

30 March 2023

Dear Shareholder,

**FIRST AU LIMITED - GENERAL MEETING**

First Au Limited (**Company**) advises that a General Meeting of the shareholders of the Company (**Shareholders**) is scheduled to be held at the Orchid Room, Level 5, Adina Apartment Hotel, 189 Queen Street, Melbourne VIC 3000 on 28 April 2023 at 10.00am (Melbourne time) (**Meeting**).

The Company will not be despatching physical copies of the Notice of General Meeting (**Notice of Meeting**) unless a Shareholder has requested a physical copy. Instead, the Notice of Meeting can be viewed, accessed and downloaded via the following direct link to the ASX announcements platform of the Company:

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.fau>

**Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chairperson of the Meeting before 10.00am (Melbourne time) on 26 April 2023.** A personalised proxy form is enclosed with this letter. Proxies can be lodged in accordance with the instructions on the personalised proxy form enclosed with this letter. Shareholders who attend the Meeting and have not lodged their proxy form prior to the Meeting will be provided an opportunity to participate and vote at the Meeting.

In addition, the Company may accept and answer questions submitted at least two business days prior to the Meeting by email to [info@firstau.com](mailto:info@firstau.com) by no later than 10.00am (Melbourne time) on 26 April 2023.

If it becomes necessary or appropriate to make alternative arrangements to those set out above and in the Notice of Meeting the Company will announce the alternative arrangements to ASX.

Shareholders are encouraged to check for announcements of the Company at the ASX website (<https://www2.asx.com.au/>), using the search code "FAU".

The Company thanks Shareholders for their ongoing support.

**For and on behalf of the Board:**

A handwritten signature in blue ink, appearing to read "Ryan Skeen".

Ryan Skeen  
Director and CEO

**FIRST AU LIMITED**  
**ACN 000 332 918**  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting ("**Meeting**") of the shareholders of First Au Limited [ACN 000 332 918] ("**the Company**" or "**FAU**") will be held at the Orchid Room, Level 5, Adina Apartment Hotel, 189 Queen Street, Melbourne VIC 3000 on 28 April 2023 at 10.00am (Melbourne time).

Further details in respect of each of the Resolutions proposed in this Notice of General Meeting ("**Notice**") are set out in the Explanatory Memorandum ("**Memorandum**") accompanying this Notice.

The details of Resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

**AGENDA**

**RESOLUTION 1: RATIFICATION OF PRIOR SHARE ISSUE**

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the prior issue of 142,789,991 fully paid ordinary shares at an issue price of \$0.003 (0.3 cents) per share to unrelated sophisticated, professional and other exempt investors as described in the Memorandum which accompanied and formed part of this Notice."*

**Voting Exclusion Statement**

*The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person.*

*However, this does not apply to a vote cast in favour of Resolution 1 by:*

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
  - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

**RESOLUTION 2: APPROVAL FOR SHARE ISSUE**

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 357,210,009 fully paid ordinary shares at an issue price of \$0.003 (0.3 cents) per share to unrelated sophisticated, professional and other exempt investors as described in the Memorandum which accompanied and formed part of this Notice."*

A voting exclusion statement as set out below applies to Resolution 2.

**RESOLUTION 3: APPROVAL FOR OPTION ISSUE**

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of up to 250,000,100 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and*

*which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to unrelated sophisticated, professional and other exempt investors who participated in the placement of shares the subject of Resolutions 1 and 2 as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 3.

#### **RESOLUTION 4: APPROVAL FOR OPTION ISSUE – LEAD MANAGER**

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 20,000,000 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company) to CoPeak Pty Ltd trading as Peak Asset Management (or its nominee(s)), as part fees for lead manager and corporate advisory services rendered as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 4.

#### **Voting Exclusion Statement – Resolutions 2 to 4**

*The Company will disregard any votes cast in favour of Resolutions 2 to 4 respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.*

*However, this does not apply to a vote cast in favour of Resolutions 2 to 4 respectively by:*

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
  - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

#### **RESOLUTION 5 – APPROVAL FOR ISSUE OF MILESTONE 1 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 74,553,572 fully paid ordinary shares and 37,276,786 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 5.

#### **RESOLUTION 6 – APPROVAL FOR ISSUE OF MILESTONE 2 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 74,553,572 fully paid ordinary shares and 37,276,786 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 6.

#### **RESOLUTION 7 – APPROVAL FOR ISSUE OF MILESTONE 3 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 17,410,715 fully paid ordinary shares and 8,705,358 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 7.

#### **RESOLUTION 8 – APPROVAL FOR ISSUE OF MILESTONE 4 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 17,410,715 fully paid ordinary shares and 8,705,358 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 8.

#### **RESOLUTION 9 – APPROVAL FOR ISSUE OF MILESTONE 5 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 28,125,000 fully paid ordinary shares and 14,062,500 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 9.

