

Notice of General Meeting SensOre 17 January 2024

ACN 637 198 531

Notice is given of a general meeting (**GM** or **Meeting**) of shareholders of SensOre Limited. ACN 637 198 531 (**SensOre** or the **Company**) that will be held on Wednesday 17 January 2024 at 11.00am (AEDT) at Level 3, 10 Queen Street, Melbourne, Australia.

The Explanatory Notes that accompany and form part of this Notice of General Meeting describe the various matters to be considered.

The Guide attached provides information on how to vote online before the meeting.

If you wish to lodge your proxy, please follow the steps on your enclosed personalised Proxy Form and lodge it by 11.00am (Melbourne time) on Monday, 15 January 2024.

Shareholders who wish to attend the GM will only be able to do so physically by attending the meeting.

To ensure all votes cast are duly counted, voting on each Resolution will be by way of a poll rather than a show of hands.

If you have any questions regarding any Resolution or other matters, you are encouraged to submit them by email to richard.taylor@sensore.com.au so that they are received by the Company no later than 11.00am (Melbourne time) on Tuesday, 16 January 2024. The Company will endeavour to respond to all relevant questions or matters before or at the Meeting.

Even if you plan to attend the GM, you are encouraged to lodge a proxy form and submit any questions before the GM.

BUSINESS

There are 5 items of business. Items 1-3 and 5 of business at the GM are ordinary resolutions. To be passed, an ordinary resolution requires a simple majority of votes cast by shareholders present in person or by proxy and entitled to vote on the resolution. Item 4 of business is a special resolution. Special resolutions require 75% of the votes cast by shareholders present in person or by proxy and entitled to vote on the resolution to pass.

TECHNOLOGY DEMERGER

1. Resolution 1: Approval for an Equal Reduction in Capital: Demerger of Tully Investors Limited

To consider and, if thought fit, pass the following resolution:

‘THAT, subject to and conditional on all other resolutions being adopted and for the purposes of Sections 256B and 256C of the Corporations Act and for all other purposes, approval is given for:

(a) the issued share capital of SensOre Limited to be reduced by an amount equal to the value of the 80,274,094 fully paid ordinary shares the Company holds in Tully Investors Limited (Tully) ACN 673 425 593, valued at \$8,490,996; and

(b) the reduction of share capital be satisfied by the Company making a pro rata in-specie distribution of the Tully Shares at the Record Date, to be effected in accordance with the Corporations Act, the Listing Rules and as otherwise determined by the Board, with the consequence that each Shareholder at the Record Date shall be deemed to have consented to becoming a shareholder in Tully and being bound by its constitution, and otherwise on the terms and conditions set out in the Explanatory Memorandum.’

Voting restrictions apply to this resolution (see section 5).

LITHIUM EXPLORATION

2. Resolution 2: Issue of Shares and Options to Deutsche Rohstoff AG for Acquisition of 70% Interest in Lithium Assets

To consider and, if thought fit, pass the following resolution:

‘THAT subject to and conditional on all other resolutions being adopted and for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given to the grant, allotment and issue to Deutsche Rohstoff of 34,300,000 fully paid ordinary shares in the Company and 26,000,000 options over unissued fully paid shares in the Company, to be issued on completion of the Exploration Ventures AI Pty Ltd (EVAI) Acquisition as more particularly specified in the Explanatory Memorandum.’

Voting restrictions apply to this resolution (see section 5).

3. Resolution 3: Issue of Placement Shares (\$3m)

To consider and, if thought fit, pass the following resolution:

‘THAT subject to and conditional on all other resolutions being adopted and for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be given to the allotment and issue approximately 60,000,000 fully paid ordinary shares in the Company at \$0.05 per share under the Placement and 7,500,000 broker options to PAC Partners Securities Pty Ltd announced to the ASX on 18 December 2023 as more particularly specified in the Explanatory Memorandum.’

Voting restrictions apply to this resolution (see section 5).

4. Resolution 4: Change of Company Name to Premier1 Lithium Limited

To consider and, if thought fit, pass the following resolution:

‘THAT, subject to and conditional on all other resolutions being adopted and with effect from the date that ASIC alters the details of the Company’s registration in accordance with section 157 of the Corporations Act, the name of the Company be changed to Premier1 Lithium Limited.

This Resolution is a special resolution.

Voting restrictions apply to this resolution (see section 5).

5. Resolution 5: Appointment of Anja Ehser as a Director

To consider and, if thought fit, pass the following resolution:

‘THAT subject to and conditional on all other resolutions being adopted, Anja Ehser, being eligible, be elected as a Director of the Company.’

Voting restrictions apply to this resolution (see section 5).

By order of the Board

18 December 2023

Richard Taylor

Company Secretary

EXPLANATORY MEMORANDUM

19 December 2023

CHAIRMAN'S LETTER

Fellow Shareholders,

The proposed set of resolutions at this General Meeting of shareholders will result in profound change for the Company's operations. Increasingly, we have found that the needs of the technology and exploration components of our business have diverged and the preference from investors for pure exposure to either the technology or the exploration assets has increased. As a board, we believe that this factor is one of the reasons for the share price performance since we listed in February 2021. As a result, we have acted decisively to demerge the technology from the exploration assets and we seek your endorsement of that approach.

If you approve these resolutions, you will receive an in-specie distribution of shares in the technology business, held through an investment holding company established to represent the interests of the then former-shareholders of the combined business. Revenue from the technology side of the business has been growing strongly over the last two years, enhanced by the successful integration of Intrepid Geophysics which was acquired in 2022. The business will require further funding over the short term to expand and improve aspects of the technology, such as the user experience, and to grow its sales and marketing arm. It is our board's belief that this is best achieved by seeking venture capital funding as an unlisted entity.

Our exploration assets have also had significant success that needs to be followed up. The exciting Abbotts North project will be drill ready early in the new year. This, potentially large, newly identified pegmatite field with lithium fertility indicators, including rock chips at 1.25% lithium oxide on surface is an example of the application of our big data approach to discovery. We have evolved our partnership with Deutsche Rohstoff AG and agreed to our Company acquiring a 100% interest in the joint portfolio of lithium assets in exchange for Deutsche Rohstoff AG to get to 19.9% interest in the post-demerged listed entity, plus options that if all were exercised and no further capital raisings occurred would equate to a further 10.4% of the post-demerged listed entity subject to shareholder and regulatory approvals. We have also secured binding commitments for A\$3 million to drill Abbotts North and explore the portfolio of lithium assets identified using the technology.

I intend to vote in favour of all of the resolutions as I believe the transactions are in the best interests of both the Company and shareholders. This Explanatory Memorandum includes important information and I encourage you to read it in its entirety before making a decision.

I look forward to your continued support for the two demerged entities as they move forward on their separate pathways.

Yours sincerely,



Robert Peck AM

Chairman

SensOre Limited

TABLE OF CONTENTS

1.	General Information	5
2.	Action to be taken by shareholders	5
3.	Demerger	8
4.	Lithium Transactions	25
5.	Voting Prohibition and Voting Exclusion Statements	37
6.	Key Risk Factors	40
7.	Tenement Schedule inclusive EVAI assets	45
8.	Pro-forma post transaction balance sheets for SensOre and Tully Investors Limited	49

1. General Information

These Explanatory Notes have been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the GM.

The purpose of these Explanatory Notes is to provide Shareholders with all information known to the Company that is material to a decision on how to vote on the resolutions in the accompanying Notice of GM.

These Explanatory Notes should be read in conjunction with the Notice of GM. Capitalised terms used in these Explanatory Notes, unless the context otherwise requires, have the meaning given to them in the Notice of GM.

If you have any questions regarding the matters set out in these Explanatory Notes or in the Notice of GM, please contact the CEO and Company Secretary by email richard.taylor@sensore.com.au.

You will find a proxy form with the Notice of Meeting.

2. Action to be taken by shareholders

2.1 Purpose of this document

The main purpose of this document is to:

- (a) explain the terms of the Proposed Transactions, and the manner in which the Proposed Transactions (or parts of the Proposed Transaction) will be implemented (if approved); and
- (b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions required to give effect to the Proposed Transactions.

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 1, as required by Section 256C(4) of the Corporations Act.

2.2 ASX/ASIC Approvals

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

2.3 Forward Looking Statements

This Explanatory Memorandum contains forward-looking statements, including statements identified by use of words such as 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.

Forward-looking statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Company, its Directors and Management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Except as set out above, the Company and its Directors cannot and do not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements. The Company does not intend to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Explanatory Memorandum, except where required by law.

These statements are subject to various risk factors that could cause SensOre's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 6. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this Explanatory Memorandum.

2.4 Competent person's statement

Information in this Explanatory Memorandum in particular Section 3 and 4 (including project figures), that relates to exploration targets, exploration results and mineralisation is based on and fairly reflects information compiled, and conclusions derived, by Mr Robert Rowe who is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and a Registered Professional Geoscientist (RPG) in the field of Mineral Exploration with the Australian Institute of Geoscientists (AIG). Mr Rowe is a full-time employee and Chief Operating Officer of SensOre. Mr Rowe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being

undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

2.5 Disclaimers

This Explanatory Memorandum includes information regarding the past performance of SensOre. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

As the Company is in a relatively early stage of development there are significant uncertainties associated with forecasting future financial information, including future revenues and expenses of the Company. On that basis, the Directors believe there is no reasonable basis for the inclusion of financial forecasts in the Explanatory Memorandum.

2.6 New Zealand Shareholders

This document is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law). In offering Tully Shares under the In-specie Distribution in New Zealand, the Company is relying on an exemption contained in the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and accordingly, this document may not contain all the information that a disclosure document is required to contain under New Zealand law. New Zealand investors should seek their own advice and satisfy themselves as to the Australian and New Zealand tax implications of participating in the In-specie Distribution.

2.7 Timetable

The indicative timetable is set out below.

Key dates

SensOre lodges notice of meeting and short form prospectus with ASIC and despatches notice of meeting	19 December 2023
Appendix 3A.5 announcing return of capital by way of In-specie Distribution of Tully Shares	19 December 2023
General Meeting to approve return of capital by way of the In-specie Distribution of Tully Shares	17 January 2024
ASX informed of Shareholder approval and SensOre announces effective date of the return of capital by way of the In-specie Distribution of Tully Shares	17 January 2024
Effective Date for return of capital by way of the In-specie Distribution of Tully Shares	18 January 2024
Last date for trading in SensOre cum return of capital	19 January 2024
Record Date for the In-Specie Distribution	23 January 2024
Completion of acquisition of the EVAI Assets (including the issue of shares and options to DR) and the issue of the Placement shares	25 January 2024
In-specie Distribution of Tully Shares	25 January 2024
Dispatch of holding statements for In-Specie Distribution of Tully Shares	25 January 2024

Note: This timetable in respect of dates after the date of this Notice of Meeting is indicative only and may change. Unless otherwise indicated, all times are stated in Melbourne, Australia time. The Company reserves the right to vary any and all timetable dates and times without notice subject to the ASX Listing Rules and the Corporations Act.

2.8 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

2.9 How to exercise your vote

If you are a body corporate, you may vote by appointing an authorised representative or by proxy.

2.9.1 Voting Entitlements

The Company has determined that for the purposes of voting at the Meeting or at any adjourned Meeting, Shares will be taken to be held by those persons recorded on the Register of Members at the Voting Entitlement Time.

2.9.2 Voting Entitlement Time

The Company has determined that, in accordance with section 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 7pm (AEDT) on 15 January 2024. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

2.9.3 Joint holders

When joint holders are named in the Register of Members only one joint holder may vote. If more than one of the joint holders is present at the GM, only the person whose name appears first in the Register of Members will be entitled to vote.

2.9.4 Voting by proxy

1. A member entitled to attend and vote at the meeting is entitled to appoint one or (if entitled to cast two or more votes) two proxies to attend and vote instead of the member.
2. If a member appoints two proxies, each proxy may be appointed to represent a specified proportion or number of the member's votes. If no such proportion or number is specified, each proxy may exercise half of the member's votes.
3. Where an appointment specifies the way the proxy is to vote on a resolution:
 - (a) if the proxy is not the chairperson, the proxy need not vote on a poll but, if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy is the chairperson, the proxy must vote on a poll and must vote that way.
4. If the chairperson is your proxy and you do not wish to specifically direct how the proxy is to vote, you should tick the relevant box on the proxy form and, by doing so, you will be taken to have directed the chairperson to vote in favour of the resolutions and the chairperson will exercise your votes in favour of the resolutions.
5. A proxy may be an individual.
6. A proxy need not be a member of the Company.
7. A proxy form is enclosed with this notice of meeting. If you wish to exercise your right to vote on the resolution by proxy, your completed and signed proxy form and the authority (if any) under which it is signed, or a certified copy of that authority, must be sent to the Company by either:
 - (a) email: Richard.taylor@sensore.com.au or
 - (b) post:
Level 3, 10 Queen Street, Melbourne, 3000.
so that it is received by the Company no later than 11.00am (Melbourne Time) on Monday, 15 January 2024.
8. The proxy form must be signed by the member or, if the member is a body corporate, the form must be executed in accordance with section 127 of the Act, or by its duly authorised officer or attorney.

2.9.5 Voting by corporate representative

If a Shareholder is a body corporate, or appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the GM, in accordance with section 250D of the Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to the GM.

If such evidence is not received prior to the GM, the body corporate (through its representative) will not be permitted to act on the Shareholder's behalf. Evidence of appointment can be sent prior to the GM by: email (preferred) to: Richard.taylor@sensore.com.au or post to: Level 3, 10 Queen Street, Melbourne, 3000.

3. Demerger

3.1 Resolution

The Directors of SensOre have determined that the Demerger of its technology assets is in the best interest of the Company and its shareholders.

3.2 Background to transaction

SensOre was admitted to the official list of the ASX on 11 February 2021. SensOre’s activities were mining exploration, services and technology, organised in 3 (three) business units: technology, services and exploration. SensOre is undertaking a demerger of its current technology assets into Tully, which will develop the technology, software and services which are currently part of SensOre’s business. The demerger will allow greater focus on core activities for each of the business units. The proposed demerger provides an opportunity to unlock value for shareholders.

Since inception, SensOre has held its technology and IP assets in a separate subsidiary (SensOre_X Pty Ltd). In July 2022, SensOre acquired further technology assets when it acquired Intrepid Geophysics, consisting of two subsidiaries held under SensOre_A Pty Ltd. The exploration assets are held in several separate subsidiaries based on commodity and joint-venture obligations (gold and other metals in SYV, SBM and SensOre_Y) and lithium (EVAI). Tully was established on 5 December 2023 as an investment holding company for the technology assets.

The current structure of the SensOre Entities is shown below in Figure 1:

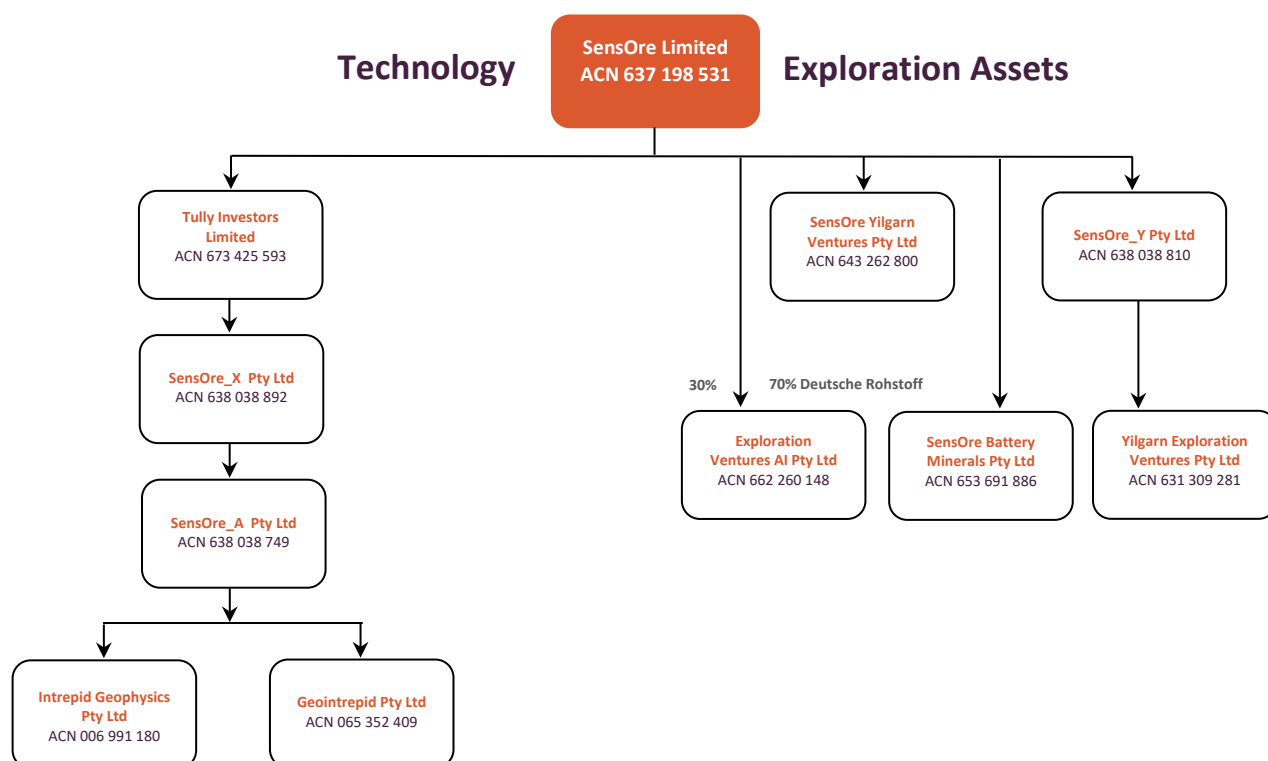


Figure 1 – Pre-transaction corporate structure

Tully was incorporated on 5 December 2023 in preparation for the potential demerger of the assets and is currently a wholly-owned subsidiary of SensOre. Tully’s sole asset is its shareholding in SensOre_X Pty Ltd, the holding company for all of SensOre’s intellectual property and technology assets. SensOre_A holds the Intrepid Geophysics entities will be restructured such that its shares are held by SensOre_X Pty Ltd.

