ASX ANNOUNCEMENT

5 MARCH 2024

DYNAMIC SIGNS LANDMARK $20M LITHIUM-FOCUSED JV WITH MINERAL RESOURCES

HIGHLIGHTS

- **Binding joint venture and farm-in agreement executed with a 100% owned subsidiary of Mineral Resources Limited (ASX: MIN) ("MinRes"), whereby, subject to the satisfaction of certain conditions precedent[1]:**
  - **Dynamic sells 40% of its lithium rights on the Widgiemooltha Project ("Project") tenements[2] for a purchase price of $5M**
  - **Dynamic and MinRes form a 60% Dynamic / 40% MinRes joint venture ("JV") to advance lithium exploration on the Project**
  - **MinRes can sole fund $15M of expenditure over 4 years to increase its stake in the JV to 65% ("Stage 2")**
  - **At the completion of Stage 2, MinRes may elect to increase its stake in the JV to 80% by sole funding expenditure through to a Decision to Mine ("Stage 3")**
  - **At the completion of Stage 3, Dynamic may contribute pro rata its proportion of JV costs going forward, or convert its interest into a royalty**
  - **Dynamic retains rights to all minerals other than lithium over the Project and maintains access to all areas of the Project**
- **Of the purchase price, $400k will be paid immediately as a signing fee and $3.6M in cash on completion, with a deferred payment of $1M on 1 July 2025**
- **The transaction is anticipated to complete in the second quarter of CY 2024**

Dynamic Metals Limited ("**Dynamic**" or "the **Company**") (ASX:DYM) is pleased to announce that it has entered into a binding term sheet for a farm-in and joint venture ("**Agreement**") with ACN 654 242 690 Pty Ltd ("**HoldCo**"), a wholly-owned subsidiary of Mineral Resources Limited ("**MinRes**"), and MinRes (as guarantor of the initial cash payments), under which the Company will, subject to the satisfaction of certain conditions precedent, sell 40% of all lithium mineral rights held by Dynamic on the Widgiemooltha tenement package (see Annexure B) ("**Tenements**") for $5M cash consideration (the "**MinRes Transaction**").

[1] See Annexure A.
[2] See Annexure B.

Dynamic Metals Limited
ACN: 659 154 480
Shares on Issue: 48,985,001 | Cash: $3.1M
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From completion, HoldCo and Dynamic will form a 40% / 60% unincorporated joint venture. HoldCo has the ability to increase its stake to 65% by sole funding an additional $15M of exploration expenditure on the Tenements over the 4 years following completion. HoldCo has the further ability to elect to increase its stake to 80% by sole funding expenditure through to a Decision to Mine. Upon HoldCo earning 80% interest Dynamic must elect to either remain in Joint Venture and contribute to Joint Venture expenses or convert its interest into a royalty (see Annexure A for detail).