#### **RESOLUTION 10 – APPROVAL FOR ISSUE OF MILESTONE 6 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 28,125,000 fully paid ordinary shares and 14,062,500 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 10.

#### **RESOLUTION 11 – APPROVAL FOR ISSUE OF MILESTONE 7 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 40,625,000 fully paid ordinary shares and 20,312,500 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 11.

#### **RESOLUTION 12 – APPROVAL FOR ISSUE OF MILESTONE 8 SECURITIES – PG EXPLORATION VENDORS**

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, shareholder approval is given for the issue of 40,625,000 fully paid ordinary shares and 20,312,500 options (each with an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company), subject to the satisfaction of a specified milestone, to the vendors of PG Exploration Pty Ltd (or their nominee(s)), as described in the Memorandum which accompanied and formed part of this Notice.”*

A voting exclusion statement as set out below applies to Resolution 12.

**Voting Exclusion Statement – Resolutions 5 to 12**

*The Company will disregard any votes cast in favour of Resolutions 5 to 12 respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.*

*However, this does not apply to a vote cast in favour of Resolutions 5 to 12 respectively by:*

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
  - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

**OTHER BUSINESS**

To consider any other business that may be brought before the Meeting in accordance with the constitution of the Company and the Corporations Act.

By the order of the Board



**Ryan Skeen**  
Director and CEO

Dated: 30 March 2023

The accompanying Proxy Instructions and Memorandum form part of this Notice.

## PROXY AND VOTING INSTRUCTIONS

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### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the Meeting as your proxy.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chair of the Meeting) a natural person to act as its representative at any general meeting.

### Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00pm (Melbourne time) on 26 April 2023 are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

### How the Chair Will Vote Undirected Proxies

Subject to restrictions as set out in the Notice, the Chair of the Meeting will vote undirected proxies in favour of all of the proposed Resolutions.

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**FIRST AU LIMITED  
ACN 000 332 918  
GENERAL MEETING  
EXPLANATORY MEMORANDUM**

This Memorandum has been prepared for the information of members of First Au Limited [ACN 000 332 918] (the "**Company**" or "**FAU**") in connection with the business to be conducted at the General Meeting ("**Meeting**") of Shareholders of the Company to be held at the Orchid Room, Level 5, Adina Apartment Hotel, 189 Queen Street, Melbourne VIC 3000 on 28 April 2023 at 10.00am (Melbourne time).

This Memorandum should be read in conjunction with, and forms part of, the accompanying Notice.

**BUSINESS**

**Background to Resolutions 1 to 4 – Capital Raising**

On 13 February 2023, the Company announced that it had received binding commitments from unrelated sophisticated, professional and other exempt investors for a two-tranche placement (**Placement**) of ordinary shares (**Placement Shares**) at \$0.003 (0.3 cents) per Placement Share to raise \$1.5 million before costs. Every two Placement Shares are to be accompanied by one free-attaching option (**Placement Option**), each Placement Option having an exercise price of \$0.012 (1.2 cents), expiring 18 months from issue and, upon exercise, entitling the holder to one fully paid ordinary shares in the capital of the Company. The Placement comprises:

- the issue of 142,789,991 Placement Shares under the placement capacity available to the Company under Listing Rule 7.1. These Placement Shares were issued on 20 February 2023 and an Appendix 2A was released to ASX on that date. Resolution 1 seeks shareholder ratification of the prior issue of these Placement Shares.
- The issue of 357,210,009 Placement Shares, subject to receipt of shareholder approval. The Company is seeking shareholder approval to issue these Placement Shares under Resolution 2.
- The issue of Placement Options on the basis of one Placement Option for every two Placement Shares issued, subject to receipt of shareholder approval. The Company is seeking shareholder approval to issue the Placement Options under Resolution 3. The Company is seeking shareholder approval to issue a number of Placement Options that is more than half of the maximum number of Placement Shares that will be issued if Resolution 2 is approved to accommodate fractional entitlements to Placement Options being rounded up.

CoPeak Pty Ltd trading as Peak Asset Management (**Peak**) was engaged as corporate advisor and lead manager of the Placement. The Company has agreed to pay Peak (and/or its nominee(s)) a fee of 6% (plus GST) of funds raised under the Placement. Subject to the full \$1.5 million being raised under the Placement, the Company has also agreed to issue Peak (and/or its nominee(s)) 20,000,000 options with the same terms as the Placement Options (**Broker Options**). Issue of the Broker Options is subject to shareholder approval which is sought under Resolution 4.

If shareholders approve Resolution 1, the Placement Shares the subject of Resolution 1 will no longer use the placement capacity of the Company under the ASX Listing Rules and the Company will be able to issue equity securities using the refreshed placement capacity without shareholder approval under Listing Rule 7.1 and, if relevant shareholder approval is in place at the time, Listing Rule 7.1A. If shareholders do not approve Resolution 1, the Placement Shares the subject of Resolution 1 will continue to use the placement capacity of the Company under the ASX Listing Rules.

