



Suvo Strategic Minerals Limited
ACN 140 316 463

Notice of Annual General Meeting

**The Annual General Meeting of the Company will be held at the Parmelia Hilton,
14 Mill Street, Perth, Western Australia
on Wednesday, 17 November 2021 at 10:00am (WST).**

**THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING
IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION
TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN
PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE
MEETING BY WAY OF AN ASX ANNOUNCEMENT.**

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the
Company Secretary by telephone on (08) 6268 2641.**

Shareholders are urged to attend or vote by lodging the Proxy Form

Suvo Strategic Minerals Limited
ACN 140 316 463
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Suvo Strategic Minerals Limited (**Company**) will be held at the Parmelia Hilton, 14 Mill Street, Perth, Western Australia on Wednesday, 17 November 2021 at 10:00am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.suvo.com.au and the ASX announcement platform.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm WST on Monday, 15 November 2021. The Directors encourage all eligible Shareholders to lodge Proxy Forms prior to 10:00am (WST) on 15 November 2021.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2021, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 – Re-election of Director - Mr Robert Martin

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That Mr Robert Martin, who retires by rotation in accordance with Article 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval for Issue of Performance Rights

Resolution 3.1 Approval for the issue of Performance Rights to Dr Ian Wilson

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 600,000 Performance Rights to Dr Ian Wilson (or his respective nominees) under the Plan and on the terms and conditions in the Explanatory Memorandum.'

Resolution 3.2 Approval for the issue of Performance Rights to Mr Aaron Banks

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 7,500,000 Performance Rights to Mr Aaron Banks (or his respective nominees) under the Plan and on the terms and conditions in the Explanatory Memorandum.'

Resolution 3.3 Approval for the issue of Performance Rights to Mr Robert Martin

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to

7,500,000 Performance Rights to Mr Robert Martin (or his respective nominees) under the Plan and on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolutions 3.1, 3.2 and 3.3 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (b) Resolution 4 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote, 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.

Voting prohibition

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolutions 3.1, 3.2 and 3.3: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

Chris Achurch
Company Secretary
Suvo Strategic Minerals Limited
Dated: 6 October 2021

Suvo Strategic Minerals Limited
ACN 140 316 463
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Parmelia Hilton, 14 Mill Street, Perth, Western Australia on Wednesday, 17 November 2021 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

| | |
|------------|---|
| Section 2 | Voting and attendance information |
| Section 3 | Annual Report |
| Section 4 | Resolution 1 – Remuneration Report |
| Section 5 | Resolution 2 – Re-election of Director - Mr Robert Martin |
| Section 6 | Resolutions 3.1, 3.2 and 3.3 – Approval for Issue of Performance Rights |
| Section 7 | Resolution 4 – Approval of 10% Placement Facility |
| Schedule 1 | Definitions |
| Schedule 2 | Summary of Employee Securities Incentive Plan |
| Schedule 3 | Terms and Conditions of Performance Rights |
| Schedule 4 | Company's valuation of the Performance Rights |

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.3 Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (iv) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and
- (vii) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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

If the Chair is a person referred to in the section 214 of the Corporations Act voting prohibition statement applicable to Resolutions 3.1, 3.2 and 3.3, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention on the Proxy Form.

2.5 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@suvo.com.au by 10:00 am Monday, 15 November 2021.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2021.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.suvo.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

A 'No' vote of more than 25% was not received at last year's AGM.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2022 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about or make comments on the Remuneration Report.

4.2 Board recommendation

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director - Mr Robert Martin

5.1 General

Article 14.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, rounded up). Article 14.2 of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office (unless otherwise agreed to amongst themselves).

Article 14.2 of the Constitution provides that a Director who retires by rotation is eligible for re-election.

In addition, Listing Rule 14.5 provides that at least one Director must stand for election or re-election at each annual general meeting.

Mr Robert Martin was elected by Shareholders to hold the position of Director at the general meeting held on 7 July 2020 and has held the position longest since being elected.

Accordingly, Mr Martin retires by rotation at this Meeting and, being eligible, seeks approval to be re-elected pursuant to Resolution 2.

Mr Martin has over 20 years' experience across the mining services, supply chain and capital market sectors. Mr Martin has operated a highly successful mining services company which became a leading provider of products and services to the mining industry and operated globally with offices across Australia and internationally. After 7 years of revenue growth and profitability and expansion into multiple countries, Mr Martin's company was acquired by a prominent Perth business.