As announced to the ASX on 18 December 2023, SensOre is proposing, subject to Shareholder approval, to transfer the technology assets to its subsidiary company Tully.

To give effect to the Demerger, SensOre and Tully (and their various subsidiaries) have entered into a demerger implementation deed, pursuant to which Tully will issue SensOre 80,274,094 fully paid ordinary shares in Tully in consideration for the Tully Assets. SensOre intends to distribute and transfer 80,274,094 Shares (In-specie Shares) to

SensOre Shareholders which hold Shares on the In-specie Record Date on a pro rata basis as an in-specie distribution (In-specie Distribution).

The In-specie Distribution will only proceed if the conditions precedent to the Demerger Implementation Deed (Conditions Precedent) are satisfied or waived. The key Conditions Precedent are summarised in Section 3.11.2 below.

Should the Conditions Precedent be satisfied, the In-specie Distribution will be effected by an equal reduction of SensOre's capital on a pro rata basis. SensOre Shareholders will receive an in-specie return of capital by way of the distribution of Tully Shares at nil cost in proportion to the number of SensOre Shares held by them at the In-specie Record Date. SensOre Shareholders will thereby retain direct ownership of SensOre and will also receive direct ownership of Tully.

From a tax perspective, SensOre Shareholders will be required to treat the value of the Tully shares received from the in-specie distribution as a return of capital which will be used to reduce the cost base of your shareholding in SensOre. SensOre will advise details of this process and values following the in-specie return being completed (see Section 3.21 for further details).

SensOre's primary purpose in undertaking the Demerger and In-specie Distribution (together, the Demerger Transactions) is to facilitate a greater focus on SensOre's large and high-quality portfolio of Western Australian lithium and critical minerals development assets in line with the Board's commitment to deliver value for Shareholders. Specifically, the Demerger Transaction is being undertaken to achieve the following objectives:

- (a) allow SensOre to dedicate its efforts to its lithium and critical minerals projects, particularly the acquisition of a 100% interest in the EVAL lithium portfolio, in doing so remove the internal competition for valuable capital;
- (b) provide Shareholders with the opportunity to participate in the development of the Tully Assets, whilst maintaining their investment exposure to the lithium and critical minerals assets;
- (c) drive superior value for shareholders in both entities; and
- (d) enable both Tully and SensOre to undertake more targeted marketing to investors as both companies have a clear and more easily understood investment proposition.

In the event:

- (a) All resolutions are passed;
- (b) SensOre proceeds with the Demerger; and
- (c) the Conditions Precedent are satisfied as set out in 3.11.2

SensOre and Tully will have the following structure:

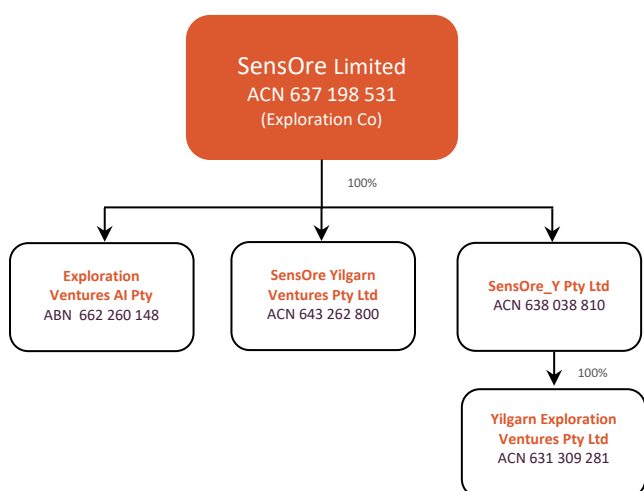


Figure 2: SensOre Post Demerger

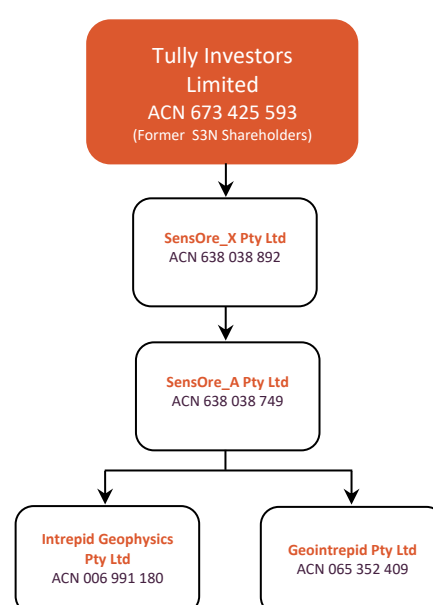


Figure 3: Former-SensOre Entities Post-Demerger

If the In-specie Distribution does not proceed, SensOre will continue to focus its resources on developing its technology and exploration assets, but SensOre will need to prioritise activities and will focus on exploration at the highly prospective lithium project at Abbotts North and capital may not be available to pursue the technology growth agenda.

The dominant business activity of SensOre following the completion of the Demerger Transaction will be the exploration of the Abbotts North pegmatite field and its portfolio of lithium and critical minerals exploration projects. SensOre will be largely debt free, with a tight capital structure and modest cash position of \$1 million as at 30 September 2023. SensOre intends to secure a strategic partner to assist with exploration on some of its non-core exploration projects.

3.3 Pre and Post Transaction Balance Sheet and Financial Summary

Pro-forma post transaction balance sheets are set out for SensOre and Tully in section 8 outlining the assets, liabilities and financial position of SensOre and Tully post-demerger.

The Demerger Implementation Deed (DID) specifies how the working capital needs of the business will be met by apportionment of cash, R&D finance (if any) and asset distribution. The technology assets have been held and accounted for in the entities that are being demerged. SensOre post the Lithium Transactions will have at least A\$3 million in new equity, no debt, drilling finance from the Western Australia government under the Exploration Incentive Scheme (EIS) and pre-paid drilling assets, as well as a portfolio of assets that may be monetised or pursued for exploration.

Post demerger, Tully is anticipated to be cash generative. Under the DID, estimates of working capital needs and timings on repayments of the current accounts receivable have been factored into the needs of the business. Tully is anticipated to seek venture capital to support its growth initiatives at an appropriate time.

The DID establishes a Separation Committee co-chaired by Mr Robert Rowe as incoming SensOre_X Managing Director and Mr Richard Taylor, CEO and Executive Director of SensOre. The DID addresses the assignment of assets, novation of contracts and contains high level principles to apportion assets and rights between the parties. The DID contains procedures for 'wrong pockets' payments post-demerger, mutual indemnities, requirements to negotiate in good faith and dispute resolution provisions typical of agreements of this nature.

3.4 Board and Key Management Personnel Changes

SensOre's current Directors are Mr Robert Peck AM, Mr Adrian Manger, Mr Robert Rowe, Mr Anthony O'Sullivan, Mr Nic Limb and Mr Richard Taylor.

SensOre Directors will consist of Ms Anja Ehser (see Resolution 5), Mr Nic Limb and Mr Richard Taylor.

SensOre Board

(i) Mr Nic Limb - Non-Executive Chair (Hons), MAusIMM

Nic has overseen various ASX listed mining and exploration companies as managing director, executive chairman and, more recently, non-executive chairman. Those companies were mainly in the gold and mineral sands industries, operating in Australia and internationally. From 2011 to 2021, Nic was non-executive chairman of an ASX listed oil and gas exploration and development company. He has also held various non-executive director roles with listed wine companies and was chairman of the board of an international joint venture mining and smelting company for a number of years. Nic is a professionally qualified geoscientist, has developed significant leadership, financial and negotiating skills, and has extensive risk oversight, governance and management expertise.

(ii) Ms Anja Ehser - Non-Executive Director

Anja is VP Geology at Deutsche Rohstoff AG (Deutsche Rohstoff) with more than 15 years of exploration experience including previous roles with Sabina Silver and Xstrata Copper. Within Deutsche Rohstoff, Anja is responsible for the business development of the metals and mining division and holds management and board positions in various subsidiaries. Apart from metals and mining, Deutsche Rohstoff explores and produces crude oil and natural gas in the United States.

(iii) Mr Richard Taylor - Executive Director GAICD, MBA, LLM, BEc/LLB

Richard has held senior executive roles in the resource sector for more than 15 years. Prior to SensOre, he was CEO of ASX-listed Terramin Australia Ltd and held senior roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd specialising in business development, strategy and governance. Richard is a qualified lawyer. He holds an MBA from the University of Cambridge and a Master degree in Law from ANU.

If the resolutions do not pass, the intention is for the board to remain unchanged.

If the Demerger Transaction is approved and all resolutions are passed, Tully Directors will consist of Mr Robert Peck AM, Mr Adrian Manger, Mr Robert Rowe and Mr Anthony O’Sullivan.

The Tully Board and key management personnel are set out below:

Tully Board

(i) Mr Robert Peck - Non-Executive Chair AM BArch, MBA

Robert is a founding Principal of peckvonhartel architects with 50 years’ experience in the architectural, development and infrastructure sectors, and the building industry nationally and in South East Asia. He is former President of the Australian Association of Consulting Architects, founding director of Japara Healthcare, former Chair of iVvy and director of the RVF Group.

(ii) Mr Robert Rowe – Non-Executive Director of Tully and Managing Director of SensOre_X Pty Ltd BSc (Hons), MAusIMM, RPG in Mineral Exploration with AIG and MSEG

Robert has +30 years of experience in gold and copper exploration from greenfield to mining environment. He was former Chief Geologist and VP Exploration Australia Africa Asia Pacific region with Barrick Gold Corporation. He is an UNCOVER executive and from 2014 to 2019 was an independent consultant to the mining industry, government and academia. Robbie is responsible for the acquisition of new data sources and for managing execution of field exploration programs for technology validation.

(iii) Adrian Manger - Non-Executive Director B.Bus, CPA, MBA

Adrian is a senior business executive with 30 years’ minerals industry experience, including 20 years in executive roles with BHP. He has founded and successfully commercialised private Australian, Chilean and Peruvian mineral exploration companies, including investment financing and joint ventures with majors. Adrian was involved in listing a Chilean exploration portfolio on the Canadian Securities Exchange and serves as the company’s Chairman. He was a founding board member for the Australia Colombia Business Council and a former board member of Fundacion Buen Punto, a Colombian Not-For-Profit community sports foundation. Adrian is a Certified Practising Accountant (CPA) and member of CPA Australia.

(iv) Anthony O’Sullivan – Non-Executive Director BSc (Hons), MSc, FAusIMM, FSEG

Anthony is Chief Development Officer of recently Nasdaq listed, The Metals Company, and has over 30 years’ experience in mineral exploration, technology and project development. He is a former BHP Global Exploration Leadership team member and has been involved in multiple start-ups including QPX Exploration, focused on deploying artificial intelligence and machine learning to improving mineral exploration outcomes.

Key Management Personnel

The majority of SensOre’s staff are associated with the development and implementation of SensOre’s technology, software and services business and will be assigned to Tully’s subsidiary SensOre_X Pty Ltd.

Staff involved with exploration field work, tenement management and ASX compliance will continue with SensOre.

3.5 Capital Reduction

SensOre seeks Shareholder approval under Resolution 1 to enable SensOre to reduce its capital by the distribution of specific assets to Shareholders, being 80,274,094 In-specie Shares.

The Corporations Act set out the procedure and timing for a capital reduction. Refer to Section 2.7 for an indicative timetable in respect of the Demerger Transaction. The alteration to SensOre’s capital and the In-specie Distribution will become effective from the Record Date, provided that after the In-specie Record Date has been set, the Directors have not provided a notice to ASX stating that SensOre does not intend to proceed with the reduction of capital contemplated by Resolution 1.

Generally, the standard record date for a reorganisation of capital of an ASX-listed company is not less than four business days following the relevant general meeting of that company.

As a result, the In-specie Record Date is to be set by the Directors after the date Resolution 1 is passed, such that the In-specie Record Date will be not less than four Business Days after the date on which Resolution 1 is passed and not later than 20 Business Days after the date on which Resolution 1 is passed.

If the capital reduction proceeds, eligible Shareholders will receive a pro rata entitlement to In-specie Shares and each Shareholder's name will be entered on the register of members of Tully with each Shareholder having deemed to have consented to becoming a Tully Shareholder and being bound by its constitution (unless the relevant Shareholder is an ineligible overseas Shareholder, in which case it will receive the proceeds – see 3.20).

A Shareholder's entitlement to In-specie Shares to be distributed is to be based on the number of SensOre Shares held at the In-Specie Record Date.

Due to the outstanding Options and Performance Rights on issue in SensOre and also because of the possibility of future issue of Shares by SensOre before the In-specie Record Date, it is not clear at the date of this Notice how many SensOre Shares will be on issue at the In-specie Record Date nor therefore what the exact ratio for the In-specie Distribution will be.

If no Options are exercised or Performance Rights vest prior to the In-specie Record Date, the ratio will be 1 In-specie Share for every 1 SensOre Share. If all Performance Rights are exercised, the ratio will be 1 In-specie Share for every 0.94 SensOre Shares.

Other than as shareholders of SensOre or as otherwise set out in this Explanatory Memorandum, none of the Directors have any interest in Resolution 1.

3.6 ASX escrow

SensOre has received a waiver to ASX Listing Rule 7.24A in relation to Shareholders of SensOre that are subject to an escrow period expiring on 11 February 2024 to allow the In-Specie Distribution to proceed and for these Shareholders to participate in the In-Specie Distribution. SensOre expects no changes to escrow arrangements regarding SensOre Shares currently held in escrow. A condition of the waiver is that the Tully Shares issued in-specie to escrowed shareholders are subject to the same escrow period i.e. 11 February 2024 once distributed.

3.7 Failure to achieve transaction

Failure to achieve completion of the Demerger Transaction may result in a reduced level of expenditure on the Tully Assets by SensOre, or development may occur on a delayed timetable, as a strategic partner is sought.

If this occurs, SensOre may explore alternative methods of funding development of the Tully Assets although a successful outcome cannot be guaranteed.

The Board has considered all the alternatives currently available and believes that the Demerger Transaction is expected to result in the most advantageous result for existing Shareholders.

3.8 Capital raising

In conjunction with the Demerger Transaction, SensOre has received binding indications of \$3m for a placement in SensOre contingent on the Demerger Transaction and all other resolutions passing. The placement will significantly advance SensOre's lithium and critical minerals projects.

3.9 Projects

SensOre has reached agreement to acquire the 70% interest in EVAL it does not own. See section 4

SensOre has a range of critical minerals and precious metals projects that it has been developing for several years:

3.9.1 North Darlot

The North Darlot JV project is located 975km northeast of Perth in the Yandal Region of the Yilgarn Block in Western Australia. The North Darlot earn-in agreement was executed on 11 May 2020. To earn its interest, SensOre is required to spend \$4 million over four years. SensOre has met minimum expenditure and can withdraw at any time for no further expenditure. The agreement covers the northern portion of E37/1220 (21 of 34 graticule blocks totalling 63.7km²). The southern portion of the tenement is sub-leased to Red 5, the operator of the 3.6Moz Darlot gold mine.

The Project is located on the Yandal Greenstone Belt of the Yilgarn Craton between the Darlot Gold Mine and Bronzewing Gold Mine gold camps. Basement geology of the project within a sequence of Archaean greenstone lithologies consists of gabbro, basalt and felsic volcanics, volcanoclastics, late basin sediments including conglomerates. The greenstone sequence is intruded by granitoids, intermediate diorite and quartz feldspar porphyry. Archaean greenstone and granites are contained within a structural corridor bounded to the west by the terrane bounding Ockerburry Fault which separates the Kalgoorlie Terrane from the Kurnalpi Terrane to the west and the Ninnis Fault to the east. The project area is entirely

covered by clay and sand of Darlot Lake sediments in the south, and silt, sand, and gravel from sheetwash deposits in the north.

First pass air core drilling completed in 2022 identified an 8km long corridor of anomalous gold of the western side of the project including 16m @ 0.52g/t Au from 8m (20MNAC082), 4m @ 0.45g/t Au from 28m (20MNAC079) and 1m @ 1.06g/t Au from 20m (20MNAC078) EOH. Reverse Circulation (RC) drilling at the south of the project completed in mid-2022 following up on untested historical mineralisation encountered potential economic mineralisation that remains open at depth and along strike. Mineralisation is interpreted to strike north south and dip to the east. Results from mid-2022 included 7m @ 1.11g/t Au from 52m including 1m @ 5.13g/t and 14m @ 0.63g/t Au from 68m (22DNRC011). This zone is within a broad lower grade intercept of 30m @ 0.56Au from 52m. 11m @ 0.41g/t Au from 58m and 10m @ 0.55 g/t Au from 88m (22DNRC012) within a broad lower grade intercept 45m @ 0.27g/t from 53m. Historical mineralisation in the south of the project remains untested.