If shareholders approve Resolution 2, the Company will be able to issue the Placement Shares the subject of Resolution 2. In addition, the issue of the Placement Shares the subject of Resolution 2 will increase the placement capacity available to the Company under Listing Rule 7.1 and, if relevant shareholder approval is in place at the time, Listing Rule 7.1A. If shareholders do not approve Resolution 2 then the Company will not be able to issue the Placement Shares the subject of Resolution 2.

If Shareholders approve Resolution 3, the Company will be able to issue the Placement Options. In addition, any shares issued upon exercise of the Placement Options will increase the placement capacity available to the Company under Listing Rule 7.1 and, if relevant shareholder approval is in place at the time, Listing Rule 7.1A. If shareholders do not approve Resolution 3 the Company will not be able to issue the Placement Options and the Company.

If Shareholders approve Resolution 4, the Company will be able to issue the Broker Options, subject to the full subscription of \$1.5 million being raised under the Placement. In addition, any shares issued upon exercise of the Broker Options will increase the placement capacity available to the Company under Listing Rule 7.1 and, if relevant shareholder approval is in place at the time, Listing Rule 7.1A. If shareholders do not approve Resolution 3 the Company will not be able to issue the Broker Options and the Company may be required to negotiate a different arrangement with Peak in lieu of the issue of the Broker Options.

#### *Resolution 1 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions including ASX Listing Rule 7.1A, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity, if the number of those securities exceeds 15% of the share capital of the Company at the commencement of that twelve (12) month period. The Placement Shares the subject of Resolution 1 were issued on 20 February 2023 and an Appendix 2A was released to ASX on that date.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities, or an agreement to issue securities, made pursuant to ASX Listing Rule 7.1 (provided the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued or agreed to be issued with shareholder approval for the purposes of ASX Listing Rule 7.1. The Company seeks approval under ASX Listing Rule 7.4 to refresh its capacity to make further issues without shareholder approval under ASX Listing Rule 7.1.

The following information is provided for Resolutions 1 in accordance with ASX Listing Rule 7.5:

- The Placement Shares the subject of Resolution 1 were issued to unrelated professional, sophisticated and other exempt investors who were clients of Peak or were identified by the Company.
- The number of securities issued was 142,789,991 fully paid ordinary shares (Placement Shares).
- The Placement Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue.
- The Company issued the Placement Shares on 20 February 2023.
- Placement Shares were issued at \$0.003 (0.3 cents) each.
- The Placement Shares were issued at \$0.003 (0.3 cents) each. Funds raised from the issue of the Placement Shares have been or will be applied to explorations programs at the projects of the Company (including a drill program at Haunted stream) and to meet general working capital requirements. Further details of the proposed use of funds were set out in the announcement to ASX on 13 February 2023.
- A voting exclusion for each of Resolution 1 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 1.

#### *Resolution 2 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 2 in accordance with ASX Listing Rule 7.3:

- The Placement Shares the subject of Resolution 2 are to be issued to unrelated professional, sophisticated and other exempt investors who are clients of Peak or were identified by the Company.
- The maximum number of Placement Shares the subject of Resolution 2 are 357,210,009.



- Placement Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue.
- The Company proposes issuing the Placement Shares the subject of Resolution 2 shortly after the Meeting and in any event no later than three months after the date of the Meeting.
- The Placement Shares are to be issued at \$0.003 (0.3 cents) per Placement Share.
- The purpose of the issue of the Placement Shares the subject of Resolution 2 is to raise funds that will be applied to exploration programs at the projects of the Company (including a drill program at Haunted stream) and to meet general working capital requirements. Further details of the proposed use of funds were set out in the announcement to ASX on 13 February 2023.
- A voting exclusion for Resolution 2 is contained in the Notice accompanying this Memorandum.

*Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 2.

*Resolution 3 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 3 in accordance with ASX Listing Rule 7.3:

- The Placement Options the subject of Resolution 3 are to be issued to unrelated professional, sophisticated and other exempt investors who participated in the Placement and are clients of Peak or were identified by the Company, on the basis of one Placement Option being issued for every two Placement Shares.
- The maximum number of Placement Options the subject of Resolution 2 are 250,000,100. The Company is seeking shareholder approval to issue a number of Placement Options that is more than half of the maximum number of Placement Shares that will be issued in the event that Resolution 2 is approved to accommodate any fractional entitlements to Placement Options that are rounded up.
- Placement Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue, and upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Placement Options are set out in Annexure A.
- The Company proposes issuing the Placement Options the subject of Resolution 3 shortly after the Meeting and in any event no later than three months after the date of the Meeting.
- The Placement Options are being issued for no cash as free-attaching to the Placement Shares on the basis of one Placement Option for every two Placement Shares issued.
- The Placement Options are being issued for no cash as free-attaching to the Placement Shares on the basis of one Placement Options for every two Placement Shares issued. Funds raised on exercise of the Placement Options (if any) will be applied to meeting working capital requirements at the time of exercise.
- A voting exclusion for Resolution 3 is contained in the Notice accompanying this Memorandum.

*Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 3.

#### *Resolution 4 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 4 in accordance with ASX Listing Rule 7.3:

- The Broker Options are to be issued to CoPeak Pty Ltd trading as Peak Asset Management (or its nominee(s)), who is not a related party of the Company.
- The maximum number of securities to be issued is 20,000,000 Broker Options.
- Broker Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Broker Options are set out in Annexure A.
- The Company proposes issuing the Broker Options shortly after the Meeting and in any event no later than three months after the Meeting.
- Broker Options are proposed to be issued for no cash as partial payment for lead manager and corporate advisory services in connection with the Placement. The issue of the Broker Options is subject to the Company raising \$1.5 million under the Placement. In addition to the Broker Options, the Company has agreed to pay Peak (and/or its nominee(s)) a fee of 6% on the amount raised under the Placement.
- The purpose of the issue of securities is as partial payment for lead manager and corporate advisory services provided by Peak in connection with the Placement. Funds raised on exercise of Broker Options (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 4 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 4.

#### **Background to Resolutions 5 to 12 – proposed acquisition of PG Exploration Pty Ltd**

On 13 February 2023, the Company announced that it had entered into a conditional agreement (**Term Sheet**) with the owners (shareholders) (**PG Vendors**) of PG Exploration Pty Ltd [ACN 653 379 607] (**PG Exploration**) to acquire 100% of the issued capital of PG Exploration. PG Exploration holds four applications for exploration licences (E45 / 6066, E45 / 6101, E45 / 6093 and E47 / 4602 (such applications for exploration licences being collectively the **Tenements**)) and has made a ballot application in the Pilbara region of Western Australia. The proposed acquisition by the Company of 100% of the issued capital of PG Exploration is referred to herein as the **Transaction**. Completion of the acquisition by FAU of 100% of the issued capital of PG Exploration is defined herein as **Settlement**.

On 29 March 2023 and following consultation with and input from the ASX, the Company, the PG Vendors and PG Exploration agreed to vary the terms of the Transaction as it related to the milestones for issue of consideration shares and options referred to below. The variation was announced to ASX on 29 March 2023.

A summary of the material terms of the Term Sheet is set out in Annexure B. The payment or issue of any consideration by the Company to the PG Vendors is conditional upon Settlement. Further details of the conditions required to be satisfied or waived for Settlement to occur are set out in Annexure B.

The aggregate consideration payable by the Company under the Transaction is described below. The Transaction is conditional upon, amongst other matters, shareholders approving the equity components of the consideration:

- A 1.5% net smelter royalty in respect of the Tenements (to be divided equally between the PG Vendors).

- 74,553,572 fully paid ordinary shares (**Consideration Shares**) and 37,276,786 options (each with an exercise price of 0.012 (1.2 cent), expiring 18 months from issue and, upon exercise, entitling the holder to one fully paid ordinary share in the capital of the Company) (**Consideration Options**) (such Consideration Shares and Consideration Options being collectively the **Milestone 1 Securities**) upon grant of an exploration licence in respect of application E45 / 6066 (**Milestone 1**), provided Milestone 1 is achieved on or before the date that is two years from the date of shareholder approval. Issue of the Milestone 1 Securities is subject to shareholder approval which is sought under Resolution 5.
- 74,553,572 Consideration Shares and 37,276,786 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 2 Securities**) upon grant of an exploration licence in respect of application E45 / 6101 (**Milestone 2**), provided Milestone 2 is achieved on or before the date that is two years from the date of shareholder approval. The issue of the Milestone 2 Securities is subject to shareholder approval which is sought under Resolution 6.
- 17,410,715 Consideration Shares and 8,705,358 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 3 Securities**) upon grant of an exploration licence in respect of application E45 / 6093 (**Milestone 3**), provided Milestone 3 is achieved on or before the date that is two years from the date of shareholder approval. The issue of the Milestone 3 Securities is subject to shareholder approval which is sought under Resolution 7.
- 17,410,715 Consideration Shares and 8,705,358 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 4 Securities**) upon grant of an exploration licence in respect of application E47 / 4602 (**Milestone 4**), provided Milestone 4 is achieved on or before the date that is two years from the date of shareholder approval. The issue of the Milestone 4 Securities is subject to shareholder approval which is sought under Resolution 8.

If a Tenement is not granted by the date specified above then the milestone in respect of grant of that Tenement automatically lapses and no Consideration Shares and Consideration Options will be issued in respect of the grant of that Tenement. In the event any of the Tenements are not granted by the date noted above (**Ungranted Tenement**) then the Company and the PG Vendors will act in good faith to transfer the Ungranted Tenement to the PG Vendors for nominal consideration.