Mr Martin currently holds the position of Non-Executive Director of PARKD Limited and is the Non-Executive Chairman of publicly listed Critical Resources Ltd.

Mr Martin has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

If re-elected, the Board does not consider Mr Robert Martin to be an independent Director.

Further information on Robert Martin including his qualifications and experience has been disclosed in the 2021 Annual Report.

5.2 Additional information

Resolution 2 is an ordinary resolution.

If Resolution 2 is passed, Mr Martin will be re-elected as Executive Chairman of the Company.

If Resolution 2 is not passed, Mr Martin will not be re-elected as Executive Chairman of the Company.

5.3 Board recommendation

Mr Martin's skills and experience are highly complementary to the existing skill set of the Board and will continue to prove invaluable to the Company. For these reasons, the Board (other than Mr Robert Martin) recommends that Shareholders vote in favour of Resolution 2.

6. Resolutions 3.1, 3.2 and 3.3 – Approval for Issue of Performance Rights

6.1 General

Resolutions 3.1, 3.2 and 3.3 seek Shareholder approval pursuant to Listing Rule 10.14 and section 208 of the Corporations Act for the issue of up to a total of 15,600,000 performance rights (**Performance Rights**) to Dr Ian Wilson, Mr Aaron Banks and Mr Robert Martin (or their respective nominees) under the Company's Employee Securities Incentive Plan approved by Shareholders on 28 February 2020 (**Plan**).

Subject to Shareholders approving the respective Resolutions, the Performance Rights will be issued in the following proportions:

| Resolution | Director | Tranche A Performance Rights | Tranche B Performance Rights | Tranche C Performance Rights |
|------------|---------------------|------------------------------------|------------------------------------|------------------------------------|
| 3.1 | Dr Ian Wilson | 200,000 | 200,000 | 200,000 |
| 3.2 | Mr Aaron Banks | 2,500,000 | 2,500,000 | 2,500,000 |
| 3.3 | Mr Robert Martin | 2,500,000 | 2,500,000 | 2,500,000 |

The Board considers that Performance Rights, rather than Shares, are an appropriate form of incentive because they reward the respective Directors for the achievement of business objectives over a period of up to five years from their date of issue. The Board considers that the number of Performance Rights to be granted to the Directors is commensurate with their value to the Company and is an appropriate method to provide a cost effective incentive component to their remuneration.

The Performance Rights are to be issued under the Plan approved by Shareholders on 28 February 2020.

The Performance Rights will be issued on the terms and conditions set out in Schedule 3.

If Resolutions 3.1, 3.2 and/or 3.3 are passed, the Company will be able to proceed with the issue of up to 600,000 Performance Rights to Dr Ian Wilson, 7,500,000 Performance Rights to Mr Aaron Banks and 7,500,000 Performance Rights to Mr Robert Martin, each being a related party (or their nominee).

If Resolutions 3.1, 3.2 and/or 3.3 are not passed, the Company will not be able to proceed with the issue of the Performance Rights and the Company will need to consider other forms of performance-based remuneration, including by the payment of cash.

6.2 Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

6.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) Dr Wilson, Mr Banks and Mr Martin are each a related party of the Company by virtue of being a Director and fall into the category stipulated by Listing Rule 10.14.1;
- (b) The number of Performance Rights proposed to be issued is set out in Section 6.1.
- (c) the respective current total remuneration packages of the Directors as at the date of this Notice are set out in the table below:

| Director | Position | Cash salary and fees (\$) | Super-annuation (\$) | Equity settled Shares (\$) | Equity settled Options (\$) | Total (\$) |
|------------------|------------------------|---------------------------|----------------------|----------------------------|-----------------------------|------------|
| Dr Ian Wilson | Non-executive Director | 40,000 | - | - | - | 40,000 |
| Mr Aaron Banks | Executive-Director | 144,000 | 14,400 | - | - | 158,400 |
| Mr Robert Martin | Executive Chairman | 220,000 | 22,000 | - | - | 242,000 |

- (d) the Directors have previously been issued the following Securities under the Plan:
 - (i) Ian Wilson (Non-executive Director) was issued 500,000 performance rights and 500,000 options (exercise price 0.03 cents) under the Plan, as approved by Shareholders on 24 November 2021.
- (e) the Performance Rights will have the following vesting conditions:
 - (i) Tranche A: the Tranche A Performance Rights vest upon the Company achieving Kaolin production of at least 25ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue;