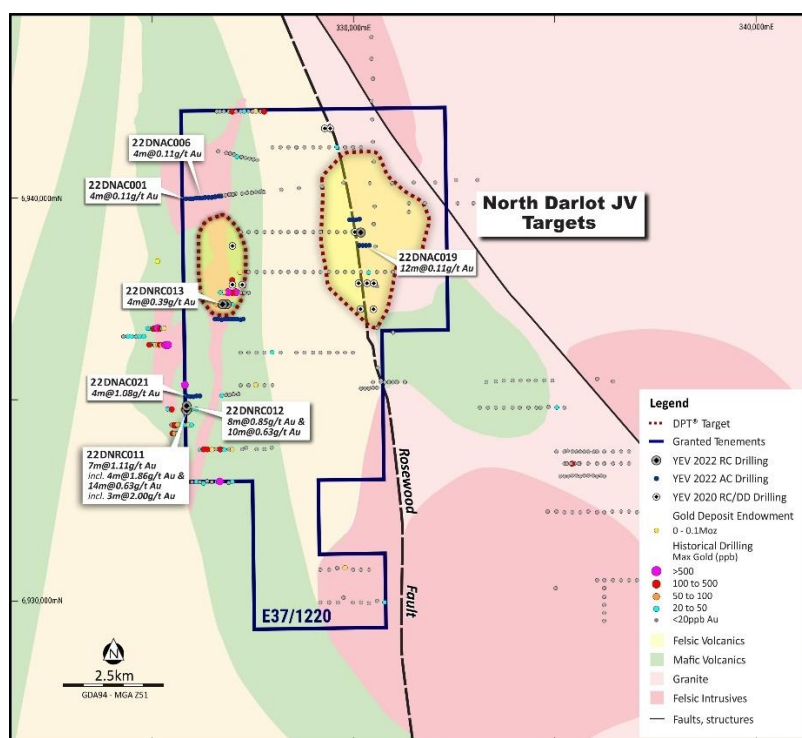


Figure 4 : North Darlot Project Aircore and Reverse Circulation drilling results August 2022

3.9.2 Mt Magnet

The Mt Magnet North project (E58/525) is located 560km north-northeast of Perth and 20km north of the 7.8Moz Mount Magnet gold centre (operated by Ramelius Resources Ltd) in the Murchison region of the Yilgarn Craton in Western Australia. SensOre may earn up to 85% interest in the Mt Magnet North project through expenditure of \$2.5 million over four years from commencement of the JV.

The Project is in the Mount Magnet Greenstone Belt in the Murchison Domain of the Youanmi Terrane of the Yilgarn Craton. Greenstones in the district consist of basal mafic-ultramafic volcanics with felsic volcanics, volcanoclastics and jaspilite BIF, these older basal units are overlain by a sequence of younger basalts, komatiitic basalts and minor felsic volcanic rocks. The greenstones have been intruded by Archaean granites and monzogranites, as well as later Proterozoic dykes. The greenstones and intrusions have been intensely deformed and cut by the major north–south striking crustal-scale Wattle Creek Shear Zone on the western edge of the Mount Magnet greenstones and the Mount Magnet Shear Zone in the central part of the belt.

The prospect is a newly discovered, intrusion-related gold system over 2.5km with gold mineralisation +0.5g/t over a strike of 1.2km. Multielement geochemical results returned to date have elevated bismuth, tellurium and molybdenum, confirming the intrusive-related style of the mineralising system. Reverse circulation (RC) drilling completed in 2020 returned elevated grade, steeply dipping primary mineralisation 100m below previous outlined supergene mineralisation from Aircore drilling. The best intercept from RC drilling of 14m@1.55g/t Au was from 122m in 21MNRC020 including

4m@3.41g/t Au from 122m and 6m@1.33g/t Au from 130m. Deeper diamond drilling completed in 2022 intercepted a sulphide bearing shear zone at depth with elevated but sub economic gold mineralisation.

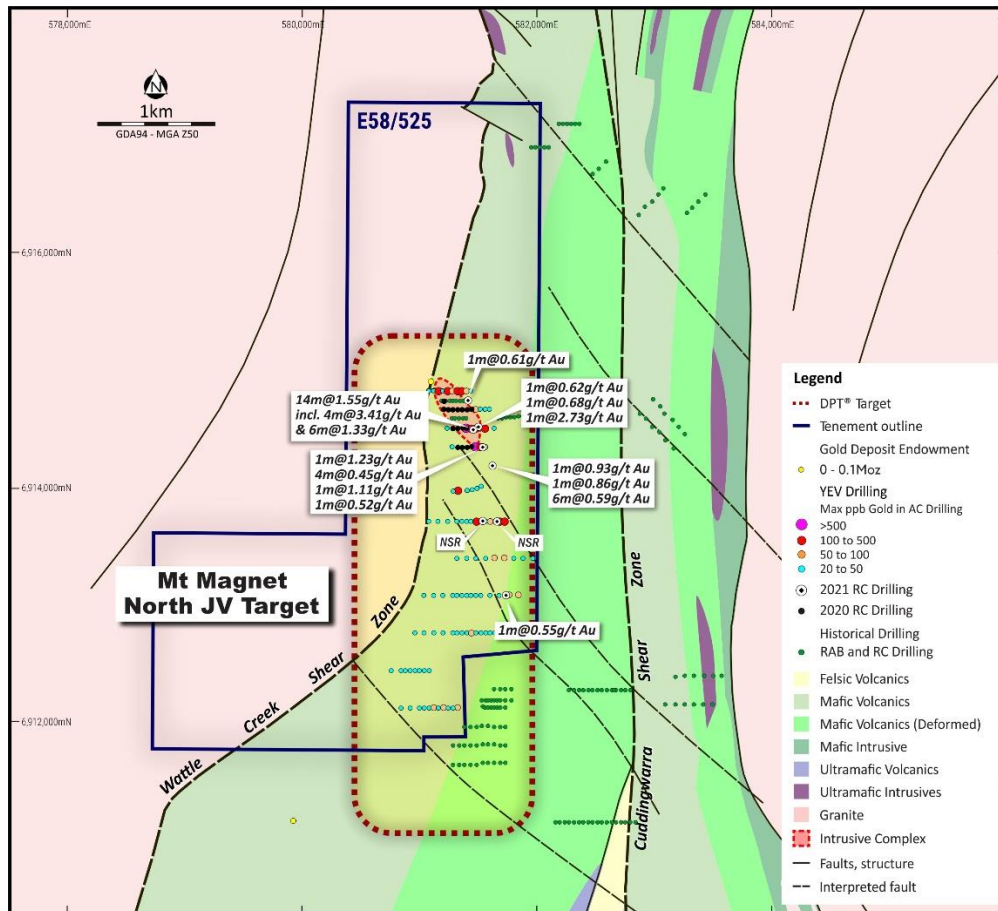


Figure 5: Mount Magnet North Project Aircore and Reverse Circulation drilling results October 2021

3.9.3 Boodanoo

The Boodanoo project (E59/2368) is located 550km north-northeast of Perth and 75km south-east of Mt Magnet in the Murchison region of the Yilgarn Craton in Western Australia. The project is 100% owned by SensOre.

The Boodanoo Project is in the Windimurra-Narndee Belt at the eastern margin of the Murchison Domain. The northeast part of the project area contains outcrop of gabbro of the Windimurra Mafic Complex and adjacent psammities and volcanoclastics of the Yaloginda Formation. The greenstones have been intruded by Archaean monzogranites of and biotite granites as well as later Proterozoic dykes and deformed by shearing and cut by the major north-south striking Challa Shear Zone, a splay of the crustal scale Cundimurra Shear Zone occurring on the western side of the tenement. The first order Challa Shear zone to the west of the new mineralisation is interpreted to be a major splay fault of the Mt Magnet or Tuckabianna Shear Zone, inferred to control the gold mineralisation at the 3.3Moz Meekatharra and Tuckabianna gold deposits.

The Boodanoo prospect is a newly discovered, intrusion-related gold system with identified gold mineralisation encountered from the first drilling program in 2022. Multielement geochemical results returned to date have confirmed an intrusive-related style of the mineralising system. First pass Aircore drilling completed in 2022 returned 1m @ 1.19g/t gold from 18m (2BDAC002) and 1m @ 1.22g/t gold from 39m (22BDAC006). This newly discovered mineralisation is associated with quartz sulphide (pyrite, pyrrhotite) veining in fresh medium grained amphibolite below a shallow weathering profile. No drilling had previously been completed within 15kms of the target. Mineralisation is open to the north and at depth.

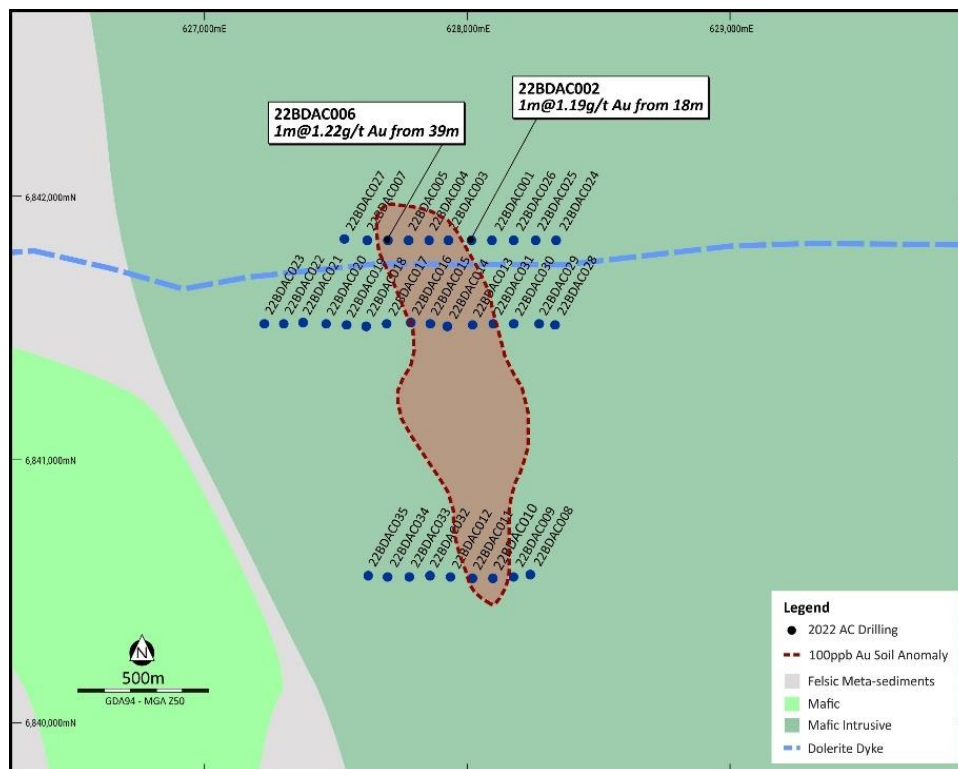


Figure 6: Boodanoo Project Aircore drilling results November 2022

3.9.4 Moonera

Moonera is one of SensOre’s next generation base-metals targets resulting from an expanded application of predictive targeting on its proprietary hyperdimensional data cube. Moonera is a joint venture with private company Nullarbor Resources Pty Ltd. SensOre through its 100% subsidiary SensOre Yilgarn Ventures Pty Ltd can earn up to an 80% interest in the prospect by expending \$3 million within four years.

Located 40km north of the Eyre Highway between Cocklebidy and Madura on the Nullarbor Plain of Western Australia, the Moonera prospect is a large (7x5km) geophysical, dense and magnetic body. Machine assisted targeting identified a potential mineral system confirmed previous interpretations of gravity and magnetic surveys predicting a concealed target. Moonera’s geophysical signature shows characteristics of being one of a carbonatite, IOCG or porphyry type system which gives the target outsized potential if mineralised.

A comprehensive geophysical acquisition program of high-definition gravity and magnetic geophysical surveys was completed across the Moonera prospect in May and June 2021. A single successful drill hole tested a shallow portion of the target and encountered extensive alteration and elevated rare earth elements and anomalous copper indicative of a distal signiation of an Iron Ore Copper Gold (IOCG) system. The drill hole encountered a multiphase, strongly altered felsic intrusive rock sequence comprising monzodiorite, syenogranite, granite and granodiorite. Drilling intersected extensive alteration that is commonly associated with IOCG mineral systems which was verified by geochemistry and petrology. The alteration encountered included magnetite, hematite, albite, sericite and chlorite with some minor pyrite. Titanite, 1-3% along with apatite is visible throughout the entire monzodiorite and granodiorite intervals above and below the fault zone associated with strong magnetite and minor hematite alteration.

The next phase of drill testing of the Moonera target is planned to commence in early 2024 in conjunction with the MinEx CRC and GSWA. Testing would plan to see deployment of the MinEx CRC coiled drilling system to reach and test the basement with at least 3 drill holes. Minex CRC and GSWA would be funding the three-hole drilling program in 2024.

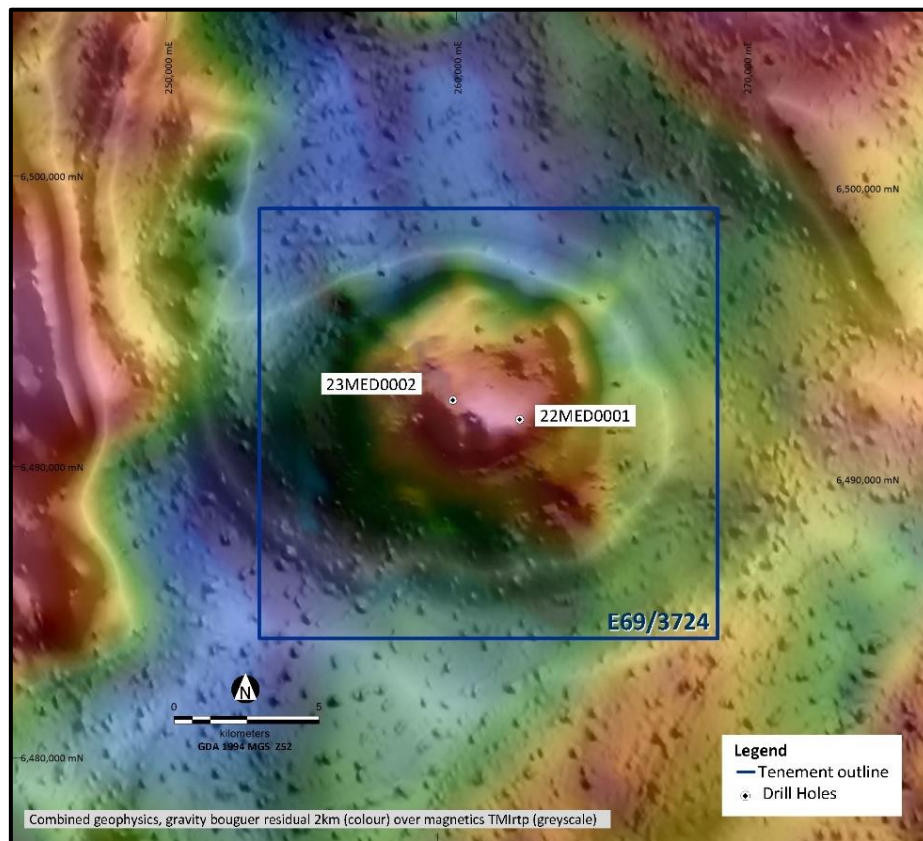


Figure 7: Moonera Project geophysics and drilling locations September 2023

3.9.5 Auralia

The Auralia project in Madura Province is held by CGM (WA) Pty Ltd, in which SensOre has negotiated earning a 51% interest by expending \$1.5 million in four years, and at both parties' election, an additional 19% by expending \$3.5 million over a further two year period.

The project area is situated in the Mesoproterozoic Madura Province of the Madura Crustal Block, a Mesoproterozoic terrane situated between the Albany-Fraser Orogen to the west and the Coompana Province to the east. beneath the Nullarbor Plain, a feature composed of flat lying Eucla Basin sandstone, limestone, and siltstone, overlain by Tertiary limestones. The project area encompasses an intense, northeast trending magnetic and gravity anomaly located beneath Tertiary and Mesozoic cover. This geophysical feature is referred to as the Loongana intrusive complex and comprises a broad head (15km wide and 40km long) to the southwest with a narrow tail extending approximately 60km to the northeast.

Previous exploration by Helix Resources, Richmond Mining, and MRG Metals conducted drilling within the project area targeting magnetic and/or gravity anomalies focusing predominantly over the broader portion of the anomaly which was interpreted to represent be the preserved primary magma chamber of the intrusion these specifically targeted the upper parts of the magmatic complex for platinum reef style mineralisation.

In 2021 SensOre completed a predictive targeting exercise using its proprietary DPT system over the Madura province for nickel. The predictive targeting returned 20 DPT target graticules (each graticule is approximately 1.7x1.7kms) within the narrow feeder or tail of the intrusive complex of Auralia Project. The total predicted endowment for these graticules is 3.6M tonnes Ni and range from 63kt to 524kt and have predicted grades at or above 1% Ni ranging from 1.0% to 1.8% and averaging 1.4% Ni.

The Auralia target highlighted the coincident magnetic and gravity anomalies that are expected to represent the deeper or 'feeder' portion of a mafic intrusion complex interpreted as most prospective for disseminated to massive sulphide (Ni-Cu-PGE) in magmatic complexes however, the lack of high-resolution geophysics and any basement drilling combined with deep cover makes this interpretation speculative. If initial fertility results from drilling are positive, further geophysical

surveys including ground-based EM will be planned and tested with a more systematic grid-based bedrock drilling program. A small gravity survey, with close spaced stations on profile lines is planned prior to RC and potential diamond drilling.

EIS funding, following a successful application in 2023 up to \$180k, coupled with a \$200k credit with drilling contractor DDH1 can be used to fund the drilling program to test the basement target for a value of up to \$380k.