FAU has also agreed to issue further Consideration Shares and Consideration Options to the PG Vendors subject to the satisfaction of milestones as set out below:

- 28,125,000 Consideration Shares and 14,062,500 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 5 Securities**) if PG Exploration is successful in its ballot application for, and being registered as holder of, application E45 / 6272 (**Milestone 5**), provided Milestone 5 is achieved on or before the date that is two years from the date of shareholder approval. The issue of the Milestone 5 Securities is subject to shareholder approval which is sought under Resolution 9.
- 28,125,000 Consideration Shares and 14,062,500 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 6 Securities**) if, on or before the date that is four years from the date of shareholder approval, FAU completes an aggregate of 2,500 meters of drilling on any of the following tenements (including in combination, if applicable): E45/6066, E45/6101, E45/6093, E47/4602 and, if the ballot application is granted and PG Exploration Pty Ltd is registered as holder, E45/6272 (**Milestone 6**), provided Milestone 6 is achieved on or before the date that is four years from the date of shareholder approval. The issue of the Milestone 6 Securities is subject to shareholder approval which is sought under Resolution 10.
- 40,625,000 Consideration Shares and 20,312,500 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 7 Securities**) if an independent geological consultant declares a JORC Inferred Resource of not less than 0.5Mt at a grade of not less than 1% Li<sub>2</sub>O on any of the following tenements (including in combination, if applicable): E45/6066, E45/6101, E45/6093, E47/4602 and, if the ballot application is granted and PG Exploration Pty Ltd is registered as holder, E45/6272 (**Milestone 7**), provided Milestone 7 is achieved on or before the date that is five years from the date of shareholder approval. The issue of the Milestone 7 Securities is subject to shareholder approval which is sought under Resolution 11.

- 40,625,000 Consideration Shares and 20,312,500 Consideration Options (such Consideration Shares and Consideration Options being collectively the **Milestone 8 Securities**) if FAU receives and accepts a strategic offtake binding agreement for not less than 25,000 tonnes per annum of lithium concentrate from an unrelated lithium / cathode producer / offtake partner / strategic investor or similar (including a small group of associated investors) on any of the following tenements (including in combination, if applicable): E45/6066, E45/6101, E45/6093, E47/4602 and, if the ballot application is granted and PG Exploration Pty Ltd is registered as holder, E45/6272 (**Milestone 8**), provided Milestone 8 is achieved on or before the date that is three years from the date of shareholder approval. The issue of the Milestone 8 Securities is subject to shareholder approval which is sought under Resolution 12.

If a milestone is not satisfied by the date specified above then the milestone automatically lapses and no Consideration Shares and Consideration Options will be issued in respect of that milestone.

For the avoidance of doubt, all Consideration Options expire 18 months from their respective issue dates and accordingly will not have a common expiry date.

If after completion and prior to expiry of one or more of the milestones above, FAU disposes of either 50% or more of the issued capital of PG Exploration or a 50% or greater interest in the Tenements, FAU and the PG Vendors shall act in good faith to negotiate the lapse of the issue of Consideration Shares and Consideration Options on achievement of the then existing milestone(s). If such negotiations are not successful FAU and the PG Vendors shall refer the matter to mediation. This shall not apply for any milestone that is not achieved by its expiry date.

Resolutions 5 to 12 are interdependent. In the event shareholders do not approve one or more of Resolutions 5 to 12 then any of Resolutions 5 to 12 that had already been passed will not be acted upon by the Company and Resolutions to be considered after shareholders do not approve one of Resolutions 5 to 12 will be withdrawn.

If shareholders:

- Approve all of Resolutions 5 to 12 then the Company will be able to proceed with the Transaction and issue the Consideration Shares and Consideration Options the subject of those Resolutions, conditional upon the achievement of the respective milestones applicable to the issue of those Consideration Shares and Consideration Options. In addition, the issue of Consideration Shares and shares on exercise of Consideration Options (if any) will increase the placement capacity available to the Company under Listing Rule 7.1 and, if the relevant shareholder approval is held at the time, Listing Rule 7.1A.
- Do not approve some or all of Resolutions 5 to 12 then any of Resolutions 5 to 12 that had already been passed will not be acted upon by the Company and Resolutions to be considered after shareholders do not approve one of Resolutions 5 to 12 will be withdrawn. The Transaction will also not proceed.