- (ii) Tranche B: the Tranche B Performance Rights vest upon the Company achieving Kaolin production of at least 27.5ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue; and
- (iii) Tranche C: the Tranche C Performance Rights vest upon the Company achieving Kaolin production of at least 30ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue.
- (f) the Performance Rights will otherwise be issued on the terms and conditions set out in Schedule 3.
- (g) a valuation of the Performance Rights is in Schedule 4, a summary for each of the Directors is as follows:

| Director | Total Value of Performance Rights (\$) |
|------------------|---|
| Dr Ian Wilson | 34,800 |
| Mr Aaron Banks | 435,000 |
| Mr Robert Martin | 435,000 |

- (h) Performance Rights will be issued as soon as practicable following the Meeting, and in any event, no later than 3 years after the date of the Meeting;
- (i) The Performance Rights will have an issue price of nil as they will be issued as part of each Director's remuneration package.
- (j) A summary of the Plan is provided in Schedule 2.
- (k) no loan will be provided to the Directors in relation to the issue of the Performance Rights;
- (l) details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 3 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (n) a voting exclusion statement is included in the Notice.

6.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and

- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Dr Wilson, Mr Banks and Mr Martin are each related parties of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to the Directors pursuant Resolutions 3.1, 3.2 and 3.3.

6.5 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) **Identity of the related parties to whom Resolutions 3.1 – 3.3 (inclusive) permit financial benefits to be given**

The Performance Rights will be issued to Dr Ian Wilson, Mr Aaron Banks, and Mr Robert Martin or their respective nominees.

- (b) **Nature of the financial benefit**

Resolutions 3.1 - 3.3 (inclusive) seek approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 6.1 above to the Related Party or his nominees.

The Performance Rights are to be issued in accordance with the Plan approved by Shareholders on 28 February 2020 and otherwise on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

- (c) **Valuation of financial benefit**

The valuation of the Performance Rights is in Schedule 4, with a summary for each Director included in Section 6.3(g).

- (d) **Remuneration of Directors**

The total annual remuneration arrangements for the Directors are described in Section 6.3(c).

(e) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company.

| Director | Shares | Unlisted options | Performance rights |
|------------------|------------|------------------|--------------------|
| Dr Ian Wilson | - | 500,000 | 333,333 |
| Mr Aaron Banks | 72,564,516 | - | 13,333,333 |
| Mr Robert Martin | 15,555,161 | 10,000,000 | 8,000,000 |

Assuming that Resolutions 3.1, 3.2 and 3.3 are approved by Shareholders and, all of the Performance Rights applicable to these Resolutions are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would represent approximately the following:

- (i) Dr Ian Wilson: 0.01% of the Company's expanded capital;
- (ii) Mr Aaron Banks: 13.32% of the Company's expanded capital; and
- (iii) Mr Robert Martin: 3.84% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.24 per Share on 27 May 2021

Lowest: \$0.062 per Share on 23 September 2020

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.15 per Share on 5 October 2021.

(g) **Dilution**

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential dilution effect is summarised below:

| Performance Rights | Proposed Maximum Issue | Dilutionary effect |
|--------------------|------------------------|--------------------|
| Dr Ian Wilson | 600,000 | 0.01% |
| Mr Aaron Banks | 7,500,000 | 1.28% |
| Mr Robert Martin | 7,500,000 | 1.28% |
| Total | 15,600,000 | 2.66% |

The above table assumes the current Share capital structure as at the date of this Notice (being 585,508,922 Shares on 5 October 2021) and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The exercise of all of the Performance Rights will result in a total dilution of all other Shareholders' holdings of 2.66% (assuming that all of the Performance Rights are vested and exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges the grant of the Performance Rights to Non-Executive Director, Dr Ian Wilson is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers the grant of Performance Rights to the Directors is reasonable in the circumstances for the reasons set out in Sections 6.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 3.1 - 3.3 (inclusive) due to their personal interest in the outcome of the Resolutions.

6.6 Other information

Each of the resolutions which form part of Resolution 3 are ordinary resolutions.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3.1, 3.2 and 3.3.