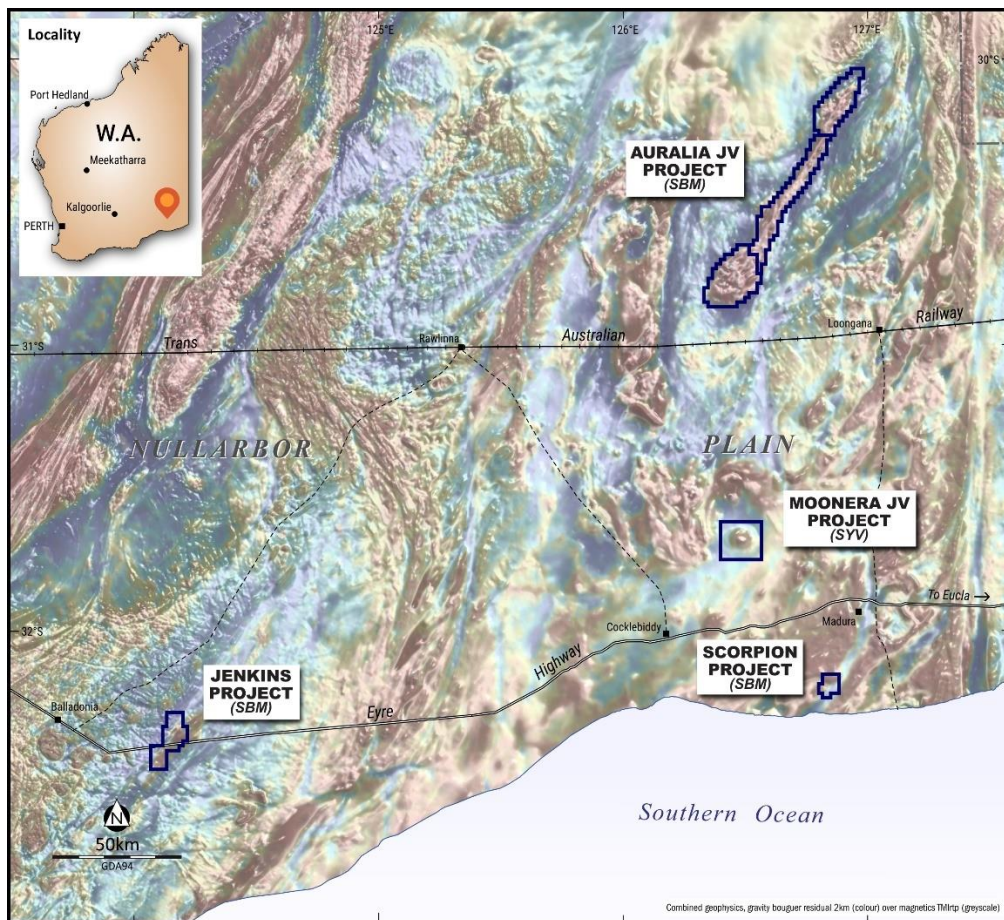


Figure 8: Regional geophysics over the Broader Madura province, September 2023

3.9.6 Other

SensOre has a number of other tenements which are early-stage exploration targets, including nickel targets at Jenkins and Scorpion, lithium targets at Boo Boo Well and Nunyerry and gold at Tea Well east (see Section 7).

3.10 Valuation

As with the acquisition of any business or asset that does not have a meaningful track record of revenue and profitability, there is not always an appropriate formal valuation methodology (e.g. discounted cash flow) available when determining the value of Tully. As such, the Company did not adopt a particular formal valuation methodology but rather the Company undertook a comparable transaction approach and was required to take into account qualitative factors such as those set out above in coming to a decision on price.

In determining the quantum of Consideration Shares to be issued to SensOre, the Company did not undertake a formal valuation process and relied on the skill, judgement and industry expertise of its Board, which considered in particular:

- (a) the potential revenue flows from the technology; and
- (b) comparable transactions.

3.11 Legal

3.11.1 Share Sale Agreement

The Share Sale Agreement (SSA) is between SensOre and Deutsche Rohstoff and governs the transfer of all of the issued shares held by Deutsche Rohstoff in Exploration Ventures AI Pty Ltd. The commercial terms of the transaction are set out in section 4.

The key terms relevant to the Demerger Transaction are set out below:

- (a) It is conditional on all of the resolutions passing;
- (b) the Demerger Transaction being completed; and
- (c) There are usual warranties for an agreement of this nature.

3.11.2 Demerger Implementation Deed

On 9 December, SensOre and Tully (and various subsidiaries) entered into the Demerger Implementation Deed (DID) in relation to the Demerger Transaction.

The effect of the DID is that Tully will issue approximately 80,274,094 shares, of which SensOre will distribute all In-Specie Shares (including 100 Tully Shares currently held by SensOre) under the In-specie Distribution.

The Demerger will only proceed if the conditions precedent to the DID are satisfied or waived. The outstanding Conditions Precedent and other material terms are summarised below:

(a) Conditions Precedent:

- (i) the board of SensOre having resolved in writing to proceed with the Demerger on or before 5:00pm (AEDT) on the Cut-Off Date;
 - (ii) SensOre and Tully having received all necessary third party consents including waivers of any applicable change of control or pre-emptive right provisions granted in favour of third parties, on or before 5:00pm (AEDT) on the Cut-Off Date;
 - (iii) SensOre obtaining approval from its shareholders in accordance with section 256B and section 256C of the Corporations Act; and
 - (iv) SensOre receiving binding commitments for not less than \$3,000,000 (before costs) under a placement.
- (b) Should the Conditions Precedent be satisfied, the In-specie Distribution will be effected by an equal reduction of SensOre's capital on a pro rata basis. SensOre Shareholders will receive an in-specie return of capital by way of the distribution of the In-specie Shares at nil cost in proportion to the number of SensOre's Shares held by them at the In-specie Record Date. SensOre Shareholders will thereby retain direct ownership of SensOre and will also receive direct ownership of Tully.
- (c) Either party may terminate the DID prior to completion of the sale and purchase of the Exploration Ventures AI Pty Ltd shares in the following circumstances:
- (i) by mutual written agreement;
 - (ii) if one party commits a material breach of the terms of the DID and fails to remedy that breach within 20 Business Days after the giving of notice by any other party to remedy the breach, that other party may terminate the DID by giving no less than 10 Business Days' notice to the other party.
- (d) Under the DID, SensOre agrees to provide transitional services to Tully for a period of 12 months (unless terminated earlier by either party by giving 30 days' notice) for a fee of \$5000/month plus time-writing charges for any SensOre personnel that work for Tully, plus any third party costs or expenses incurred by SensOre.

The DID otherwise contains terms and conditions (including standard representations, warranties and indemnities) considered standard for an agreement of this nature.

3.12 Disclosure to the ASX

As an entity with shares quoted on the Official List of the ASX, SensOre is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to SensOre may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or SensOre's website.

3.13 Risk Factors

On successful completion of the Demerger Transaction, Shareholders will become shareholders in Tully and should be aware of the general and specific risk factors which may affect Tully and the value of its securities. These risk factors are set out in section 6.

3.14 Effect of a capital reduction on SensOre

A pro-forma statement of financial position of SensOre is contained in Section 8, which shows the financial impact of the capital reduction and the Demerger Transaction on SensOre. Furthermore, SensOre, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the ASX Listing Rules. As such, SensOre is required to lodge quarterly reports detailing SensOre's current cash position. Any use of funds by SensOre will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

3.14.1 Directors

The table below sets out the number of securities in SensOre held by directors of SensOre and Tully at the date of this Explanatory Memorandum:

	Ordinary Shares	Share Options	Performance Rights
Directors			
R Peck	6,559,846	1,500,000	228,435
N Limb	1,129,093	1,000,000	228,435
A Manger ⁽ⁱ⁾	2,173,200	1,000,000	228,435
A O'Sullivan ⁽ⁱ⁾	2,125,316	1,000,000	228,435
R Taylor	623,737	-	1,882,364
R Rowe	389,161	-	1,468,243
Key executives			
A Eggo ⁽ⁱ⁾	2,225,590	-	1,267,278
Total	15,225,943	4,500,000	5,531,625

- (i) Mr Manger, Mr O'Sullivan and Mr Eggo each individually own 20% of the issued capital of Sasak Minerals Pty Ltd, which in turn owns 10,118,000 shares in SensOre Limited. However, the interest of Sasak Minerals Pty Ltd is not included (on a proportionate basis or otherwise) in the holdings of Mr Manger, Mr O'Sullivan and Mr Eggo, stated above, as Mr Manger, Mr O'Sullivan and Mr Eggo do not control or jointly control Sasak Minerals Pty Ltd.

Table 1: Directors' Interests

The Directors will obtain the equivalent interest (excluding options and performance rights held by them) in Tully.

After considering all relevant factors, the Directors recommend SensOre Shareholders vote in favour of Resolution 1 for the reasons summarised in Section 3.19.

3.14.2 Effect of a Capital Reduction on Shareholders

a) What will you receive?

If the Demerger Transaction is implemented, eligible Shareholders will receive an in-specie return of capital by way of the distribution of In-specie Shares in proportion to the number of Shares held by them at the Record Date.

Shareholders are not required to contribute any payment for the In-specie Shares which they are entitled to receive under the In-specie Distribution.

(b) What is the impact on your shareholding in SensOre?

The number of Shares in SensOre that you hold will not change as a result of the Demerger Transaction.

If the Demerger Transaction is implemented, the value of your Shares in SensOre may be less than the value held prior to the Demerger Transaction being implemented due to the removal of the Tully Assets from SensOre's asset portfolio. The size of any decrease cannot be predicted and will be dependent on the value ascribed to the Tully Assets.

(c) Do you have to do anything to receive your Tully Shares?

You must hold SensOre shares on the In-specie Record Date in order to receive your entitlement Tully Shares. If the Demerger Transaction proceeds, you will automatically receive the Tully Shares you are entitled to receive (unless you are an ineligible overseas Shareholder, in which case you will receive the proceeds – see Section 3.20, even if you vote against the Demerger Transaction or do not vote at all.

(d) Will I be able to trade my Tully Shares?

If the Demerger Transaction is approved by Shareholders and is implemented, a holder of Tully Shares will be able to sell their Tully Shares in the future in accordance with customary non-listed companies. However, trading shares is likely to be more difficult and liquidity less when compared to listed companies.

(e) What are the taxation implications of the Demerger Transaction?

Shareholders should obtain professional advice as to the taxation implications of the Demerger Transaction in their specific circumstances.

(f) What will happen if Resolution 1 is not approved?

In the event that Shareholder approval of Resolution 1 is not obtained, the Demerger Transaction will not proceed and the distribution of In-specie Shares to SensOre Shareholders will not occur.

3.14.3 Option and performance right holders

The Company has 6,443,410 Options on issue, and 7,852,697 Performance Rights. If the Demerger Transaction completes, the board has determined that the share price hurdle rates for each tranche of Options and Performance Rights will be reduced by the value of the return of capital to shareholders which is consistent with ASX Listing Rule 7.22.3, however, the exact value of these reductions will be dependent on the value ascribed to the return of capital shares.

3.15 Capital Structure

The below tables show the changes in capital structure on SensOre and Tully of the proposed Demerger Transaction and Lithium Transactions.

Table 2: Pre-Demerger and Lithium transaction SensOre Capital Structure

Security Type	Number
Fully paid ordinary shares	80,274,094
Share options	6,443,410
Performance rights	7,852,607

Table 3: Post-Demerger and Lithium transaction SensOre Capital Structure

Security Type	Number
Fully paid ordinary shares	174,574,094
Share options	32,443,410
Broker options	7,500,000
Performance rights	7,852,607

Table 4: Post-Demerger Tully Capital Structure

Security Type	Number
Fully paid ordinary shares	80,274,094
Share options	-
Performance rights	-

Shareholders should note this structure is indicative only as at the date of this Explanatory Memorandum and that SensOre and Tully retains discretion to amend the structure and issue more or less shares or other forms of securities, such as options.

3.16 In-specie distribution

All In-specie Shares will be distributed on a pro rata basis to all holders of ordinary shares in the capital of SensOre on the In-specie Record Date based on the number of SensOre Shares held by such holders at the In-specie Record Date. The In-specie Record Date will be set by the Directors after the date Resolution 1 is passed and depends on the satisfaction of conditions precedent. It is not clear at the date of this Notice how many SensOre Shares will be on issue at the In-specie Record Date nor therefore what the exact ratio for the In-specie Distribution will be.

At the date of this Notice, there are 80,274,094 Shares on issue in SensOre. Assuming this same number of Shares is on issue at the In-specie Record Date, the formula for the In-specie Distribution would be approximately 1 In-specie Share for every 1 SensOre Shares held. Any vesting of Options or Performance Rights or further issue of SensOre Shares will have the effect of lowering the number of In-specie Shares distributed for each SensOre Share. Any fractions of entitlement will be rounded down to the next whole number.

The return of capital will be effected by a pro rata distribution of the In-specie Shares, proportionately to all of SensOre Shareholders:

- (i) registered as such as at 5.00pm (AEDT) on the Record Date; or
- (ii) entitled to be registered as a Shareholder in SensOre by virtue of a transfer of Shares executed before 5.00pm (AEDT) on the Record Date and lodged with SensOre at that time.

3.17 Section 256C of the Corporations Act

The proposed reduction of capital by way of the In-specie Distribution is an equal capital reduction.

Under Section 256B of the Corporations Act, SensOre may only reduce its capital if it:

- (a) is fair and reasonable to Shareholders as a whole;
- (b) does not materially prejudice SensOre's ability to pay its creditors; and
- (c) is approved by Shareholders in accordance with Section 256C of the Corporations Act.

The Directors believe that the Demerger Transaction is fair and reasonable to Shareholders as a whole and does not materially prejudice SensOre's ability to pay its creditors. Under the proposed reduction of capital, each SensOre Shareholder is treated equally and in the same manner since the terms of the reduction of capital are the same for each Shareholder. The In-specie Distribution is on a pro rata basis, and the proportionate ownership interest of each Shareholder remains the same before and after the Demerger Transaction. Further, the Directors consider that the Demerger Transaction will not result in SensOre being insolvent at the time or after the In-specie Distribution.

In accordance with the Corporations Act:

- (a) the proposed reduction is an equal reduction and requires approval by an ordinary resolution passed at a general meeting of SensOre Shareholders;
- (b) this Explanatory Memorandum and previous ASX announcements set out all information known to SensOre that is material to the decision on how to vote on Resolution 1; and
- (c) SensOre has lodged with ASIC a copy of this Notice of Meeting and accompanying documentation.

Short Form Prospectus

Under applicable ASIC guidelines, the invitation to Shareholders to vote on Resolution 1 (In-Specie Distribution) of the Notice of Meeting constitutes an "offer" to transfer the In-specie Distribution Shares to Shareholders pursuant to the In-specie Distribution under Chapter 6D of the Corporations Act and a prospectus is required unless an exemption applies or ASIC provides relief. As no exemptions apply and no ASIC relief was obtained, the Company has prepared a short form prospectus that contains information in relation to SensOre, including the proposed In-Specie Distribution (Prospectus). The Prospectus accompanies this Notice of Meeting and was lodged with ASIC on 19 December 2023, being the same date as this Notice of Meeting. The Company recommends that all Shareholders read the Prospectus carefully and in conjunction with this Notice of Meeting. The Prospectus alone does not contain all the information that is generally required to satisfy

the disclosure requirements of the Corporations Act. Rather, it incorporates all other necessary information by reference to information contained in this Notice of Meeting.

3.18 ASX Listing Rule 7.17

ASX Listing Rule 7.17 provides in part that a listed entity, in offering shareholders an entitlement to securities, must offer those securities pro rata or in such other way as, in the ASX's opinion, is fair in all the circumstances. In addition, there must be no restriction on the number of securities which a shareholder holds before this entitlement accrues. The Demerger Transaction satisfies the requirements of ASX Listing Rule 7.17, as the issue of Tully Shares is being made to Shareholders on a pro rata basis, and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Tully Shares accrues.

3.19 Advantages and disadvantages

Advantages

- (i) SensOre and Tully will have a clearer focus and corporate strategy.
- (ii) The Demerger provides Shareholders with scrip in two companies – SensOre and Tully. The Board believes a separate entity focused on the Tully Assets presents a better prospect of delivering greater value to Shareholders.
- (iii) Shareholders may elect to retain exposure to either one or both companies as dictated by their investment preferences and objectives.
 - (a) All eligible Shareholders will have an interest in Tully following the pro rata In-specie Distribution and thereby have the opportunity to retain this interest to benefit from the development of the Tully Assets.
 - (b) All eligible Shareholders will retain approximately their current percentage ownership interest in the capital of SensOre.
- (iv) The Demerger will deliver a structure that allows for Tully to focus specifically on advancing the Tully Assets and for SensOre to focus its efforts on its lithium and critical minerals projects, with neither Tully nor SensOre affected by events or occurrences relating to the other's projects.
- (v) The SensOre Board sees considerable underlying value in the Tully Assets that is not currently being valued by the market, a dedicated fully funded vehicle will assist in valuing these assets.
- (vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either specifically, SensOre's lithium and critical minerals projects or Tully's Assets. In addition, the Demerger is expected to provide greater flexibility to both SensOre and Tully to attract strategic investors.
- (vii) After a full and proper assessment of all available information, the Directors believe that the Demerger Transaction is in the best interests of Shareholders.

Disadvantages

- (i) SensOre will incur costs associated with the Demerger, including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Demerger Transaction and tax advice obtained in relation to any taxation consequences of the Demerger Transaction.
- (ii) Shareholders may incur additional transaction costs if they wish to dispose of their Tully Shares and may have difficulty in doing so given the intention that Tully not be listed on a stock exchange.
- (iii) Assuming completion of the Demerger, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication.
- (iv) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Demerger Transaction.
- (v) Following the Demerger, shares in Tully will be in an unlisted public company and will therefore not have a readily ascertainable price or value, and in addition, there likely being relatively few buyers or sellers of shares in Tully, it may be difficult to readily sell or otherwise realise the holding in Tully Shares.

3.20 Effect of Shareholder Approval

(a) General

If Resolution 1 is approved, Shareholders (as at the Record Date) will receive a pro rata beneficial entitlement to In-specie Shares based on the number of SensOre Shares held at the In-specie Record Date. The reduction in SensOre's capital and the transfer and distribution of In-specie Shares will become effective from the In-specie Record Date (provided that after the In-specie Record Date has been set, the Directors have not provided a notice to ASX stating that SensOre does not intend to proceed with the reduction of capital contemplated by Resolution 1). Any fractions of entitlement will be rounded down to the next whole number. Shares in Tully are to be held subject to its constitution, and a summary of the rights and liabilities attached to the Tully Shares is set out in section 3.22 to this Explanatory Memorandum.

The actual dollar value of the proposed return of capital will be an amount equal to the value of the In-specie Shares transferred and distributed to be assessed by the Directors. Please refer to section 8 statements of financial position of both SensOre and Tully which show the indicative financial impact of the Demerger Transaction as if the transaction were effected as at 30 June 2023.

The Board considers the proposed reduction of capital will have no material effect on the interests of SensOre Shareholders, except as disclosed in the discussion of the advantages and disadvantages of the reduction set out in section 3.19 above.