The following tables show the potential dilutive impact of the issue of the Consideration Shares under Resolutions 5 to 8 only (being if the Transaction proceeds and all of the Tenements are granted) and if the Consideration Shares are issued under all of Resolutions 5 to 12:

**TABLE 1 – CONSIDERATION SHARES ISSUED UNDER RESOLUTIONS 5 TO 8 ONLY**

	Number	% of total
Existing shares	1,094,783,268	67.44%
Consideration Shares	171,428,574	10.56%
Placement Shares under Resolution 2	357,210,009	22.00%
<b>Total shares</b>	<b>1,623,421,851</b>	<b>100%</b>

**TABLE 2 – ALL CONSIDERATION SHARES ISSUED UNDER RESOLUTIONS 5 TO 12**

	<b>Number</b>	<b>% of total</b>
Shares prior to issue of Placement Shares	1,094,783,268	61.73%
Consideration Shares	321,428,574	18.13%
Placement Shares under Resolution 2	357,210,009	20.14%
<b>Total shares</b>	<b>1,773,421,851</b>	<b>100%</b>

*Notes to tables:*

1. *All percentages are subject to rounding.*
2. *The Company raising and/or receiving firm commitments to raise not less than \$1.5 million before costs is a condition precedent of Settlement and accordingly the above tables take into account the issue of all Placement Shares under the Placement.*
3. *The above tables do not take into account the dilutive impact of the issue of shares on exercise of options or other convertible securities, including without limitation Placement Options and Consideration Options.*

**ASX Listing Rule 7.3.4 waivers – Resolutions 5 to 12**

ASX has granted waivers of Listing Rule 7.3.4 to allow the issue of Consideration Shares and Consideration Options the subject of Resolutions 5 to 12 collectively more than three months after the date of the Meeting.

The waivers of Listing Rule 7.3.4 were granted by ASX on the following conditions:

- The Consideration Shares and Consideration Options are to be issued upon satisfaction of the relevant milestone and within the time require by the milestone, and in any event, no later than 5 years from the date of the Meeting;
- The milestones for issue of the Consideration Shares and Consideration Options must not be varied;
- The maximum number of Consideration Shares is capped at 321,428,574 and the maximum number of Consideration Options is capped at 160,714,288;
- Adequate details regarding the dilutionary effect of the Consideration Shares and Consideration Options on the capital structure of the Company is included in the Notice (refer Tables 1 and 2 above);
- For any annual reporting period during which any of the Consideration Shares and Consideration Options have been issue or any of them remain to be issued, the annual report of the Company sets out the number of Consideration Shares and Consideration Options issued in that annual reporting period, the number of Consideration Shares and Consideration Options that remain to be issued and the basis on which the Consideration Shares and Consideration Options may be issued; and
- In any half year for the period during which any of the Consideration Shares and Consideration Options have been issued or remain to be issued, the Company must include a summary statement of the number of Consideration Shares and Consideration Options issued during the reporting period, the number of Consideration Shares and Consideration Options that remain to be issued and the basis on which the Consideration Shares and Consideration Options may be issued.

**Resolution 5 – ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolutions 3 in accordance with ASX Listing Rule 7.3:

- The Milestone 1 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 5 is:
  - 74,553,572 fully paid ordinary shares (**Consideration Shares**); and
  - 37,276,786 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 5 are collectively referred to as the **Milestone 1 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 1 Securities is subject to the achievement of Milestone 1 on or before the date that is two years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 5, the Company proposes issuing the Milestone 1 Securities within a short period after achievement of Milestone 1. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 1 Securities to be issued no later than 28 April 2025, being two years after the date of the Meeting.
- The Milestone 1 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 1.
- The Milestone 1 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 1 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 5 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 5.

#### *Resolution 6 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 6 in accordance with ASX Listing Rule 7.3:

- The Milestone 2 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 6 is:
  - 74,553,572 fully paid ordinary shares (**Consideration Shares**); and
  - 37,276,786 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 6 are collectively referred to as the **Milestone 2 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 2 Securities is subject to the achievement of Milestone 2 on or before the date that is two years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 6, the Company proposes issuing the Milestone 2 Securities within a short period after achievement of Milestone 2. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 2 Securities to be issued no later than 28 April 2025, being two years after the date of the Meeting.
- The Milestone 2 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 2.
- The Milestone 2 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 2 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 6 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 6.

#### *Resolution 7 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 7 in accordance with ASX Listing Rule 7.3:

- The Milestone 3 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 7 is:
  - 17,410,715 fully paid ordinary shares (**Consideration Shares**); and
  - 8,705,358 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 7 are collectively referred to as the **Milestone 3 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 3 Securities is subject to the achievement of Milestone 3 on or before the date that is two years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 7, the Company proposes issuing the Milestone 3 Securities within a short period after achievement of Milestone 3. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 3 Securities to be issued no later than 28 April 2025, being two years after the date of the Meeting.
- The Milestone 3 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 3.

- The Milestone 3 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 3 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 7 is contained in the Notice accompanying this Memorandum.

*Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 7.