7. Resolution 4 – Approval of 10% Placement Facility

7.1 Background

Resolution 4 seeks Shareholder approval for an additional issuing capacity under ASX Listing Rule 7.1A (**Additional Placement Facility**).

If approved, Resolution 4 would enable the Company to issue additional Equity Securities (calculated below) over a 12-month period without obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without approval of its shareholders over any 12-month period to 15% of the fully-paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An “eligible entity” means an entity which is not included in the S&P/ASX 300 index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

7.2 Information on Additional Placement Facility

(a) Quoted securities

Any Equity Securities issued under the Additional Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has only one class of Equity Securities quoted on ASX, being its fully-paid ordinary Shares.

(b) Formula for Additional Placement Facility

If this Resolution 4 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula.

$$\text{Additional Placement Capacity} = (A \times D) - E$$

where:

A = the number of fully-paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully-paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16, or 17;
- plus the number of fully-paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

- plus the number of fully-paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;
 - plus the number of fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of partly-paid ordinary securities that became fully-paid in the relevant period;
 - less the number of fully-paid ordinary securities cancelled in the relevant period;
- D = 10%; and
- E = the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

7.3 ASX Listing Rule requirements

In accordance with Listing Rule 7.3A, the following information is provided in relation to the proposed approval of the Additional Placement Facility:

(a) Period for which the approval will be valid

The Additional Placement Facility would commence on the date of the Meeting and expire on the first to occur of the following:

- the date that is 12 months after this Meeting;
- the time and date of the Company's next annual general meeting; or
- the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) Minimum price at which equity securities may be issued

Any Equity Securities issued under the Additional Placement Facility must be in an existing quoted class of the Company's securities and issued for cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed; or
- (ii) if the securities are not issued within 10 trading days of the above date, the date on which the securities are issued.

(c) **Purposes for which the funds raised by an issue of equity securities may be used**

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration only, and the Company intends to use any funds raised under such an issue for continued exploration and evaluation of the Company's exploration projects, to acquire new assets or make investments and for general working capital.

(d) **Risk of economic and voting dilution**

If Resolution 4 is passed and the Company issues securities under the Additional Placement Facility, there is a risk to existing Shareholders of economic and voting dilution, including the risk that:

- (i) the market price for Equity Securities in the same class may be significantly lower on the issue date of the new Equity Securities than on the date of this Meeting; and
- (ii) the new Equity Securities may be issued at a price that is at a discount to the market price for Equity Securities in the same class on the issue date.

The table below identifies the potential dilution to existing Shareholders following the issue of Equity Securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares.

The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

| Number of Shares on Issue | Dilution | | | |
|---|--|--|---|--|
| | Number of Shares issued under 10% Placement Capacity | Funds raised based on issue price of \$0.075 (50% decrease in issue price) | Funds raised based on issue price of \$0.15 (issue price) | Funds raised based on issue price of \$0.30 (100% increase in issue price) |
| 585,508,922 (Current) | 58,550,892 | \$4,391,317 | \$8,782,634 | \$17,565,268 |
| 878,263,383 (50% increase) | 87,826,338 | \$6,586,975 | \$13,173,951 | \$26,347,901 |
| 1,171,017,844 (100% increase) | 117,101,784 | \$8,782,634 | \$17,565,268 | \$35,130,535 |

Notes: The above table has been prepared on the following bases/assumptions:

1. The latest available market price of Shares as at the date of the Notice was \$0.15.
2. The Company issues the maximum number of Equity Securities available under the Additional Placement Facility.

3. Existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility.
4. The Company issues Shares only and does not issue other types of Equity Securities (such as Options) under the Additional Placement Facility.
5. The impact of additional issues of securities under ASX Listing Rule 7.1 or following the exercise of options is not included in the calculations.
6. Economic dilution for the table above is calculated using the following formula:

$$ED = (MP - (NMC / TS)) / MP$$

where:

MC = market capitalisation prior to issue of Equity Securities, being the MP multiplied by the number of Shares on issue;

MP = the market price of Shares traded on ASX, expressed as in dollars;

NMC = notional market capitalisation, being the market capitalisation plus the NSV;

NSV = new security value, being the number of new Equity Securities multiplied by the issue price of those Equity Securities; and

TS = total Shares on issue following new Equity Security issue.

(e) **Allocation policy**

The Company's allocation policy for the issue of Equity Securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Security holders can participate;
- (ii) the effect of the issue of the new securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate and other advisors.