(b) Overseas SensOre Shareholders

The In-specie Distribution of the Tully Shares to overseas SensOre Shareholders under the reduction of capital will be subject to legal and regulatory requirements in their relevant overseas jurisdictions. If the requirements of any jurisdiction where a SensOre Shareholder is resident are held to restrict or prohibit the distribution of securities as proposed or would impose on SensOre an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on SensOre an undue burden, the In-specie Shares to which the relevant SensOre Shareholder is entitled will not in fact be issued to such Shareholders and instead will be sold by SensOre on their behalf, in order that SensOre will pay the relevant Shareholder a cash equivalent amount, or otherwise SensOre will seek to make alternative arrangements with respect to the relevant Shareholder which are reasonable in all the circumstances.

If SensOre elects to sell the In-specie Shares on a relevant SensOre Shareholder's behalf, SensOre will then account to those Shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the In-specie Distribution and security prices may vary from time to time (assuming a liquid market is available), the net proceeds of sale to such Shareholders may be more or less than the notional dollar value of the reduction of capital. It will be the responsibility of each SensOre Shareholder to comply with the laws to which they are subject in the jurisdictions in which they are resident.

3.21 Taxation Implications

(a) Taxation implications for Shareholders

SensOre Shareholders will be required to treat the value of the Tully shares received from the in-specie distribution as a return of capital which will be used to reduce the cost base of your shareholding in SensOre. SensOre will advise details of this process and values following the in-specie return being completed.

All potential investors in Tully are urged to obtain independent financial advice about the consequences of acquiring Tully Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, both SensOre and Tully, its officers, and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences resulting from the Demerger Transaction.

Please note for Australian resident shareholders tax consequences are subject to confirmation that demerger relief will apply to this transaction under Australian tax law. The Company is currently seeking advice in relation to an application to the Australian Taxation Office for a Class Ruling to confirm tax implications of the proposed transaction for shareholders.

(b) Taxation implications for SensOre

SensOre has considered the tax consequences of the In-specie Distribution, the initial view formed is that demerger requirements should be satisfied, and accordingly no capital gain should arise for SensOre. Please note this is still subject to confirmation from the ATO that demerger relief will apply.

3.22 Summary of rights and liabilities on Tully shares

Tully has a similar constitution to SensOre and as such the rights and liabilities attached to under Tully Shares will be similar to those that exist for SensOre Shareholders (other than, significantly, Tully will be an unlisted public company). A summary of the more significant rights and liabilities that will attach to the Tully Shares is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Tully Shareholders. Full details of the rights and liabilities attaching to the Tully Shares are set out in Tully's constitution, a copy of which is available on request.

(a) General Meetings

Tully Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Tully.

Tully Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Tully constitution.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

Subject to the rights of persons (if any) entitled to shares with special rights to dividends, the directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by Tully to the shareholders of such a dividend. The directors may from time to time pay to shareholders any interim dividend that they may determine. Subject to the rights of any preference shareholders and to the rights of the holders of any shares credited or raised under any special arrangement as to the dividend, the dividend as declared shall be payable proportionately according to the amounts paid up or credited as paid up, on the shares, and otherwise in accordance with Part 2H.5 of the Corporations Act. Interest may not be paid by Tully in respect of any dividend, whether final or interim.

(d) Winding-Up

If Tully is wound up, the liquidator may, with the authority of a special resolution of Tully, divide among the shareholders in kind the whole or any part of the property of Tully, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of Tully, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Transfer of Shares

Generally, shares in Tully are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act. For example, as an unlisted public company, the requirements, prohibitions and limitations under

Chapter 6 of the Corporations Act will apply to any acquisition of “relevant interests” (as defined under the Corporations Act) in shares in Tully.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, Tully may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Tully is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

3.23 Lodgement with ASIC

SensOre has lodged with ASIC a copy of this Notice and Explanatory Memorandum in accordance with Section 256C(5) of the Corporations Act. ASIC and its officers take no responsibility for the contents of this Notice or the merits of the transaction to which this Notice relates.

If Resolution 1 is passed, the reduction of capital is required to take effect in accordance with a timetable approved by ASX. Please refer to section 2.7.

3.24 Other Information

There is no information material to the making of a decision by a Shareholder in SensOre whether or not to approve Resolution 1 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in SensOre) other than as disclosed in this Explanatory Memorandum and all relevant Schedules.

3.25 Resolution 1 Board Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

4. Lithium Transactions

4.1 Resolution 2 Issue of Shares and Options to Deutsche Rohstoff AG

The Company has reached agreement under a Share Sale Deed (SSD) dated 12 December 2023 with its joint-venture partner, Deutsche Rohstoff AG, in Exploration Ventures Pty Ltd to acquire the 70% interest that it does not already own in exchange for SensOre Shares. In exchange for the 70% equity in EVAI held by Deutsche Rohstoff AG, the Company will issue 34,300,000 Shares and 26,000,000 Options in 3 tranches, each and Options with a 3 year expiry, as follows:

Series 1 6m exercisable at \$0.075

Series 2 8m exercisable at \$0.088

Series 3 12m exercisable at \$0.100

The SSD is conditional upon:

- (a) Shareholder approval for Resolutions 1-3;
- (b) The SensOre receiving binding commitments for at least \$3m under the placement by no later than 31 January 2024;
- (c) Regulatory and ASX approvals; and
- (d) Completion of the Demerger.

The Company will retain access to lithium prospectivity data layers available as at completion of the SSD.

The SSD contains certain warranties and terms usual for an agreement of this type.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month 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 without the approval of Shareholders or the additional 10% annual placement capacity under ASX Listing Rule 7.1A which was approved at SensOre’s Annual General Meeting.

The issue of 34,300,000 Shares exceeds both the 7.1 and 7.1A capacity and requires Shareholder approval to proceed. In addition, the effect of this Resolution will be to allow the Company to issue the Shares and the Options during the period of 3 months after this Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity. In addition, SensOre is seeking shareholder approval under ASX Listing Rule 7.1 in respect of the 26,000,000 Options to allow, under Exception 9 of ASX Listing Rule 7.2, for the issue of Shares on the exercise of any of the 26,000,000 Options.

Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

(a) the maximum number of Shares and Options to be issued is 34,300,000 Shares and 26,000,000 Options (over unissued Shares to acquire up to 26,000,000 Shares);

(b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(c) it is intended that issue of all the Shares and Options will occur on the same date;

(d) the Shares and Options will be issued for nil cash consideration as they are being issued as consideration;

(e) the Shares and the Options will be issued to Deutsche Rohstoff AG;

(f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (but noting that the Shares will be issued after the Record Date for the In-Specie Distribution and so will not participate in the In-Specie Distribution);

(g) the terms of issue of each of the 3 tranches of the Options are as follows:

Tranche	Options	Expiry
Series 1	6 million options exercisable at \$0.075	3 years
Series 2	8 million options exercisable at \$0.088	3 years
Series 3	12 million options exercisable at \$0.100	3 years

Table 5: Details on Option Tranches

Each Option grants to Deutsche Rohstoff a right to require the Company to issue to it a fully paid ordinary share in the Company and is exercisable at any time prior to their expiry.

(h) the Shares and Options are to be issued to acquire the 70% equity interest in EVAI that SensOre does not already own; and

(i) a voter exclusion statement is set out in section 5 below.

The Company has not sought shareholder approval under section 611, Item 7 of the Corporations Act in respect of the exercise of any of the Options to be issued to Deutsche Rohstoff AG. As such, the exercise of any such Options will, at the relevant time, be also subject to compliance with Chapter 6 of the Corporations Act in respect of the acquisitions of relevant interests in voting shares. The Company will however seek, at the next annual general meeting of the Company, shareholder approval under section 611, Item 7 of the Corporations Act in respect of the exercise of any of the Options to be issued to Deutsche Rohstoff AG.

4.1.1 About EVAI Pty Ltd lithium assets

SensOre agreed terms with Deutsche Rohstoff AG on the identification, acquisition and exploration of lithium targets in Western Australia in 2022 following exciting results from SensOre's first lithium targeting program completed in December 2021.

SensOre developed the targets under an agreement where it worked towards acquiring up to eight mutually acceptable lithium targets at the cost of \$1 million. The targets were developed in the joint-venture company Exploration Ventures AI Pty Ltd and held 70% by Deutsche Rohstoff AG and 30% by SensOre. SensOre has significant knowledge of the assets and their potential having undertaken both the AI and Machine Learning target generation and the conventional exploration that validated the targets on the ground prior to acquisition. It is this 70% interest that is the subject of the acquisition.

A map of the project areas is set out below:



Figure 9: Exploration Ventures AI Project locations

4.1.2 Abbotts North

The Abbotts North Project is the most advanced EVAI Project which was identified initially by recognising the potential of the Abbotts Greenstone belt to host LCT pegmatites in SensOre's data cube technology. Early stage Lithium potential was initially identified over the greenstone belt from geochemistry and from Western Australia state-wide prospectivity

mapping. The target was acquired via option agreement. EVAI can acquire 100% of the project by paying \$275,000 to exercise the option before 2025.

The Abbots greenstone belt is a structurally deformed Archean-age package of mafic, ultramafic, jasperoid BIF and felsic volcanoclastic lithologies. The greenstone belt is intruded and bounded by granitoids predominantly monzogranite with minor granodiorite and syenogranite that are fine to coarse grained and locally gneissic. Pegmatites associated with the granites are recognised throughout the area, especially in areas close to the granite greenstone contacts. Tectonically the greenstone is bounded by major faults and shear zones.

The Abbots greenstone is recognised as being prospective for gold and base metal deposits. The recent discovery of lithium bearing LCT pegmatites by EVAI highlights the fertility of the greenstone belt for multiple commodities.

New LCT pegmatites were identified in initial field reconnaissance with elevated Li, Sn, Ta on the Abbots North, Buttamah Prospect and quickly followed-up. Additional tenure was added in 2023 to the east via an application. A wide spaced soil program has been completed over the LCT pegmatite field. A heritage survey took place in December 2023 ahead of planned RC drilling in early 2024.

The next step at the Abbots North project is a first pass RC drilling program to test the identified mineralised LCT pegmatites at surface both within the weathered and the fresh rock environments. In parallel to the RC drilling a more extensive soil sampling program will be completed over the project to identify further drilling targets for testing in the second half of 2024.

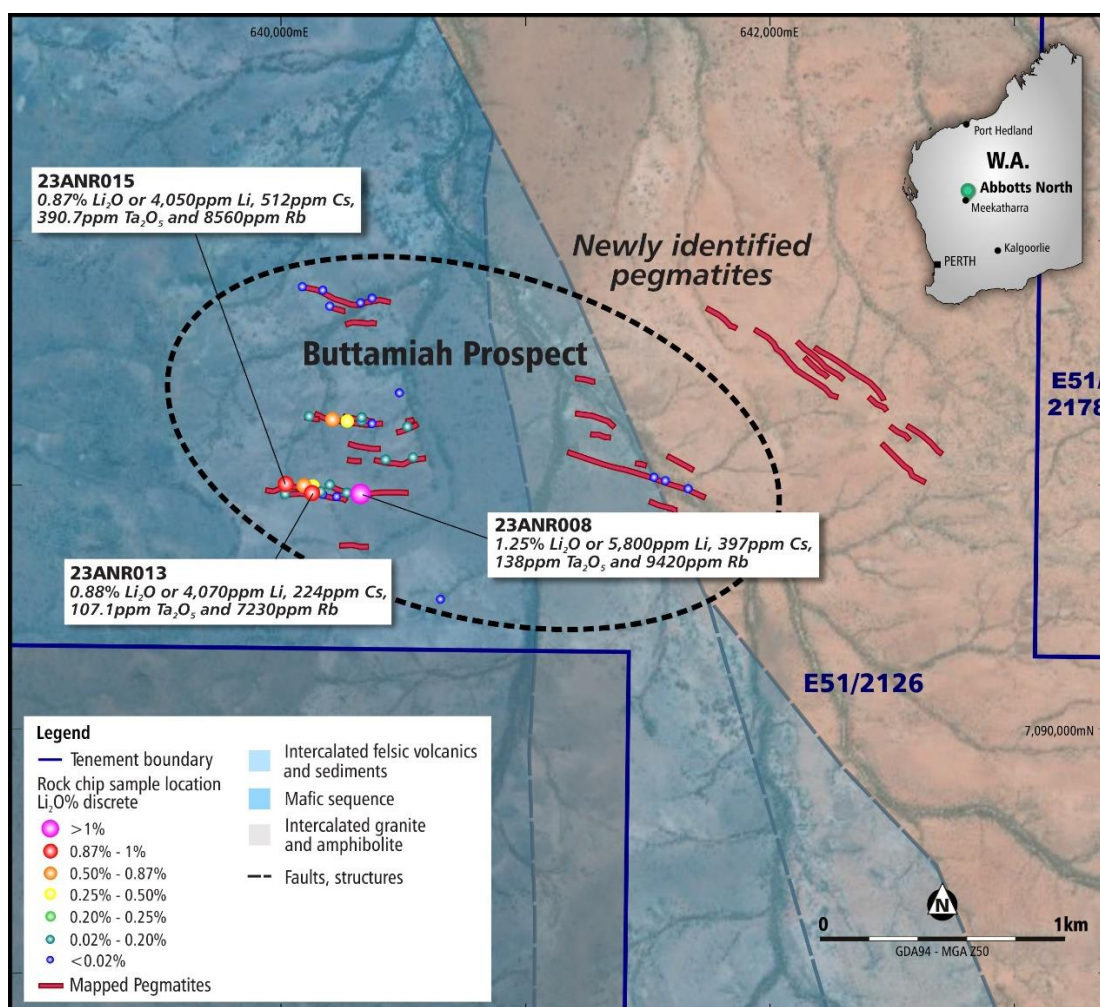


Figure 10: Abbots North Project Buttamah Prospect geology and Rock Chips

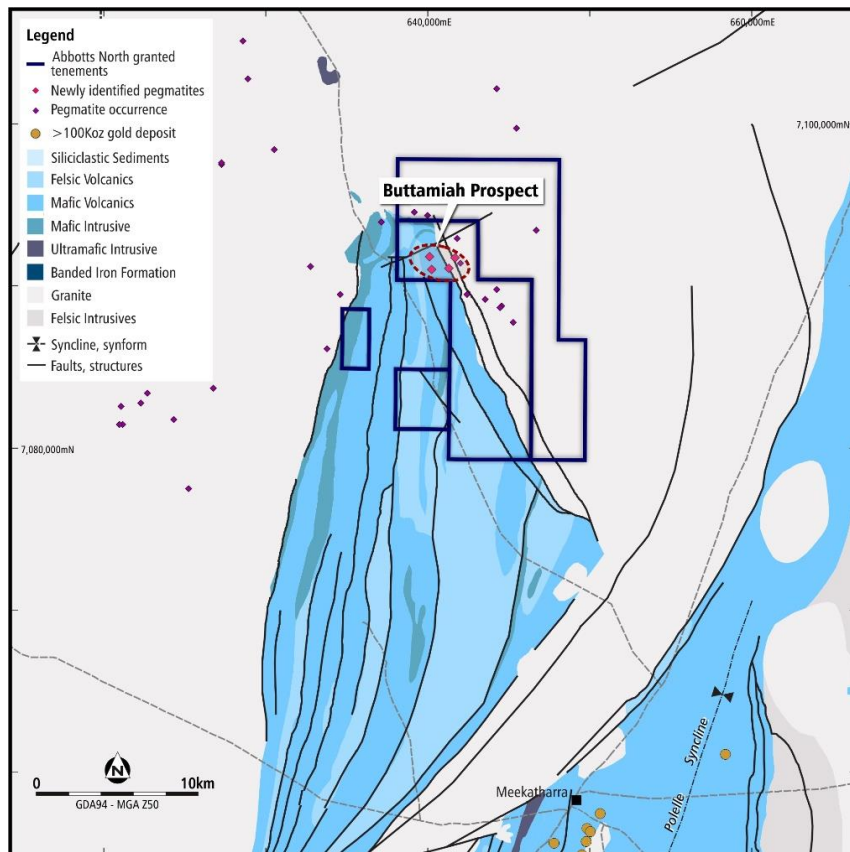


Figure 11: Abbotts North Project regional geology

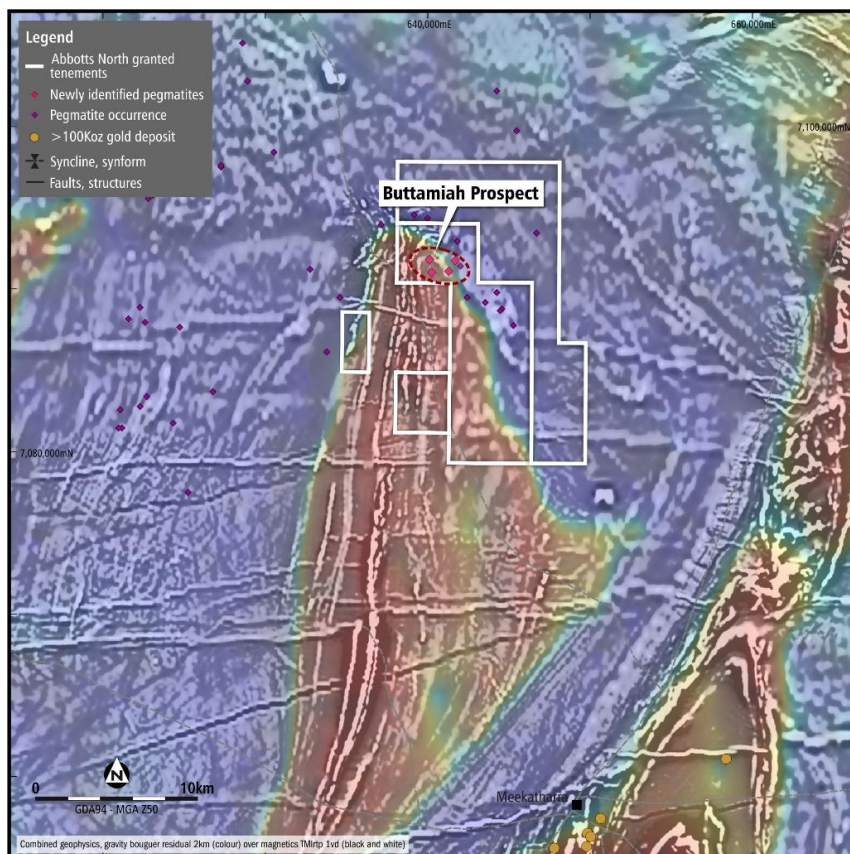


Figure 12: Abbotts North Project regional geophysics

4.1.3 Greater Yalgoo Project (Golden Grove North and Yalgoo West)

Golden Grove North. EVAI to earn a 51% interest in all minerals (except for Rare Earth Elements) with a minimum expenditure of \$200,000 within 1 year for Stage 1 and \$1.5M within 2 years for Stage 2. An additional 19% can be earned for a total spend of \$4.5M within 4 years.