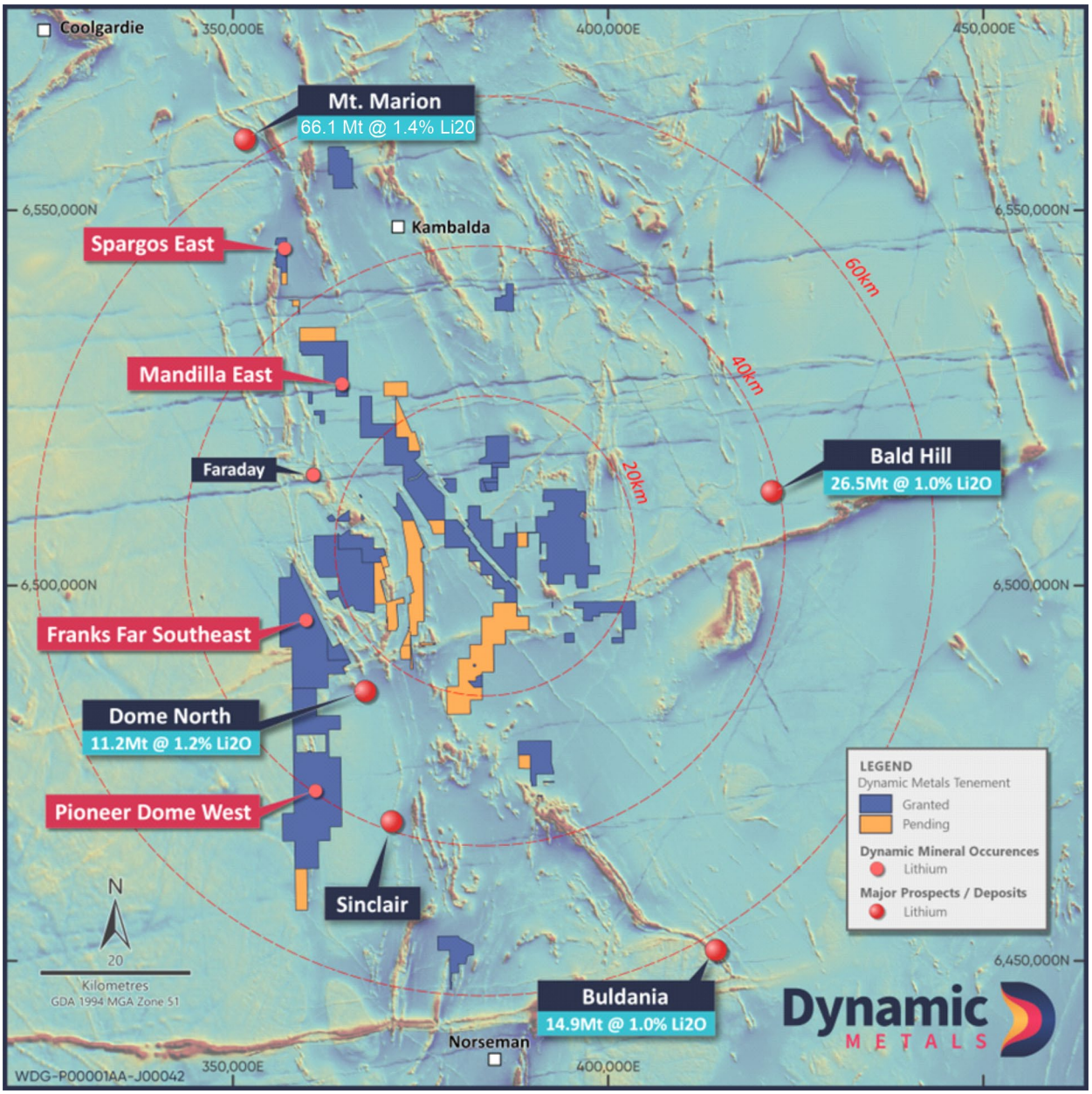


Figure 1: Widgiemooltha Project tenements subject to the MinRes Transaction[1,2,3,4]

Importantly, Dynamic retains the right to explore for other minerals in a region with renowned nickel and gold prospectivity.

Dynamic Metals' Managing Director, Karen Wellman, said:

> *"The Widgiemooltha Project is a regionally significant tenement package that has yet to be fully assessed for its lithium potential. Although we have had some encouraging results with our first pass exploration activities, the sheer size of the Project means that it would likely have taken Dynamic many years and considerable expenditure to assess its potential and realise value.*
>
> *We are excited by this transaction as MinRes is a leader in the lithium sector in Australia, with the technical expertise and financial capabilities to do the Project justice. The nearby location of the Bald Hill mine, operated by MinRes, may offer a pathway to production for any discoveries on the Widgiemooltha Project.*
>
> *The initial consideration will be used to advance exploration of our pipeline of new projects, whilst lithium exploration at Widgiemooltha is expected to generate considerable newsflow, both short and medium term.*
>
> *We look forward to working collaboratively with MinRes over the coming years to deliver value for our shareholders."*

Key terms and conditions of the Agreement

A summary of the material terms of the Agreement is set out in Annexure A.

Completion of the transaction is conditional only on obtaining Ministerial consent to the transfer of an interest in those tenements in their first year of grant and obtaining various third-party consents and deeds of assignment in relation to documents affecting the tenements, and is expected to occur in the second quarter of CY 2024.

Advisors

Dynamic was advised by Hamilton Locke for the MinRes Transaction.

Released with the authority of Dynamic Metals' Board of Directors.

