

ASX Announcement

27 April 2023

**STATEMENT FROM REQUISITIONING SHAREHOLDER UNDER SECTION 249P OF THE
CORPORATIONS ACT 2001 (Cth) (“THE STATEMENT”)**

First AU Limited (ASX: FAU) (“the Company”) received the attached statement from 7 Enterprises Pty Ltd late on Monday 24 April 2023.

The statement was received too late to distribute a copy to all shareholders before the general meeting which will be held tomorrow. It has been emailed to shareholders who receive notices of meeting electronically. A copy of the statement will be included in the notice of the 2023 AGM which will be sent to all shareholders. The statement is being released to ASX so all shareholders have the opportunity to obtain it.

The release of the statement as received does not imply that the Company endorses the statements or opinions therein.

The Company will make further announcements regarding the dispatch of the Notice of AGM and the requisitioned resolutions which are proposed to be considered at the AGM.

Authorised for release by the Board of Directors.

About First Au: First Au is an advanced gold and base metals exploration company listed on the Australian Securities Exchange (ASX:FAU) and is pursuing exploration programs at the Victorian Goldfields Project in East Gippsland and its 100% owned Gimlet Gold project near Kalgoorlie.

Enquiries in relation to this announcement please contact:

Ryan Skeen – Managing Director & CEO rskeen@firstau.com +61 409 000 679

REQUISITIONING MEMBERS' STATEMENT TO FIRST AU LIMITED MEMBERS PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT

Dear fellow members

As at 24 April 2023, 7 Enterprises Pty Ltd (**7 Enterprises**) owns 10.96% of the shareholding of First AU Limited (**Company**). I am the sole director of 7 Enterprises.

Background – approval sought for massive dilution of existing shareholders

This Friday 28 April 2023, shareholders will be asked to approve:

- a capital raising at an all-time low share price;
- the issue of shares to acquire a lithium opportunity which is so early, exploration tenements have not yet been granted; and
- the massive dilution of existing shareholders associated with these transactions.

Voting intention

7 Enterprises will be voting **AGAINST** these proposed resolutions and urges you to do the same.

Reasons to vote AGAINST proposed resolutions

The purpose of this statement is to outline our reasons for voting against these transactions and why we believe it is necessary to change the Board.

1 Lithium play is inconsistent with strategic direction representations

The Company represented and raised capital on the basis that it was a junior gold exploration company with its flagship exploration project, Victorian Goldfields Project (**VGP**).

On 31 January 2023, the Company advised that the restructured board had undertaken a detailed review of the Company and stated that:

Following this review, the Board determined to strive to become a more disciplined and focused organisation with clearly defined priorities ... The review ... reaffirmed that FAU should continue to focus its exploration on its Victorian Gold project, which the Company believes is highly prospective and has strong potential to deliver substantial value. ... over the next 12-months it will focus its attention on the Haunted Stream and Snowstorm prospects...

The Board's proposed lithium play is inconsistent with its represented VGP priorities and stated strategic direction and management focus.

It is a distraction from its stated VGP priorities and management focus and not the basis on which I and many other investors invested in the Company.

2 Dilution of existing shareholders by capital raising and lithium play

The Board has disclosed that existing shareholders could be diluted by up to c40% from the capital raising and lithium play (ie our collective interest could be diluted from 100% to c60%).

The actual dilution could be **materially worse** because the Board has not disclosed the dilutionary effect of the **430,714,388** options to be granted to acquire the lithium play.

The basis on which the lithium play has been valued has not been disclosed and shareholders do not have sufficient information to form a view as to whether this level of dilution is fair or reasonable.

3 Dilutive capital raising price

The proposed capital raise at \$0.003 is the lowest price the Company has ever traded, undervalues the Company and is overly dilutive.

The Company has raised capital at the following prices over the last 24 months:

- \$1,280,000 at \$0.017 per share in February 2021
- \$1,840,000 at \$0.012 per share in October 2021
- \$900,000 at \$0.008 in July 2022
- \$432,000 at \$0.003 in February 2023

I believe the Board has not done enough to raise funds at a higher issue price.

The proposed valuation and consequent dilution of existing shareholders is not in the best interests of shareholders.

4 **New directors are needed for the benefit of all shareholders**

In my opinion, the Board has failed preserve value for shareholders which is reflective in the Company's valuation for the proposed capital raising.

The proposed directors' appointment will substantially improve the capabilities of the Company and strengthen the position to maximise shareholder value going forward.

- **Mr Daniel Raihani** – I am an accountant and tax professional with a wide range of experience at the C level in for-profit and not-for-profits. I started in management accounting, having obtained a BBus and DipFS, and then went on to establish an accounting practice and then a not-for-profit focused on the UN Global Goals. Since 2010 I've managed the family office for the Raihani Group and from 2015 to 2020 served as CEO of one of the largest strata management companies in Australia, with over \$1BN in property assets under management. Currently I have controlling equity & well as Directorships in companies in real estate sales and management, manufacturing, automotive exports, property development and tax consultancy with offices in UAE, Sydney & Hong Kong. The family office also has a portfolio of junior listed resource companies across different minerals globally. I am a member of the Australian Institute of Company Directors (MAICD) and a Justice of the Peace. I also serve on the board of a number of unlisted private companies.
- **Mr Lei Shi** – is an experienced geologist with over 10 years in the mining industry. Lei's expertise in geology and his experience in mining make him a valuable asset to any organization in the industry. He holds a BSc in Applied Geology from Curtin University and an Honours degree from the Centre of Exploration Target at the University of Western Australia. Lei is a member of the AusIMM. Lei has served in various roles from field geologist to project geologist in several ASX, TSX, and Australian mining companies since 2012. He also served as Technical Director of the Spodumene Lithium Mine in Xinjiang Province from 2017 to 2019 and as Senior Manager of Hong Kong listed producer Lingbao Gold from 2017 to 2019. Since 2019, Lei has been working as an exploration and M&A consultant for various lithium and gold companies, including Theta Gold Mines, Ruifu Lithium Industrial, Eve Energy Co., Ltd, and Shandong Chenxing Mining Co., Ltd.

I urge shareholders to vote:

- at the meeting this Friday 28 April 2023 and any subsequent adjournment - **AGAINST** Resolutions 1 – 12 (capital raising and lithium play); and
- at the AGM or other meeting where the Board change resolutions are considered – **FOR** the removal Directors O'Meara and Quinert and **FOR** the appointment of Daniel Raihani and Lei Shi as directors

Yours sincerely,



.....
Daniel Raihani
7 Enterprises Pty Ltd
ACN 169 639 883