Yalgoo West. EVAI can earn up to 80% of the lithium rights on the tenement by spending \$3.5 million in 2 stages. The first stage earns 51% for expenditure of \$1.5m. Additional contingent payments will be made to Firetail including \$200,000 on the completion of a maiden Mineral Resource Estimate (MRE) and \$400,000 on the completion of a Prefeasibility Study (PFS)

The two projects are located within the northern part of the Yalgoo-Singleton greenstone belt (YSGB) in the Murchison province. The YSGB belt is divided into a thick lower older Group (Luke Creek) overlying a younger Group (Mount Farmer). Both sequences are typical greenstones consisting of submarine tholeiitic, and high-Mg basalt lava flows, large intrusive gabbro bodies overlain by BIF and volcanic rocks with minor ultramafic and felsic rocks. The greenstone belt is intruded and bounded by granitoids predominantly, granodiorite and monzogranite to tonalite phases with minor syenogranite that are fine to coarse grained and locally gneissic. Pegmatites associated with the granites are recognised throughout and especially close to the granite greenstone contacts. Tectonically the greenstone is bounded by major faults and shear zones, with the major Mulloo and Wagga Wagga Shear Zones on the eastern contact covered by the Golden Grove North project and the major Salt River Shear Zone covered by the Yalgoo West project.

In mid-2022, SensOre deploying its DPT® and mineral Adjacency Mapping targeting technologies together with compilation of statewide geochemical analysis identified a large, predicted lithium target within a region not previously highlighted with lithium exploration potential. During target analysis lithium mineralised LCT pegmatite exploration results were reported by number of companies, including Firetail and Zenith Minerals, validating the emerging potential for LCT pegmatite potential.

At Golden Grove North, the predicted target is a large cluster of Li prospectivity that was previously unidentified and untested representing lithium potential over the northern portion of the greenstone belt. Additionally, the eastern portion of the project is prospective for VMS copper and zinc.

At Yalgoo West a cluster of Li DPT graticules predicted unidentified and untested lithium potential over the western portion of the greenstone belt.

The next steps on the broader Yalgoo project involve extensive target delineation activities to generate 2024 drilling targets. Target delineation work includes target-wide soil and rock chip sampling over the main DPT target areas in the northern part of the Golden Grove North project and the southeastern part of the Yalgoo West project.

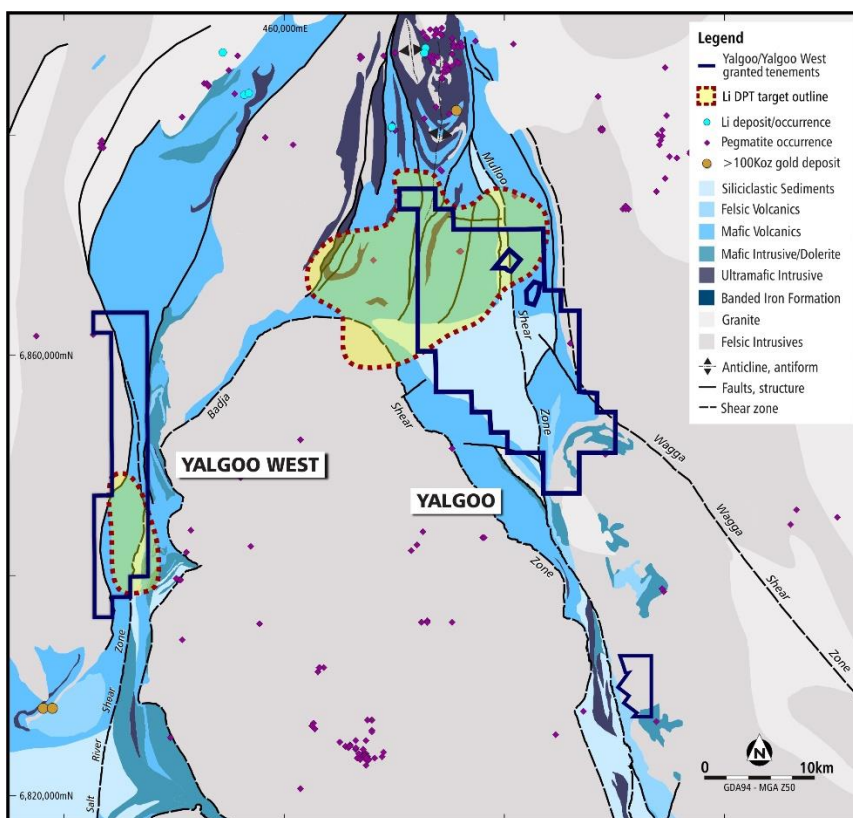


Figure 13: Greater Yalgoo Project regional geology

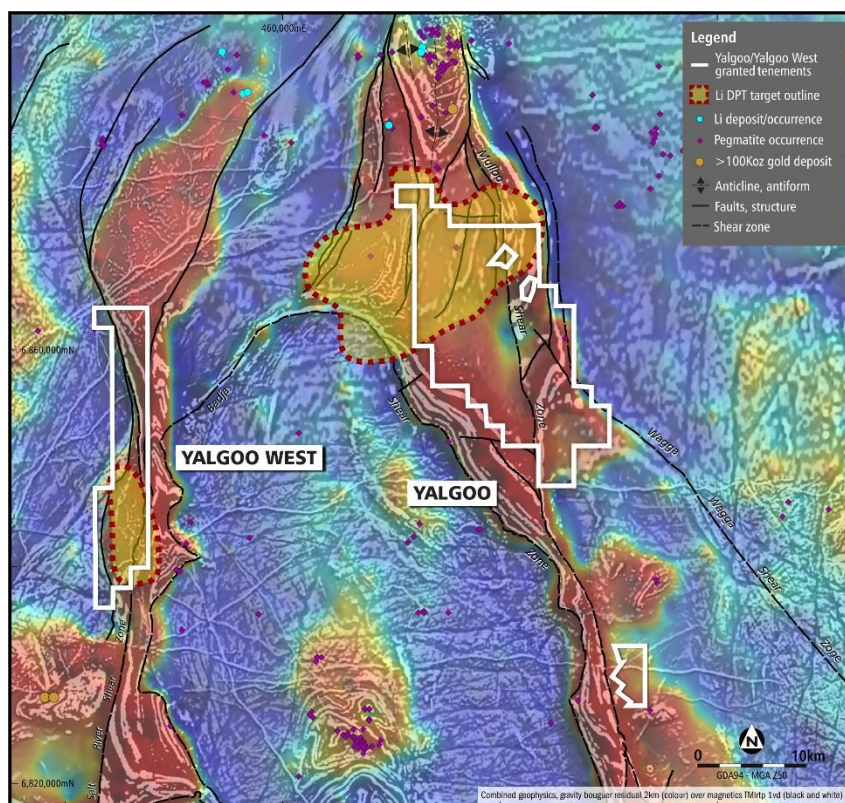


Figure 14: Greater Yalgoo Project regional geophysics

4.1.4 Montague

EVAI to earn 51% interest (Contractual Lithium Rights) in Stage 1 for \$1,500,000 within 2.5 years and Stage 2 (for an additional 29%) for a total of \$4,500,000 within 4.5 years. The project covers the south-eastern portion of the Gum Creek Greenstone Belt which consists of early – mid Archean greenstone belts, intruded by late Archean granitoids and overlain by sporadic Proterozoic metasediments. Vast areas of Cainozoic sediments and transported regolith cover the region. Margins of the belt are typically dominated by contact-metamorphosed basalts and banded iron formations. The greenstone sequence consists of a sequence of interbedded banded iron formation and mafic and ultramafic volcanics overlain by ferruginous shales, shales and thin cherts. The central unit consists of a sequence of basalts and felsic volcanics, contemporaneous dolerites, and lesser ultramafic volcanics. The greenstone belt is intruded by large differentiated gabbroic sills which range in composition from ultrabasic through to pyroxenite to gabbro. The belt is intruded and bounded by granitoids predominantly, granodiorite and monzogranite phases with minor syenogranite that are fine to coarse grained. Extensive pegmatites associated with the granites are recognised close to the granite greenstone contacts.

In mid-2022, SensOre deployed its DPT® and mineral Adjacency Mapping targeting technologies together with compilation of statewide geochemical analysis and identified a large, predicted lithium target within a region not previously highlighted with lithium exploration potential. The target covers an area in south eastern portion of the Gum Creek greenstone belt, both surrounding and east of the Montague Gold Mine. First pass rock chip sampling over large pegmatites returned low Potassium: Rubidium (K:Rb) values indicating a high degree of fractionation and LCT lithium potential.

Next steps involve extensive target delineation activities to generate 2024 drilling targets. This target delineation work includes target wide soil and rock chip sampling over mainly the eastern corridor area close to the granite greenstone contact together with a re-analysis of sample pulps, where available, and a resampling program of historical drilling for Li index elements and complete PCA / FA analysis for lithium and indicator elements.

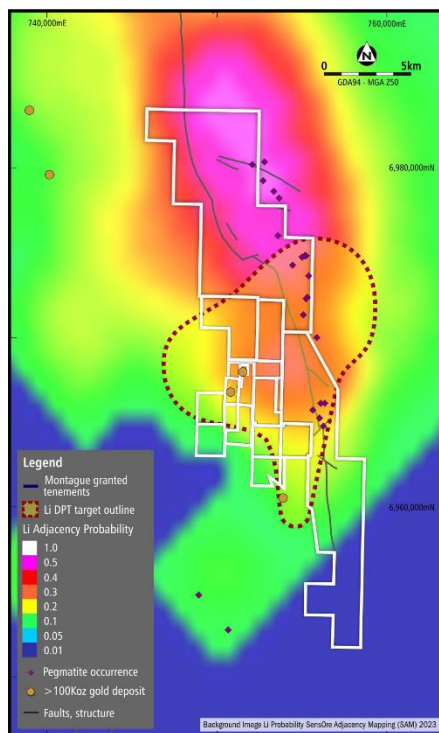


Figure 15: Montague Project ML target map (SAM and DPT)

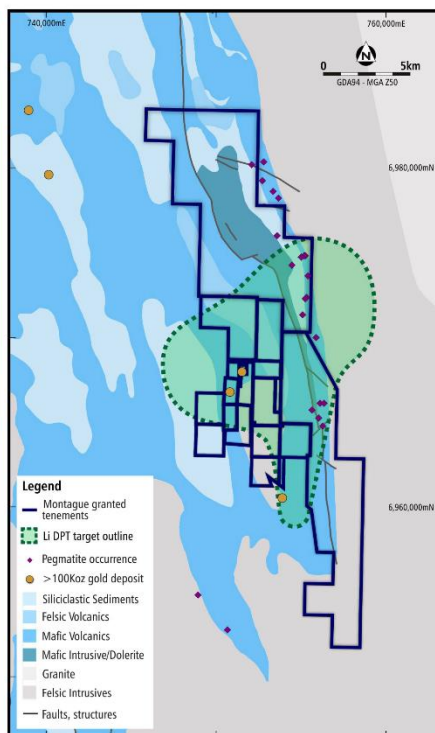


Figure 16: Montague Project Geology

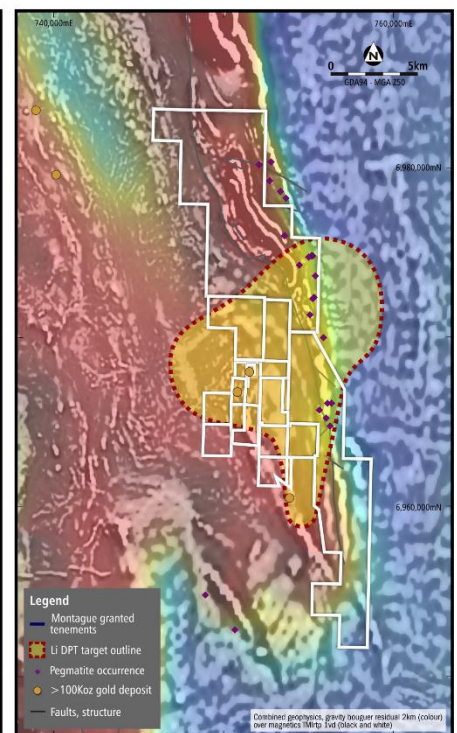


Figure 17: Montague Project geophysics synthesis

4.1.5 Gecko North

EVAI to earn a 51% interest (non-precious Mineral Rights) in Stage 1 for \$2,500,000 within 4 years and Stage 2 (for additional 29%) by completing a Bankable Feasibility Study Regionally the project is located within the Coolgardie domain of the Eastern Goldfields terrane, an arcuate belt of typical Archean greenstone sequences mafic to ultramafic volcanic and intrusive rocks at the base overlain by felsic volcanic and sedimentary rocks. The greenstones are bounded by major,

terrane bounding structures, the Kundana Shear to the east and Ida Fault to the west. Individually the sequences contain ultramafic and high-Mg basalt intruded by an iron rich differentiated gabbro sill and overlain by massive spinifex textured mafic rocks with interflow black shales and cherts. These are in turn overlain by a thick sequence of felsic volcanics and volcanoclastics. All these rocks are cut by a series of felsic and mafic porphyries, with compositions including dacite, rhyolite to diorite, dolerite and hornblende lamprophyre. The greenstone sequences have been metamorphosed to amphibolite facies and are bounded and intruded by various granitoid bodies ranging in composition monzogranites, tonalites, porphyritic granodiorites and granites.

In mid-2022, SensOre deploying its DPT® and mineral Adjacency Mapping targeting technologies together with compilation of statewide geochemical analysis identified predicted lithium target within a region not previously highlighted with lithium exploration potential in the Coolgardie area north of the historical Gecko Gold Mine. In 2022, geological reconnaissance, soil sampling using ultrafine soil sampling technique highlighted a large low-level lithium and associated caesium and rubidium anomaly in the northwest of the project. Additional infill ultrafine soils and trial auger sampling was completed by EVAI to further define the anomaly.

Next steps involve a small air core drilling program over the existing soil anomaly to ascertain the nature of the soil anomalism to determine depth to basement and fertility of the underlying sequence for LCT pegmatites before completing further geophysics to detail the underlying sequence for possible deeper RC drilling. A wider spaced soil survey is also planned over the DPT target in the southeast in early 2024.

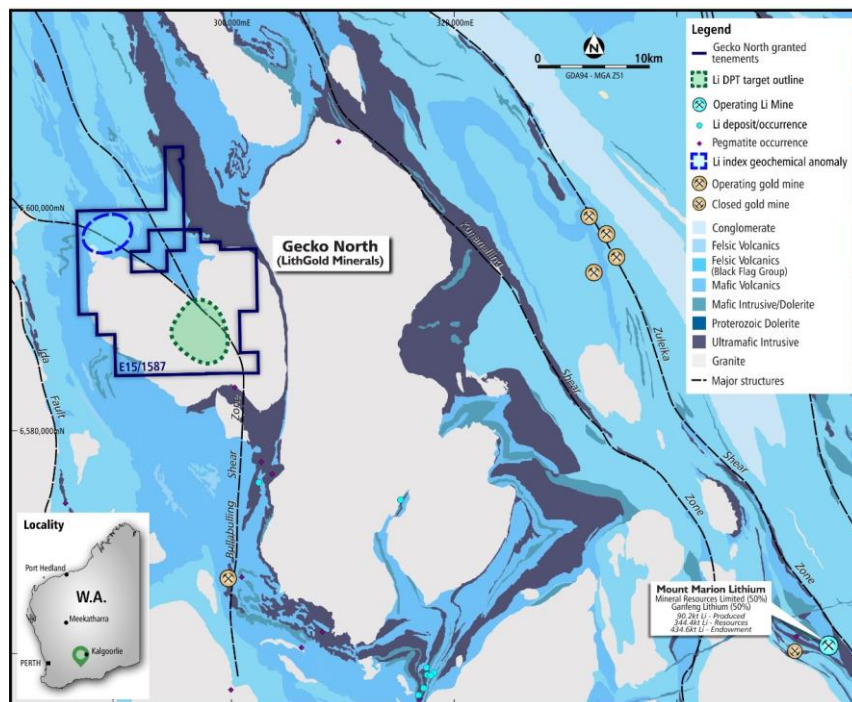


Figure 18: Gecko North Project regional geology

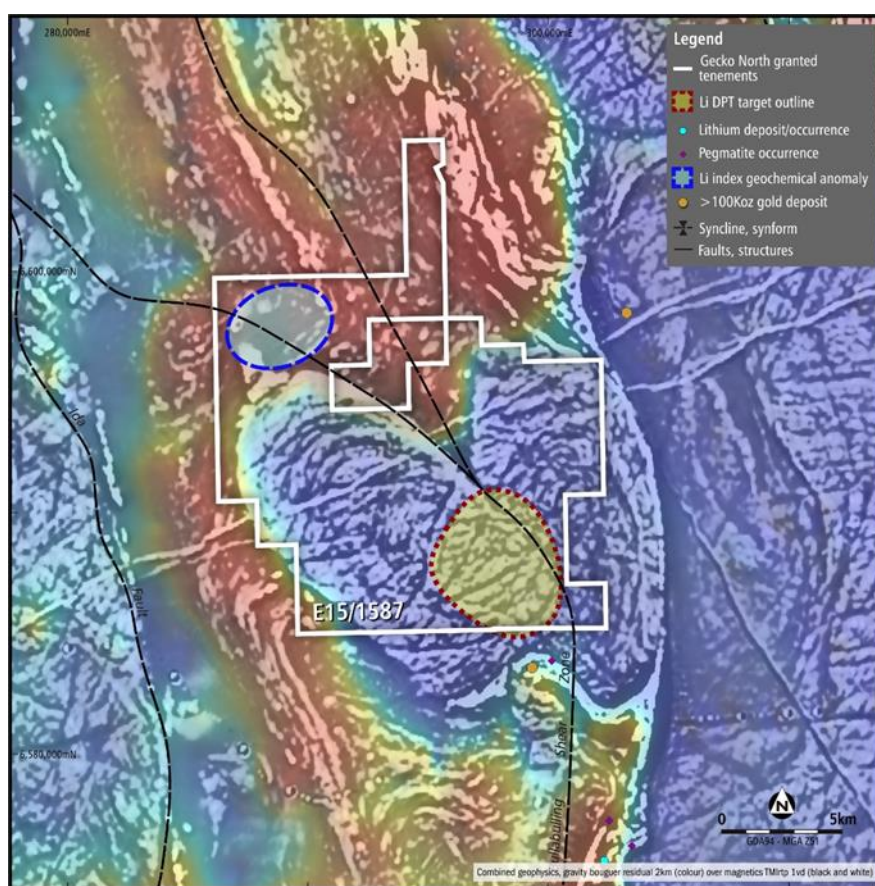


Figure 19: Gecko North Project geophysics

4.1.6 Other Projects and Pipeline

EVAI has a number of other pipeline projects that are less advanced including South Kalgoorlie and Bowgarder Well. These projects are early stage predicted targets to be progressed with reconnaissance activities and target delineation programs in 2024.

