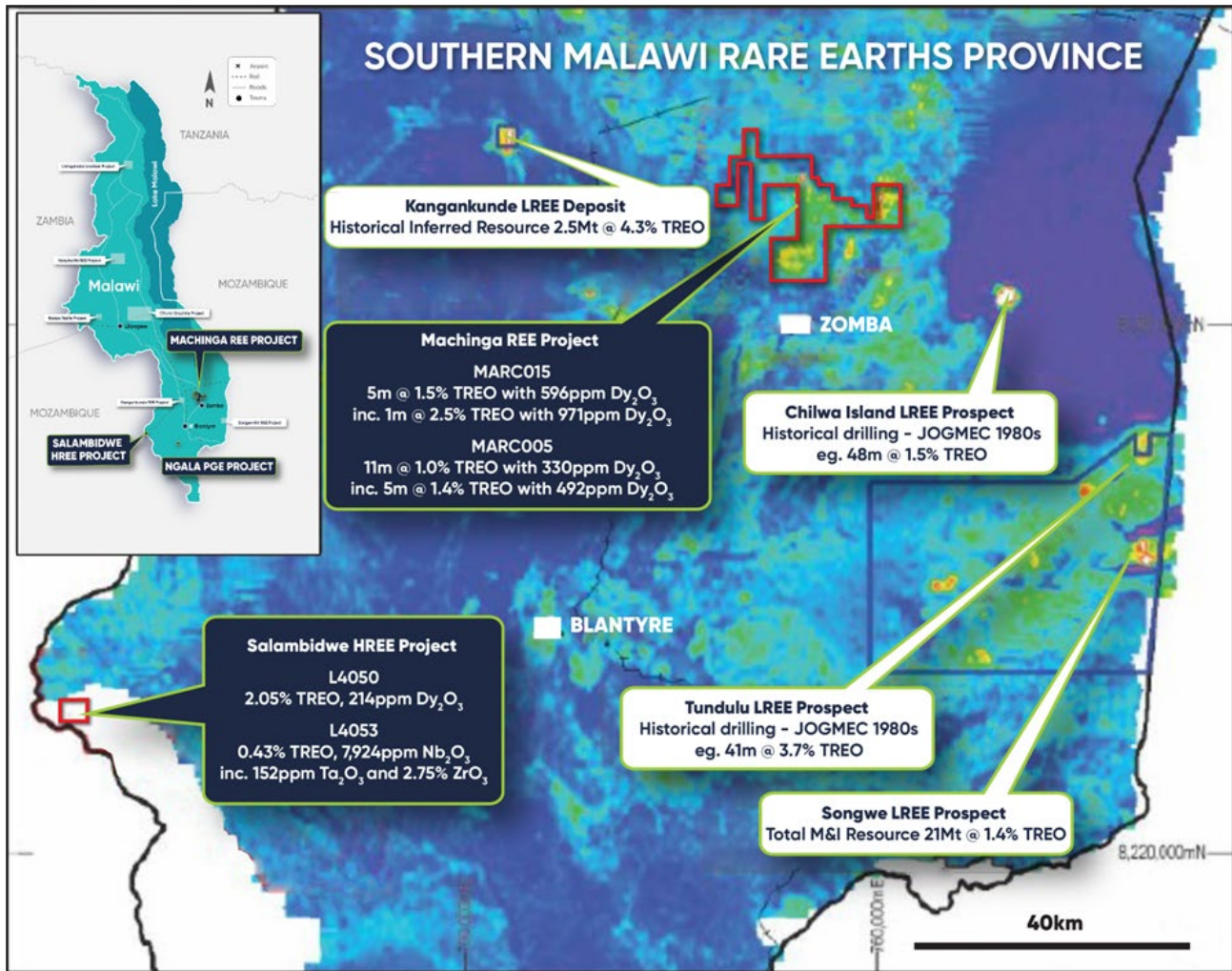
## TRANSACTION TERMS WITH VENDORS

- Option to acquire 100% of the Projects for:
- \$17.5K deposit (paid)
- \$87.5K inground expenditure pre-IPO (underway)
- \$155K cash on Listing (includes buyout of existing royalties)
- \$1.6m in IPO Shares on Listing (subject to escrow)
- \$600K in Performance Rights (3 tranches) (subject to escrow)
- No royalties payable



**Dan Smith**  
Chairman

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This Information Memorandum contains forward-looking statements and projections. 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 the Company, the Directors and the Company's management.

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