For further information on the Company and our projects, please visit: **www.dynamicmetals.com.au**

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REFERENCES

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following releases lodged with ASX and referred to in this announcement:

1. Mineral Resources ASX Announcement 21/02/2024: “Mt Marion underground Mineral Resource update”
2. Essential Metals ASX Announcement 20/12/2022: “Dome North lithium upgrade boosts Indicated Resource tonnes by 50%”
3. Liatam Mining Bald Hill Mineral Resource accessed 04/03/2024 at https://www.liatam.com/project-bald-hill/
4. Liontown Resources ASX Announcement 05/07/2021: “Potential new growth drill targets defined at 100%-owned Buldania Lithium Project, WA”

FORWARD LOOKING STATEMENT

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning Dynamic Metals Limited’s (Dynamic’s) current expectations, estimates and projections about the industry in which Dynamic operates, and beliefs and assumptions regarding Dynamic’s future performance. When used in this document, the words such as “anticipate”, “could”, “plan”, “estimate”, “expects”, “seeks”, “intends”, “may”, “potential”, “should”, and similar expressions are forward-looking statements. Although Dynamic believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Dynamic and no assurance can be given that actual results will be consistent with these forward-looking statements.

ANNEXURE A – LITHIUM RIGHTS FARM-IN AND JOINT VENTURE AGREEMENT

The key terms of the transaction include:

(a) HoldCo has a right to acquire up to an 80% interest in the Lithium Rights on the Tenements through a combination of an upfront payment, deferred consideration payment and a two stage farm-in.

(b) HoldCo will pay a non-refundable signing fee of $400,000 to Dynamic.

(c) HoldCo will purchase an initial 40% interest in the Lithium Rights from Dynamic for a $3,600,000 cash payment, payable upon completion and a further $1,000,000 deferred consideration payment which will be paid by HoldCo on the earlier of HoldCo earning the Stage 2 Farm-in Interest (being a further 25% interest in the Lithium Rights) and 1 July 2025.

(d) Completion of the acquisition of the initial 40% interest in the Lithium Rights by HoldCo is subject to and conditional on the parties obtaining:

   a. the consent of the Minister in respect of the grant of the Lithium Rights to HoldCo over the Tenements constituting exploration licences in the first year of their term; and

   b. the parties obtaining all necessary consents and entering into all necessary deeds of assignment and assumption or novation required by the Third Party Agreements (primarily being access and heritage agreements).

(e) Upon completion of the acquisition of the initial 40% interest, the parties will establish an unincorporated joint venture in respect of the Lithium Rights. HoldCo will be the initial manager of the joint venture and the joint venture is otherwise on customary terms.

(f) With effect on and from Completion, HoldCo may elect to earn an additional 25% interest in the Joint Venture by funding a minimum of $15,000,000 in expenditure on Lithium Rights within a period of 4 years commencing on the JV Commencement Date.

(g) Once HoldCo has satisfied the Stage 2 Farm-in Obligation and earnt the additional 25% Joint Venture Interest, HoldCo may elect to continue to earn a further 15% interest (total 80% interest) by continuing to sole fund expenditure on the Lithium Rights through to a Decision to Mine (**Stage 3 Farm-in Interest**).

(h) Upon HoldCo earning the Stage 3 Farm-in Interest, Dynamic must elect to either remain in the Joint Venture and contribute to Joint Venture expenses in accordance with its 20% Joint Venture Interest or to convert its Joint Venture Interest to a royalty, upon which HoldCo will own 100% of the Lithium Rights in respect of the Tenements and the Joint Venture will terminate. The royalty will be at a rate of 1.5% of FOB Revenue, payable on all Lithium extracted or removed and processed from the Tenements (including all Lithium concentrates).

(i) HoldCo has the right to market and sell all Product for the life of mine (subject to certain conditions).

(j) Mineral rights sharing terms govern the parties conduct of their respective activities on the Tenements.

(k) The term sheet does not prevent Dynamic from continuing its own exploration activities for minerals other than Lithium on the Tenements.

While the Term Sheet is and remains legally binding on execution, the Term Sheet contemplates the parties entering into a formal farm-in and joint venture agreement and mineral rights sharing agreements within 3 months of signing.