4.1.7 About Deutsche Rohstoff

Deutsche Rohstoff identifies, develops and sells attractive mineral deposits primarily in North America, Australia and Europe. Their focus is on the development of oil and gas deposits in the US. Metals such as gold, copper, lithium or tungsten are also part of their portfolio. The business model is to look for opportunities offered by the commodity market and the experience and strengths of their local teams to generate sustained high returns for their shareholders.

Deutsche Rohstoff is headquartered in Mannheim and they have offices in Leipzig and subsidiaries in Denver where they have extensive experience in the exploration of mineral deposits, their development and production. In the US, they have successfully developed a total of over 100 oil wells in recent years. In Australia Deutsche Rohstoff operated a gold mine and a tungsten mine prior to divesting those assets.

Since their IPO in 2010, they were able to sell a total of seven projects with total proceeds of around EUR 270 million, generating a total pre-tax profit of around EUR 80 million for the Group. Deutsche Rohstoff's goal is to achieve attractive share price performance and see shareholders to participate in the success of the company through reliable and continuous dividends.

4.1.8 Resolution 2 Board Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

4.2 Resolution 3 Issue of Placement Shares (\$3m)

The Company has received binding commitments to raise \$3 million at a price of \$0.05 cents per Share and 7,500,000 broker options to PAC Partners Securities Pty Ltd. This Resolution seeks Shareholder approval for the issue of up to approximately 60 million Shares and 7,500,000 options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month 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 without the approval of Shareholders or the additional 10% annual placement capacity under ASX Listing Rule 7.1A which was approved at SensOre's Annual General Meeting.

The proposed issue of Shares to raise \$3m exceeds both the 7.1 and 7.1A capacity and requires Shareholder approval to proceed. In addition, the effect of this Resolution will be to allow the Company to issue the Shares during the period of 3 months after this Meeting (or a longer period, if allowed by ASX), without using the Company's 15% placement capacity.

In addition, SensOre is seeking shareholder approval under ASX Listing Rule 7.1 in respect of the 7,500,000 broker options to allow, under Exception 9 of ASX Listing Rule 7.2, for the issue of Shares on the exercise of any of the 7,500,000 broker options.

Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to this Resolution:

- (a) the maximum number of Shares to be issued is 60,000,000 and 7,500,000 Options exercisable at \$0.105 over 3 years to PAC Partners Securities Pty Ltd;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) it is intended that the issue of all the Shares and Options will occur on the same date;
- (d) the Shares will be issued at a price of 5 cents each;
- (e) the Shares will be issued to sophisticated and professional investor clients of the Lead Manager and on a Chairman's list. These parties are not related parties of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (but noting that the Shares will be issued after the Record Date for the In-Specie Distribution and so will not participate in the In-Specie Distribution);
- (g) the use of funds are set out in section 4.2.1;
- (h) each broker option grants to PAC Partners Securities Pty Ltd a right to require the Company to issue to it a fully paid ordinary share in the Company and is exercisable, at any time prior to 3 years after their date of issue, at an exercise price of \$0.105 per Share.; and
- (i) a voter exclusion statement is set out in section 5 below

4.2.1 Use of Funds

The use of funds are primarily for drilling at the Abbotts North lithium prospect; conducting technical studies, including geophysical and geochemical sampling; initial drilling activities on SensOre's existing lithium projects; and further exploration on SensOre's other projects. The use of funds include \$0.4m of Western Australian Exploration Incentive Scheme (EIS) and pre-paid drilling credit with a contractor.

Project	Abbotts North 2024	Yalgoo 2024 (includes Golden Grove North and Yalgoo West)	Montague 2024	Other projects 2024	Total 2024
Personnel	\$350,000	\$156,000	\$84,000	\$55,000	\$645,000
Administration	\$90,000	\$48,000	\$18,000	\$16,000	\$172,000
Technical Studies	\$65,000	\$102,000	\$57,000	\$56,000	\$280,000
Landholding costs	\$10,000	\$46,000	\$54,000	\$95,000	\$205,000
Field logistics	\$55,000	\$31,000	\$15,000	\$21,000	\$122,000
Drill Sample Assays	\$70,000	\$22,000	\$12,000	\$20,000	\$124,000
Other Drilling costs	\$70,000	\$21,000	\$15,000	\$29,000	\$135,000
RAB Drilling	\$0	\$0	\$0	\$22,000	\$22,000
RC drilling	\$570,000	\$108,000	\$63,000	\$206,000	\$947,000
Diamond drilling	\$135,000	\$0	\$0	\$0	\$135,000
Heritage surveys	\$80,000	\$48,000	\$48,000	\$37,000	\$213,000
Subtotal	\$1,495,000	\$582,000	\$366,000	\$557,000	\$3,000,000
Corporate costs					\$500,000
Total	\$1,495,000	\$582,000	\$366,000	\$557,000	\$3,500,000

Table 6: Lithium Use of Funds

Drilling	Holes	Metres
RAB Drilling	70	2500
RC drilling	50	7500
Diamond drilling	3	1000

Table 7: Proposed Drill Metres

4.2.2 Resolution 3 Board Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

4.3 Resolution 4 Change of Name to Premier1 Lithium Limited

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name. The Directors have determined to change the name of the Company from SensOre Limited to “Premier1 Lithium Limited”. The Board proposes this change of name on the basis that it believes that the name “SensOre” is more closely associated with the demerged technology business and that the proposed name more accurately reflects the future operations of the Company on completion of the Demerger and the acquisition of EVAI.

Resolution 4 seeks Shareholder approval for the change of name in accordance with section 157 of the Corporations Act. Resolution 4 is a special resolution. The change of name of the Company will take effect from when ASIC alters the details of the Company’s registration.

The proposed name has been reserved by the Company with ASIC and if Resolution 4 is passed, the Company will lodge a copy of the special resolution with ASIC on completion of the transactions in order to effect the change.

4.3.1 Resolution 4 Board Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

4.4 Resolution 5 Appointment of Anja Ehser as a Director of SensOre Limited

Under Chapter 14 of the ASX Listing Rules and clause 64.1 of the Constitution provide for the Company to appoint a new director by ordinary resolution passed at a general Meeting.

4.4.1 Qualifications and other material directorships

Anja is VP Geology at Deutsche Rohstoff AG with more than 15 years of exploration experience including previous roles with Sabina Silver and Xstrata Copper. Within Deutsche Rohstoff, Anja is responsible for the business development of the metals and mining division and holds management and board positions in various subsidiaries. Apart from metals and mining, Deutsche Rohstoff explores and produces crude oil and natural gas in the United States.

4.4.2 Resolution 5 Board Recommendation

The Directors unanimously recommend that you vote in favour of the resolution.

5. Voting Prohibition and Voting Exclusion Statements

5.1 Voting Prohibition Statements

Resolution 1: Approval for an Equal Reduction in Capital: Demerger of Tully Investors Limited - No Prohibition or exclusions	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>i) a member of the Key Management Personnel; or</p> <p>ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
Resolution 2: Issue of Shares and Options to Deutsche Rohstoff AG for Acquisition of 70% Interest in Lithium Assets Deutsche Rohstoff AG	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>i) a member of the Key Management Personnel; or</p> <p>ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(c) the proxy is the Chair; and</p> <p>(d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
Resolution 3: Issue of Placement Shares (\$3m capital raise) - No Prohibition or exclusions	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>i) a member of the Key Management Personnel; or</p> <p>ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p>

	<p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<p>Resolution 4: Change of Company Name to Premier1 Lithium Limited</p> <p>- No Prohibition or exclusions</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>i) a member of the Key Management Personnel; or</p> <p>ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<p>Resolution 5: Appointment of Anja Ehser as a Director</p> <p>- Anja Ehser</p> <p>- Deutsche Rohstoff AG</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>i) a member of the Key Management Personnel; or</p> <p>ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Table 8: Voting Prohibitions

5.2 Voting Exclusion Statements

In accordance with Listing Rule 14.11.1, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons:

Resolution 1 – Resolution 1: Approval for an Equal Reduction in Capital: Demerger of Tully Investors Limited	- No exclusions
Resolution 2 - Issue of Shares and Options to Deutsche Rohstoff AG for Acquisition of 70% Interest in Lithium Assets	Deutsche Rohstoff AG and any associated party
Resolution 3 – Issue of Placement Shares (\$3m capital raise)	Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Placement Shares or the proposed issue of the broker options to PAC Partners Securities Pty Limited, or an associate of that person or those persons.
Resolution 4 – Change of Company Name to Premier1 Lithium Limited	- No exclusions
Resolution 5 – Appointment of Anja Ehser as a Director	Anja Ehser, Deutsche Rohstoff AG and any associated party

Table 9: Voting Exclusions

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

- (a) a person as a 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
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i) 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
 - ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Key Risk Factors

Set out below are the key risks that SensOre Shareholders will continue to be exposed to Tully and/or retain their current investment in SensOre Shares. The risks identified in this Section are not an exhaustive list of all of the risks relevant to SensOre Shareholders, SensOre and/or Tully. No assurances or guarantees are given as to SensOre's and/or Tully's prospects, future performance, profitability or dividend payments.

Topic	Summary
Funding	<p>At the date of this Explanatory Memorandum, Tully owns 100% of SensOre_X Pty Ltd which operates the technology software and services business of SensOre. Tully's growth needs may mean that Tully generates losses for the foreseeable future. Until it is able to fully commercialise its technology, which may not eventuate, Tully will be dependent upon being able to obtain future equity or debt funding to support its business plans. Neither Tully, SensOre, its directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms acceptable to Tully.</p> <p>If the resolutions are passed, SensOre will have no income producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cashflow, it is dependent upon being able to obtain future equity or debt funding to support long term exploration, after the expenditure of the net proceeds from the \$3m placement. Neither SensOre nor any of its directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms acceptable to SensOre.</p> <p>Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a technology or a project can be developed to the stage where it will generate positive cashflow. As such, cashflow would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.</p>
Acquisition of 70% interest in Exploration Ventures AI Pty Ltd (EVAI)	<p>The acquisition of the 70% of EVAI that SensOre does not hold involves several risks. EVAI can acquire a 100% in the Abbotts North project by paying a \$75,000 option fee in 2024 and a further \$200,000 in 2025. The farm-ins have minimum expenditure requirements which in some cases are required to be met before withdrawal. The EVAI tenements also contain a number of farmin agreements covering 4 project areas, including commodity specific rights for lithium. Given the nature of mineral rights sharing agreements, there is a greater degree of co-ordination required in respect of activities on the Tenements, including some longer negotiation periods and a process for the parties to evaluate a proposed area. Land access arrangements required by co-rights holders, governments or traditional owners, in some cases require negotiation or have yet to be obtained. As a consequence of this, there is a risk that this may cause SensOre's ability to undertake activities, or to progress from exploration to mining, to be delayed. Furthermore, there is an inherent risk with mineral rights sharing agreements that the parties activities overlap, or interfere, with each other and that this cannot be resolved within the parameters of the agreement. Accordingly, there is an increased risk of dispute that may cause delays, or costs, to SensOre in trying to progress its activities.</p>
Stamp Duty	<p>The acquisition of EVAI may be a dutiable transaction with the associated duty being calculated based on the higher of the consideration paid and the market value of the rights. The dutiable value is uncertain and hence the duty payable cannot be reliably measured.</p>
In-Specie Distribution Taxation	<p>The acquisition and disposal of Tully Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors are urged to obtain independent financial advice about the consequences of acquiring Tully Shares from a taxation viewpoint and generally. Shareholders should consult their own professional advisors to confirm the taxation implications of the In-specie Distribution.</p>

Topic	Summary
Limited Exploration	While SensOre considers that the EVAL assets have had sufficient exploration that the proceeds of the placement can be committed to test identified lithium potential, Shareholders should be aware that there has been limited modern systematic lithium exploration on the EVAL assets to date and that no lithium mineral resource estimate has been defined. Whilst the Company intends to undertake exploration activities with the aim of defining a resource, no assurances can be given that the exploration will result in the delineation of a resource. Even if a resource is identified, no assurance can be provided that this can be economically extracted.
Liquidity	There can be no guarantee that there will be an active market for Tully Shares or SensOre Shares or that the price of Tully Shares or SensOre Shares will increase. There may be relatively few buyers or sellers of shares in Tully, as a non-listed company, or in SensOre as a listed ASX company at any given time. This may affect the volatility of the value of Tully shares and the market price of SensOre Shares.
Litigation Risk	<p>SensOre and Tully are subject to litigation risks. All industries, including the technology and minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.</p> <p>Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Tully or SensOre are, or may become subject, could have a material effect on its financial position, results of operations or activities.</p>
Speculative nature of business	SensOre is a minerals targeting company which uses ML technologies and large geoscience datasets to enhance mineral targeting and exploration performance. SensOre may continue to use the technology to generate targets if the resolutions are approved and Tully may continue to develop the technology. However, exploration for minerals is a highly speculative venture necessarily involving substantial risk. There is a risk that SensOre will not find economic mineral deposits at the relevant locations, including those that may be identified by its ML enhanced technologies and large geoscience datasets. Accordingly, Shareholders should be aware that the shares in Tully and your shares in SensOre carry no guarantee with respect to the payment of dividends, the return of capital or the market value of those securities.
Limited financial and operating history of SensOre	Tully is newly incorporated on 5 December 2023 and SensOre was incorporated on 1 November 2019 and therefore has limited operational and financial history on which to evaluate its business and prospects. The prospects of Tully and SensOre must be considered in light of the risks, expenses and difficulties frequently encountered by companies in the early stages of their development, particularly in the METS and mineral exploration sectors, which have a high level of inherent risk and uncertainty. No assurance can be given that Tully or SensOre will achieve commercial viability of its products nor Tully or SensOre's successful exploration on, or mining development of, its current and future tenement assets, target generation or investments therein.
Commodity price risk	The prices base and precious metals fluctuate widely and are affected by numerous factors beyond the control of SensOre and Tully including, but not limited to: supply/demand balances, strategies of major producers, worldwide inflation and deflation, interest and currency exchange rates, price and availability of substitutes, actions taken by governments and global economic and political developments. Demand for Tully's products and SensOre's ability to conduct mineral exploration is derived from the demand for commodities.
Cashflow risk	If Tully and/or SensOre are unable to meet their financial obligations either through cash flow generation or the ability to secure funding/finance, it may need to seek financial support from their respective shareholders.

Topic	Summary
Input costs, inflations and foreign exchange rates	Changes to input costs, inflation and foreign exchange rates could increase Tully's and SensOre's operating and capital costs. While in some cases such cost increases may be controlled or offset by increased selling prices, there is no assurance that this will eventuate. Operating margins and necessary capital costs may be adversely impacted by a failure to contain unanticipated cost increases.
Health, safety, security, environment and community	SensOre's and Tully's sustainable development policies and activities, covering health, safety, security, environment and community issues, are subject to government laws, regulations and standards as well as stakeholder expectations. These regulatory frameworks and expectations may change over time and may have a material adverse effect on Tully's and/or SensOre's operations and reputation.
Climate Change	<p>Climate change is a risk SensOre and Tully has considered, particularly related to its exploration operations. The climate change risks particularly attributable to SensOre include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. SensOre and Tully may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage.</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by SensOre, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical.</p>
Social License	In order to explore, develop or operate in communities, the general acceptance of certain stakeholder populations may be required. This may include formal agreements that can require extended negotiations with large numbers of stakeholders, for example indigenous communities and groups with native title rights. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to SensOre's plans.
Strategy risk	<p>Part of Tully's and SensOre's strategic plan includes the ability to identify development and acquisition opportunities, including those that may be identified by its ML enhanced technologies and large geoscience datasets. There is no assurance, however, that Tully or SensOre will be able to secure any developments or acquisitions to drive future growth in their respective areas.</p> <p>There is a risk that the Company will be unable to secure such opportunities or equally divest non-core assets at attractive valuations on appropriate terms, thereby potentially limiting the growth of Tully and/or SensOre as the case may be. For SensOre, the acquisition of projects (whether completed or not) may require the payment of monies (notably as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.</p>
Contractual and farm-in or joint venture risk	SensOre operates certain projects with third parties through targeting agreements, farm-ins or joint ventures. The ability of SensOre to achieve its business objectives will depend on the performance by SensOre and counterparties of their contractual obligations. SensOre may be adversely affected by financial or operational failure, poor performance, withdrawal or default on the part of third-party counterparties. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for SensOre. In addition, disputes with third-parties can result in disruption and delay in the development of SensOre's operations, including failure to satisfy expenditure commitments. It is not possible for the Company to predict or to protect against all such risks.