*Resolution 8 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 8 in accordance with ASX Listing Rule 7.3:

- The Milestone 4 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 8 is:
  - 17,410,715 fully paid ordinary shares (**Consideration Shares**); and
  - 8,705,358 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 8 are collectively referred to as the **Milestone 4 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 4 Securities is subject to the achievement of Milestone 4 on or before the date that is two years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 8, the Company proposes issuing the Milestone 4 Securities within a short period after achievement of Milestone 4. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 4 Securities to be issued no later than 28 April 2025, being two years after the date of the Meeting.
- The Milestone 4 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 4.
- The Milestone 4 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 4 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 8 is contained in the Notice accompanying this Memorandum.

*Resolution 9 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.



The following information is provided for Resolution 9 in accordance with ASX Listing Rule 7.3:

- The Milestone 5 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 9 is:
  - 28,125,000 fully paid ordinary shares (**Consideration Shares**); and
  - 14,062,500 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 9 are collectively referred to as the **Milestone 5 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 5 Securities is subject to the achievement of Milestone 5 on or before the date that is two years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 9, the Company proposes issuing the Milestone 5 Securities within a short period after achievement of Milestone 5. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 5 Securities to be issued no later than 28 April 2025, being two years after the date of the Meeting.
- The Milestone 5 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 5.
- The Milestone 5 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 5 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 9 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 9.

#### *Resolution 10 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 10 in accordance with ASX Listing Rule 7.3:

- The Milestone 6 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 10 is:
  - 28,125,000 fully paid ordinary shares (**Consideration Shares**); and
  - 14,062,500 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 10 are collectively referred to as the **Milestone 6 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2

cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.

- The issue of the Milestone 6 Securities is subject to the achievement of Milestone 6 on or before the date that is four years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 10, the Company proposes issuing the Milestone 6 Securities within a short period after achievement of Milestone 6. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 6 Securities to be issued no later than 28 April 2027, being four years after the date of the Meeting.
- The Milestone 6 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 6.
- The Milestone 6 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 6 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 10 is contained in the Notice accompanying this Memorandum.

#### *Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 10.

#### *Resolution 11 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 11 in accordance with ASX Listing Rule 7.3:

- The Milestone 7 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 11 is:
  - 40,625,000 fully paid ordinary shares (**Consideration Shares**); and
  - 20,312,500 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 11 are collectively referred to as the **Milestone 7 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 7 Securities is subject to the achievement of Milestone 7 on or before the date that is three years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 11, the Company proposes issuing the Milestone 7 Securities within a short period after achievement of Milestone 7. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 7 Securities to be issued no later than 28 April 2028, being five years after the date of the Meeting.
- The Milestone 7 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 7.
- The Milestone 7 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options

forming part of the Milestone 7 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.

- A voting exclusion for Resolution 11 is contained in the Notice accompanying this Memorandum.

*Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 11.

*Resolution 12 – ASX Listing Rules*

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 months period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided for Resolution 12 in accordance with ASX Listing Rule 7.3:

- The Milestone 8 Securities are to be issued to the PG Vendors, who are not related parties of the Company.
- The maximum number of securities to be issued under Resolution 12 is:
  - 40,625,000 fully paid ordinary shares (**Consideration Shares**); and
  - 20,312,500 unlisted options (**Consideration Options**).

The Consideration Shares and Consideration Options the subject of Resolution 12 are collectively referred to as the **Milestone 8 Securities**.

- Consideration Shares are fully paid ordinary shares that have the same terms as, and rank equally with, the Company's fully paid ordinary shares on issue. Consideration Options have an exercise price of \$0.012 (1.2 cents), expire 18 months from issue and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company. The full terms of the Consideration Options are set out in Annexure A.
- The issue of the Milestone 8 Securities is subject to the achievement of Milestone 8 on or before the date that is three years from the date of shareholder approval. Accordingly and subject to shareholders approving Resolution 12, the Company proposes issuing the Milestone 8 Securities within a short period after achievement of Milestone 8. The Company has sought and obtained a waiver from ASX Listing Rule 7.3.4 to allow for the Milestone 8 Securities to be issued no later than 28 April 2026, being three years after the date of the Meeting.
- The Milestone 8 Securities are to be issued to the PG Vendors, subject to the satisfaction of Milestone 8.
- The Milestone 8 Securities are to be issued as part of the consideration for the acquisition by the Company of 100% of the issued capital of PG Exploration. Funds raised on exercise of the Consideration Options forming part of the Milestone 8 Securities (if any) will be applied to meeting the working capital requirements of the Company at the time of exercise.
- A voting exclusion for Resolution 12 is contained in the Notice accompanying this Memorandum.

*Director recommendation*

The Directors unanimously recommend that shareholders vote in favour of Resolution 12.