As at the date of this Notice, the Company has not identified any proposed allottees of Equity Securities using the Additional Placement Facility. However, the eventual allottees may include existing substantial Shareholders, other Shareholders and/or new investors.

None of the allottees will be a related party or an associate of a related party of the Company, except as permitted under ASX Listing Rule 7.2. Existing Shareholders may or may not be entitled to subscribe for Equity Securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 upon issue of any Equity Securities under the Additional Placement Facility.

(f) **Previous issues under Listing Rule 7.1A in previous 12 months**

The Company did not make any issues pursuant to Listing Rule 7.1A in the 12 months prior to the Meeting.

7.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

7.5 Board recommendation

Resolution 4 is a **special resolution** and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 4.

Schedule 1

Definitions

In the Notice, words importing the singular include the plural and vice versa.

| | |
|---------------------------------|--|
| \$ | means Australian Dollars. |
| 10% Placement Facility | has the meaning given in Section 7.1. |
| Annual Report | means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2021. |
| ASX | means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited. |
| Auditor's Report | means the auditor's report on the Financial Report. |
| Board | means the board of Directors. |
| Chair | means the person appointed to chair the Meeting of the Company convened by the Notice. |
| Clause | means a clause of the Constitution |
| Closely Related Party | means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act. |
| Company | means Suvo Strategic Minerals Limited (ACN 140 316 463). |
| Constitution | means the constitution of the Company as at the date of the Meeting. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time. |
| Director | means a director of the Company. |
| Directors' Report | means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities. |
| Equity Security | has the same meaning as in the Listing Rules. |
| Explanatory Memorandum | means the explanatory memorandum which forms part of the Notice. |
| Financial Report | means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities. |
| 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. |

| | |
|----------------------------|--|
| Listing Rules | means the listing rules of ASX. |
| Market Price | means the published closing price of the Shares on the ASX market on the date of issue of the relevant Shares. |
| Meeting | has the meaning given in the introductory paragraph of the Notice. |
| Notice | means this notice of annual general meeting. |
| Performance Rights | has the meaning given in Section 6.1. |
| Plan | means the Company's Employee Securities Incentive Plan. |
| Proxy Form | means the proxy form attached to the Notice. |
| Remuneration Report | means the remuneration report of the Company contained in the Directors' Report. |
| Resolution | means a resolution referred to in the Notice. |
| Schedule | means a schedule to the Notice. |
| Section | means a section of the Explanatory Memorandum. |
| Securities | means any Equity Securities of the Company (including Shares, Options and/or Performance Rights). |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means the holder of a Share. |
| Strike | means a 'no' vote of 25% or more on the resolution approving the Remuneration Report. |
| Trading Day | has the meaning given in the Listing Rules. |
| VWAP | means volume weighted average market price. |
| WST | means Western Standard Time, being the time in Perth, Western Australia. |

Schedule 2 Summary of Employee Securities Incentive Plan

1. Summary of the Company's Employee Securities Incentive Plan

The Company's Employee Securities Incentive Plan (**Plan**) was approved by Shareholders on 28 February 2020. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours.

A summary of the terms of the Plan is set out below:

(a) Eligibility

Participants in the 2020 Incentive Plan consist of:

- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a group company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming a under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options or Performance Rights (together, **Awards**) under the 2020 Incentive Plan (**Eligible Participant**).

(b) Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the 2020 Incentive Plan and upon such additional terms and conditions as the Board determines (**Offer**).

(c) Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

The maximum number of Securities that may be issued under the Plan, should it be approved, is 56,233,806 securities (being 10% of the total number of Shares on issue following completion of the Acquisitions and assuming the Minimum Subscription is raised under the Public Offer).

(d) Issue price

Unless the Awards are quoted on the ASX, Awards issued under the 2020 Incentive Plan will be issued for no more than nominal cash consideration.

(e) Exercise Price

The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(f) Vesting Conditions

In respect of any Award, any condition set out in the Offer which must be satisfied (unless waived in accordance with the 2020 Incentive Plan) before that Award can be exercised or any other restriction on exercise of that Award specified in the Offer or in the 2020 Incentive Plan (**Vesting Conditions**).