Topic	Summary
Technology risk	<p>SensOre and Tully are dependent on technology for the delivery of various services and development and acquisition opportunities, including core technologies such as its AI/ML technologies and large geoscience datasets, its computer servers, its back-end processing systems and other information technology systems. There is a risk that its technologies, datasets and technology systems will not operate as expected. There is also a risk that the commercialisation of the technology will not scale as anticipated. Technology risks could also result in reputational harm and expenses incurred in rectifying systems as necessary.</p> <p>SensOre and Tully invest in R&D and this is anticipated to continue in the future to further expand and improve the technology assets and/or targets generated, and to maintain and enhance the companies' competitive position. When investing in R&D, by its very nature, the outcomes are unknown. SensOre and Tully make certain assumptions regarding anticipated benefits that may be generated from the activities and the timeframe within which benefits may be realised. These assumptions are subject to change and involve known and unknown risks beyond Tully's and SensOre's control. Changes to these assumptions as well as changes to R&D outcomes may impact Tully and SensOre's ability to realise the benefits of technology innovations and product development costs.</p>
Exploration and operating risk	<p>The mineral exploration licences comprising SensOre's Tenement Assets are at various early stages of exploration and investors should understand that mineral exploration and development is a high-risk undertaking. There are also risks that due diligence will fail to identify potential material deficiencies in exploration titles, including royalties, caveats, encumbrances and other restrictions.</p>
Reliance on key personnel	<p>Tully and SensOre's technology know-how, development and deployment of technology to enhance mineral targeting and exploration performance is reliant on a number of key personnel currently employed by SensOre, some of which will be assigned to Tully. The loss of one or more of these key contributors could have a materially adverse impact on Tully and/or SensOre and their activities and financial performance, including a substantial loss of know-how. It may also be particularly difficult for Tully and/or SensOre to attract and retain suitably qualified and experienced people given the current high demand in the industry. The success of Tully and/or SensOre will also depend upon Tully and/or SensOre being able to attract and retain sufficiently skilled and qualified staff and provide adequate training to highly trained technical staff. Staffing adequacy will have a consequential impact on both companies' capacity to win and service work from new and existing clients according to their respective business models.</p>
Intellectual property protection risk	<p>Tully's and SensOre's ability to leverage its innovation and expertise depends upon its ability to maintain trade secrets, commercial in confidence information and the software code and data that underpins its business. Intellectual property that is important to Tully and SensOre includes, but is not limited to, know-how, copyright, trademarks, domain names, its website, business names and logos. SensOre relies on contractual arrangements and laws regulating intellectual property to assist in protecting its intellectual property. However, such intellectual property may not always be capable of being legally protected. It may be the subject of unauthorised disclosure or unlawful infringements, or Tully and/or SensOre may incur substantial costs in asserting or defending its intellectual property rights or protecting its confidential information.</p>
Failure to attract new business	<p>Tully's and/or SensOre's ability to attract and retain new clients depends on many factors including the adequacy of its exploration solutions with respect to functionality, pricing, client support and value compared to competing products as well as the attractiveness of competitor solutions and competition in general. In addition, clients' use of Tully and/or SensOre's solutions may be affected by external factors impacting the mining industry. Failure to appropriately retain and develop ongoing engagements with clients may materially and adversely impact Tully and/or SensOre's growth and financial performance.</p>
Taxation	<p>Future changes in Australian and international taxation laws, including changes in interpretation or application of laws by the courts or taxation authorities in Australia, may</p>

Topic	Summary
	<p>affect taxation treatment of an investment in Tully and/or SensOre shares, or the holding and disposal of those shares. Further changes in tax law or changes in the way tax law is expected to be interpreted in the various jurisdictions in which Tully and/or SensOre operates, may impact Tully's and/or SensOre's future tax liabilities.</p>
<p>Stock market conditions</p>	<p>SensOre shares are listed on the ASX, where their price may rise or fall. The market price of SensOre shares may fluctuate due to various factors including the risk factors outlined above. The market for mining industry securities has historically experienced significant fluctuations in price and trading volumes which may be unrelated to the performance of individual companies. The stock market has in the past and may in the future be affected by a number of matters including market confidence; supply and demand for money; and currency exchange rates.</p> <p>These factors are not an exhaustive list of risks faced by SensOre and/or Tully or by shareholders or investors in SensOre and/or Tully. The above factors, and others not referred to in this Explanatory Memorandum, may in the future materially affect the financial performance of SensOre and/or Tully. SensOre and Tully securities carry no guarantee in respect of profitability, dividends, return of capital, liquidity or in the case of SensOre, the price at which they may trade on the ASX or in the case of Tully, the price at which they may be sold.</p>

7. Tenement Schedule inclusive EVAI assets

Table 10: Tenure held by SensOre (Pre-Lithium Transactions) or Exploration Ventures AI Pty Ltd (EVAI)

Project	Holder	Tenement	Status	Location (Shire)	Interest at Qtr-end	Change during Quarter /Farm-in Interest
Abbotts North	Matrix Exploration Pty Ltd	E51/2126	Granted	Meekatharra	0	Option Agreement to acquire 100% of the Tenements. Further details in S3N ASX release of 19 September 2023.
		E51/2130	Granted	Meekatharra	0	
		E51/2131	Granted	Meekatharra	0	
	EVAI Pty Ltd	E51/2178	Application	Meekatharra	100	Application date 18 September 2023.
Bowgarder Well	EVAI Pty Ltd	E70/6301	Granted	Morawa	100	Granted 26 July 2023.
Gecko North	Origin Gold Mines Holdings Pty Ltd	E15/1587	Granted	Coolgardie	0	Farm-in to acquire: 80% of all mineral rights except for precious metals Further details in S3N ASX release of 10 November 2022
Golden Grove North	Bright Point Gold Pty Ltd	E59/1989	Granted	Yalgoo	0	Farm-in interest to acquire 70% of all mineral rights except for REE Further details in S3N ASX release of 12 May 2023.
	Venture Z Pty Ltd	E59/2243	Granted	Yalgoo	0	
		E59/2244	Granted	Yalgoo	0	
		E59/2285	Granted	Yalgoo	0	
		E59/2288	Granted	Yalgoo	0	
		E59/2506	Granted	Yalgoo	0	
	Venture Minerals Limited	P59/2116	Granted	Yalgoo	0	

Montague	Gateway Mining Limited	E57/405	Granted	Sandstone	0	Farm-in to acquire: 80% of lithium rights. Further details in S3N ASX release of 23 January 2023.
		E57/687	Granted	Sandstone	0	
		E57/823	Granted	Sandstone	0	
		E57/824	Granted	Sandstone	0	
		E57/875	Granted	Sandstone	0	
		E57/888	Granted	Sandstone	0	
		M57/217	Granted	Sandstone	0	
		M57/48	Granted	Sandstone	0	
		M57/485	Granted	Sandstone	0	
		M57/98	Granted	Sandstone	0	
		M57/99	Granted	Sandstone	0	
		P57/1409	Granted	Sandstone	0	
	Estuary Resources Pty Ltd (25%); Gateway Mining Limited (75%)	E57/793	Granted	Sandstone	0	
	Gateway Projects WA Pty Ltd	P57/1410	Granted	Sandstone	0	
		P57/1411	Granted	Sandstone	0	
		P57/1413	Granted	Sandstone	0	
South Kal	Alliance Resources (WA) Pty Ltd	E26/208	Granted	Coolgardie/Kalgoorlie-Boulder	0	Farm-in to acquire: 50% of non-precious mineral rights.
		P15/6389	Granted	Coolgardie	0	
		P26/4458	Application	Kalgoorlie-Boulder	0	
		P26/4459	Application	Kalgoorlie-Boulder	0	
		P26/4460	Granted	Kalgoorlie-Boulder	0	
		P26/4461	Granted	Kalgoorlie-Boulder	0	
		P26/4462	Granted	Kalgoorlie-Boulder	0	
		P26/4463	Granted	Kalgoorlie-Boulder	0	
Yalgoo South	Yalgoo Exploration Pty Ltd	E59/2252	Granted	Yalgoo	0	Farm-in to acquire: 80% of lithium rights. Further details in S3N ASX release of 7 November 2023.

Table 11: Tenure held by SensOre outside of Exploration Ventures AI Pty Ltd

Project	Holder	Tenement	Status	Location (Shire)	Interest at Qtr-end	Change during Quarter / Farm-in Interest
8 Mile Well	SensOre Yilgarn Ventures Pty Ltd (SYV)	E37/1420	Granted	Leonora	100	Optioned to Red Wolf Pty Ltd October 2023
		P37/9436	Granted	Leonora	100	
		P37/9437	Granted	Leonora	100	
		P37/9438	Granted	Leonora	100	
		P37/9439	Granted	Leonora	100	
		P37/9442	Granted	Leonora	100	
		P37/9443	Granted	Leonora	100	
		P37/9444	Granted	Leonora	100	
		P37/9445	Granted	Leonora	100	
		P37/9446	Granted	Leonora	100	
		P37/9597	Granted	Leonora	100	
Auralia	CGM (WA) Pty Ltd	E69/3636	Granted	Kalgoorlie-Boulder	0	Earn-in to acquire: 70% Further details in S3N 2022 Annual Report.
		E69/3637	Granted	Kalgoorlie-Boulder Menzies	0	
		E69/3700	Granted	Kalgoorlie-Boulder	0	
Boo Boo Well	Pilbara Exploration Ventures Pty Ltd (PEV)	E53/2255	Application	Wiluna	100	Application date 17 August 2022.
Boodanoo	SYV	E59/2368	Granted	Murchison/Yalgoo	100	
Christmas Well	Yilgarn Exploration Ventures Pty Ltd (YEV)	P37/9211	Granted	Leonora	100	Optioned to Red Wolf Pty Ltd October 2023
		P37/9212	Granted	Leonora	100	
		P37/9213	Granted	Leonora	100	
		P37/9214	Granted	Leonora	100	
		P37/9215	Granted	Leonora	100	
		P37/9216	Granted	Leonora	100	
		P37/9217	Granted	Leonora	100	
		P37/9218	Granted	Leonora	100	
		P37/9219	Granted	Leonora	100	
		E37/1411	Granted	Leonora	100	
		E37/1371	Granted	Leonora	100	
Jenkins	SensOre Battery	E69/3986	Granted	Dundas	100	

Project	Holder	Tenement	Status	Location (Shire)	Interest at Qtr-end	Change during Quarter / Farm-in Interest
	Minerals Pty Ltd (SBM)					
Moonera	Nullabor Resources Pty Ltd	E69/3724	Granted	Dundas	0	Farm-in to acquire: 80% Further details in S3N 2022 Annual Report.
Mt Magnet North	Third Party Individual ¹	E58/525	Granted	Mt Magnet	0	Farm-in I to acquire: 85% Further details in S3N 2022 Annual Report.
North Darlot	Third Party Individual ¹	E37/1220	Granted	Leonora	0	Farm-in to acquire: 85% ² Further details in S3N 2022 Annual Report.
Nunyerry	PEV	E47/4744	Granted	Ashburton	100	
Tea Well East	SYV	P51/3242	Granted	Meekatharra	100	
		P51/3243	Granted	Meekatharra	100	
		P51/3247	Granted	Meekatharra	100	
Scorpion	SBM	E69/3985	Granted	Dundas	100	

Notes:

1. Third Party Individual is not related to the Company
2. Earn-in area: 21 of 34 graticular blocks

8. Pro-forma post transaction balance sheets for SensOre and Tully Investors Limited

SensOre Pro-forma Consolidated Statement of Financial Position as at 30 June 2023

SensOre Ltd Pro-forma Statement of Financial Position as at 30 June 2023.	Audited 30-Jun-23	Adjustments				Unaudited Pro-forma 30-Jun-23
	\$A	1	2	3	4	\$A
Current assets						
Cash and cash equivalents	1,880,952	2,760,000		(791,603)		3,849,349
Trade and other receivables	2,949,280			(2,949,280)		-
Other current assets	545,082			(38,619)		506,463
Total current assets	5,375,314	2,760,000		(3,779,501)	-	4,355,813
Non-current assets						
Property, plant and equipment	368,011			(159,053)		208,958
Exploration and evaluation assets	3,807,243			-	1,715,000	5,522,243
Technology and Intellectual Property Assets	6,144,051			(6,144,051)		-
Other non-current assets	9,423			-		9,423
Total non-current assets	10,328,728	-	-	(6,303,104)	1,715,000	5,740,624
TOTAL ASSETS	15,704,042	2,760,000	-	(10,082,605)	1,715,000	10,096,437
LIABILITIES						
Current liabilities						
Trade and other payables	878,111			(273,297)		604,814
Deferred revenue	516,499			(516,499)	-	0
Current provisions	367,003			(226,539)		140,464
Provision for income tax	55,101			(55,101)		-
Contingent consideration	517,626		(517,626)	-		-
Lease Liability - Current	93,724			(62,620)		31,104
Current borrowings	392,939			(337,411)		55,528
Total current liabilities	2,821,003	-	(517,626)	(1,471,467)	-	831,910
Non-Current liabilities						
Lease Liability - Non-Current	64,326			(64,326)		-
Non-Current provisions	77,073			(55,815)		21,258
Total current liabilities	141,399	-	-	(120,141)	-	21,258
TOTAL LIABILITIES	2,962,402	-	(517,626)	(1,591,609)	-	853,167
NET ASSETS	12,741,640	2,760,000	517,626	(8,490,996)	1,715,000	9,243,270
EQUITY						
Issued Capital	27,590,586	2,760,000	517,626	(8,490,996)	1,715,000	24,092,216
Performance rights reserve	2,266,079					2,266,079
Reserves	3,166,314					3,166,314
Accumulated losses	(20,281,339)					(20,281,339)
TOTAL EQUITY	12,741,640	2,760,000	517,626	(8,490,996)	1,715,000	9,243,270

Adjustments:

- 1 Assumes a minimum subscription of A\$3 million is raised in placement (net of issue costs)
- 2 Fully paid ordinary shares issued as settlement of final balance relating to contingent consideration for the acquisition of Intrepid Geophysics
- 3 SensOre transfers the technology assets to Tully in exchange for 80 million shares in Tully Limited and distributes the Tully shares to SensOre shareholders
- 4 SensOre acquires the remaining 70% interest in Lithium assets from Deutsch Rohstoff AG in exchange for 34,300,000 shares in SensOre

Table 12: SensOre Pro-Forma Balance Sheet

Tully Pro-forma Consolidated Statement of Financial Position as at 30 June 2023

Tully Investors Limited	Unaudited
Pro-forma Statement of Financial Position as at 30 June 2023.	Pro-forma
	30-Jun-23
	\$A
Current assets	
Cash and cash equivalents	791,603
Trade and other receivables	2,949,280
Other current assets	38,619
Total current assets	3,779,501
Non-current assets	
Property, plant and equipment	159,053
Technology and Intellectual Property Assets	6,144,051
Total non-current assets	6,303,104
TOTAL ASSETS	10,082,605
LIABILITIES	
Current liabilities	
Trade and other payables	273,297
Deferred revenue	516,499
Current provisions	226,539
Provision for income tax	55,101
Lease Liability - Current	62,620
Current borrowings	337,411
Total current liabilities	1,471,467
Non-Current liabilities	
Lease Liability - Non-Current	64,326
Non-Current provisions	55,815
Total current liabilities	120,141
TOTAL LIABILITIES	1,591,609
NET ASSETS	8,490,996
EQUITY	
Issued Capital	8,490,996
TOTAL EQUITY	8,490,996

Table 13: Tully Pro-Forma Balance Sheet

Glossary

\$ means Australian dollars.

AEDT means Australian Eastern Daylight time as observed in Melbourne, Victoria.

Shares means the Shares to be issued by SensOre Limited as part of the Company's Placement of 18 December 2023

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means SensOre Limited. (ACN 637 198 531).

Conditions Precedent has the meaning given to it in section 3.11.2

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Cut-Off Date means 29 February 2024 unless extended by the SensOre Board.

Demerger or **Demerger Transaction** means the in-specie distribution of shares held by SensOre in Tully

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

EVAI means Exploration Ventures AI Pty Ltd.

EVAI Acquisition means the acquisition by the Company of all of the issued shares held by Deutsche Rohstoff in EVAI, being the 70% interest in EVAI that the Company does not currently own, as outlined in further detail in section 3.11.1 of the Explanatory Memorandum.

Explanatory Notes means the explanatory statement accompanying the Notice.

General Meeting, GM or **Meeting** means the meeting convened by the Notice.

In Specie Distribution means the pro rata distribution in-specie of Tully Shares to Shareholders, registered as a holder of Shares at the Record Date pursuant to an equal reduction of share capital of the Company, as set out in Resolution 1 and otherwise on the terms and conditions set out in the Explanatory Memorandum.

In Specie Record Date means the record date set by the Company for determining entitlements of Shareholders to the In Specie Distribution, as set out in section 3.5 of the Explanatory Memorandum.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly,

including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means PAC Partners Securities Pty Limited

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Placement Shares means the 60,000,000 Shares to be issued to raise \$3,000,000, and the subject of Resolution 3.

Proposed Transactions means the transactions contemplated in the Resolutions.

Proxy Form means the proxy form accompanying the Notice.

Record Date means the record date set by the Company for determining entitlements of Shareholders to the In Specie Distribution, as set out in section 3.5 of the Explanatory Memorandum.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tully means Tully Investors Limited ACN 673 425 593

Tully Assets means Tully's shareholding in SensOre_X Pty Ltd

Tully Shares means fully paid ordinary shares in Tully.