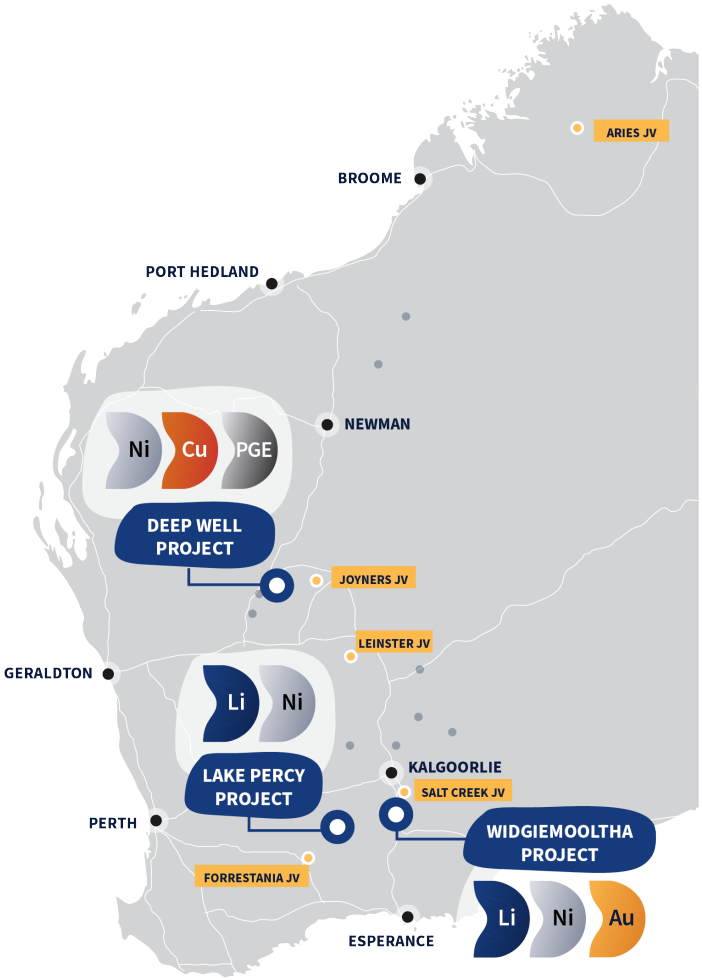
ANNEXURE B – WIDGIEMOOLTHA TENEMENT LIST

Tenement	Status	Registered Holder
E 15/1563	Live	Dynamic Metals Limited
E 15/1624	Live	Dynamic Metals Limited
E 15/1645	Live	Dynamic Metals Limited
E 15/1680	Live	Dynamic Metals Limited
E 15/1691	Live	Dynamic Metals Limited
E 15/1697	Live	Dynamic Metals Limited
E 15/1700	Live	Dynamic Metals Limited
E 15/1705	Live	Dynamic Metals Limited
E 15/1712	Live	Dynamic Metals Limited
E 15/1713	Live	Dynamic Metals Limited
E 15/1720	Live	Dynamic Metals Limited
E 15/1721	Live	Dynamic Metals Limited
E 15/1722	Live	Dynamic Metals Limited
E 15/1753	Live	Dynamic Metals Limited
E 15/1789	Live	Dynamic Metals Limited
E 15/1802	Live	Dynamic Metals Limited
E 15/1816	Live	Dynamic Metals Limited
E 15/1818	Live	Dynamic Metals Limited
E 63/2005	Live	Dynamic Metals Limited
P 15/6112	Live	Dynamic Metals Limited
P 15/6246	Live	Dynamic Metals Limited
P 15/6268	Live	Dynamic Metals Limited
P 15/6342	Live	Dynamic Metals Limited
P 15/6367	Live	Dynamic Metals Limited
P 15/6584	Live	Dynamic Metals Limited
P 15/6585	Live	Dynamic Metals Limited
P 15/6586	Live	Dynamic Metals Limited
P 15/6587	Live	Dynamic Metals Limited

ABOUT DYNAMIC METALS

Dynamic Metals (ASX: DYM) is a dedicated exploration company focused on advancing a highly prospective portfolio of future facing critical minerals projects in Australia. The Company completed a successful IPO in January 2023 raising $7 million to fully fund an aggressive exploration program across the portfolio.

Dynamic's flagship project, Widgiemooltha, covers an extensive area of c.880km^2 extending between Norseman and Kambalda. The region is well known for its numerous nickel and gold mines, but more recently has emerged in significance for its lithium mineralisation and prospectivity.



DYNAMIC METALS CAPITAL STRUCTURE

Share Price: $0.16/share

Cash 31 Dec 2023: $3.1M

Shares on Issue: 49M

Market Cap: $7.8M

Portfolio of future-facing critical minerals projects in Australia

Exposure to global decarbonisation and battery metals thematic

Substantial exploration targets generated across Li, Ni, Cu, PGE and Au

Team has extensive experience and successful track record

On-ground activities complete and drilling commenced

Attractive valuation and leverage to exploration success

Li Ni Cu PGE Au