*Note: references in the Notice and the Memorandum to "\$" are to Australian currency.*

**ANNEXURE A  
TERMS OF OPTIONS**

*Note: Placement Options, Broker Options and Consideration Options are referred to as "Options" in this Annexure A*

The Options have the following terms:

- (a) Each Option entitles the holder to acquire one fully paid ordinary share (**Share**) in the capital of the Company.
- (b) The exercise price is \$0.012 (1.2 cents) (**Exercise Price**) per Option.
- (c) Each Option is exercisable at any time prior to 5:00pm Melbourne time on the date that is 18 months from issue of the relevant Option (**Expiry Date**).
- (d) Options may be exercised by providing written notice together with payment for the number of Shares in respect of which Options are exercised to the registered office of the Company.
- (e) Any Option that has not been exercised prior to the Expiry Date or cancelled in accordance with these terms shall automatically lapse.
- (f) An Option shall not be able to be exercised (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (g) The Exercise Price is payable in full upon exercise of Options.
- (h) Subject to compliance with applicable law, Options are freely transferable.
- (i) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options must be a minimum of \$1,000.
- (j) All Shares issued upon exercise of Options will rank pari passu in all respect with, and have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX and the Company being listed on ASX at the relevant time. The Options will not give any right to participate in dividends until shares are issued pursuant to the terms of the relevant Options.
- (k) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offers to shareholders without first exercising the Option. Prior to the Expiry Date and if required by the Listing Rules, the Company will send notices to Option holders in accordance with the time limits required by the Listing Rules in respect of offers of securities made to shareholders.
- (l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (m) Options will otherwise have the terms as required by ASX and the Listing Rules.

**ANNEXURE B**  
**SUMMARY OF TRANSACTION TERMS**

*Note: the below is a summary only and does not contain all the terms of the Term Sheet.*

*Transaction structure*

FAU proposes acquiring 100% of the issued capital of PG Exploration Pty Ltd from the shareholders of PG Exploration (**PG Vendors**), each of whom is not a related party of FAU.

If neither of E45/6066 or E45/6101 (**Condition Tenements**) are granted by 8 February 2024 or such later date as agreed between FAU and the Vendors (acting reasonably and in good faith), either FAU or the Vendors may terminate the Term Sheet by written notice. The Vendors grant FAU an irrevocable authority to act as FAU sees fit to seek grant of the Tenements and the Vendors agree to do all things, provide all consents and information and complete all matters necessary to seek grant of the Tenements.

FAU retains exclusivity in respect of the Tenements and the issued capital of PG Exploration Pty Ltd until either settlement or the termination of the Term Sheet in accordance with its terms.

*Conditions precedent*

Settlement of the Transaction is subject to satisfaction or waiver of the following conditions:

- FAU securing all necessary shareholder and regulatory approvals required to complete the Transaction including for issue of the securities forming consideration under the Transaction.
- Completion of legal, financial and technical due diligence by FAU on PG Exploration and its assets, financial position and operations including but not limited to the Tenements.
- For any Tenement(s) which is not granted, at settlement the application in respect of that Tenement having been completed in all material respects and there being no unresolved issues for the grant of the Tenement(s) raised by the department responsible for administering the regulatory framework set out in the applicable mining laws.
- Any granted Tenement(s) being, at settlement, in good standing and full force and effect and free from any encumbrances, third party interests or any liability to forfeiture or non-renewal under the relevant legislation and regulatory framework.
- FAU raising and/or receiving firm commitments to raise in aggregate not less than \$1.5 million before costs under the Placement.
- FAU being provided with evidence (to its reasonable satisfaction) that the Company at settlement will be cash free and debt free.
- There being no material adverse event prior to completion which adversely affects the rights and interests proposed to be acquired under the Transaction.
- All representations, warranties and/or undertakings under the Term Sheet being true and accurate in all material respects (and not misleading in any way) upon execution of the Term Sheet and as at completion of the Transaction.

The conditions precedent (where able to be satisfied prior to Settlement) are to be satisfied on or before the date that is five (5) months after the date of the Term Sheet (or such other later date as FAU notifies the PG Vendors).

*Consideration*

No consideration is payable by FAU until settlement occurs. The consideration noted below that is conditional (being all of the Consideration Shares and Consideration Options) are not to be issued until such time as the relevant milestone for the issue is achieved. Details of the consideration is set out in pages 9 to 18 of the Memorandum.

*Other terms*

- FAU has agreed to pay a non-refundable deposit of \$50,000 and a non-refundable finder's fee of \$30,000, each within 5 business days of completing the first tranche of the Placement. These amounts have been paid by FAU in accordance with the terms of the Transaction.
- The Term Sheet contains mechanics of settlement including completing all matters required to put FAU in effective control of PG Exploration.
- The Term Sheet otherwise contains terms typical for arrangements of this kind, including extensive warranties from the PG Vendors, pre-completion obligations on the PG Vendors including to keep the Tenements in good standing and provisions regarding confidentiality.

# Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (Melbourne time) on Wednesday, 26 April 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

**WEBSITE:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