(g) Vesting

The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the 2020 Incentive Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being a Relevant Person ceasing to be an Eligible Participant due to:
 - (A) death or total or permanent disability of a Relevant Person;
 - (B) retirement or redundancy of a Relevant Person;
 - (C) a Relevant Person suffering severe financial hardship;
 - (D) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant;
 - (E) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant;
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(h) Lapse of an Award

An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant.
- (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vii) the expiry date of the Award.

(i) Cashless exercise facility

If an Eligible Participant wishes to exercise some or all of their vested Options, they may, subject to Board approval, elect to pay the Option Exercise Price by using a cashless exercise facility, which entitles an Eligible Participant to set-off the Option exercise price against the number of Shares which the Participant is entitled to receive upon exercise of the Options as follows:

- (i) the aggregate total Option exercise price otherwise payable in respect of all vested Options exercised, less the aggregate total market value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options; and
- (ii) divided by the market value of a Share as at the date the vested Option is exercised.

(j) Not transferrable

Awards are only transferrable in special circumstances or a change of control, and in either case with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the Participant's legal personable representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(k) Shares

All shares issued on exercise of an Award under the 2020 Incentive Plan will rank equally in all respects with the shares of the same class for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue.

(l) Sale Restrictions

The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(m) No Participation Rights

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(n) Change in exercise price or number of underlying securities

An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.

(o) Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) Trust

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the 2020 Incentive Plan to effect the establishment of such a trust and the appointment of such a trustee.

Schedule 3 Terms and Conditions of Performance Rights

The grant of the Performance Rights are subject to the terms and conditions below:

1. **Milestones**

- (a) one third of the Performance Rights held by each holder of the Performance Rights (**Holder**) will vest upon satisfaction of the following milestones:
 - (i) Tranche A: the Tranche A Performance Rights vest upon the Company achieving kaolin production of at least 25ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue;
 - (ii) Tranche B: the Tranche B Performance Rights vest upon the Company achieving kaolin production of at least 27.5ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue; and
 - (iii) Tranche C: the Tranche C Performance Rights vest upon the Company achieving kaolin production of at least 30ktpa across any 12 month period commencing on or after the date of issue and ending within 5 years after the date of issue.

(each a **Milestone**).

2. **Notification to Holder**

The Company shall notify the Holder in writing when the Milestone has been satisfied.

3. **Consideration**

The Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Performance Rights.

4. **Conversion**

Subject to paragraph 15 and satisfaction of the relevant Milestone, each Performance Right will, be at the election of the Holder, to convert into one Share.

5. **Lapse of a Performance Right**

If:

- (b) the Milestone attaching to a Performance Right has not been satisfied within the period required under the relevant Milestone; or
- (c) the Performance Rights have not converted into Shares 5 years of the Company's admission to the Official List,

(**Expiry Date**), it will automatically lapse and the Holder shall have no entitlement to the Shares pursuant to those Performance Rights.

6. Timing of issue of Shares and quotation of Shares on conversion

As soon as practicable after the valid conversion of a Performance Right by the Holder, the Company will:

- (a) issue, allocate or cause to be transferred to the Holder (or its nominee) the number of Shares to which the Holder is entitled;
- (b) issue a substitute Certificate for any remaining unconverted Performance Rights held by the Holder;
- (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with the then issued Shares.

7. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of a Performance Right may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

8. Timing of issue of Shares and quotation of Shares on conversion

As soon as practicable after the valid conversion of a Performance Right by the Holder, the Company will:

- (a) issue, allocate or cause to be transferred to the Holder (or its nominee) the number of Shares to which the Holder is entitled;
- (b) issue a substitute Certificate for any remaining unconverted Performance Rights held by the Holder;
- (c) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with the then issued Shares.

9. Quotation of Performance Rights

The Performance Rights will be unquoted Performance Rights.

10. Transfer of Performance Rights

The Performance Rights are not transferable.

11. **Participation in new issues**

A Performance Right does not entitle a Holder (in their capacity as a Holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

12. **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

13. **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the Holder would have received if the Holder had converted the Performance Right before the record date for the bonus issue.

14. **Dividend and Voting Rights**

The Performance Rights do not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends (whether fixed or at the discretion of directors).

15. **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (a) Holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (b) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

16. **No rights to return of capital**

A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

17. **Rights on winding up**

A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

18. **No other rights**

A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

19. **Change of Control**

Upon:

- (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (i) having received acceptances for not less than 50.1% of the Company's shares on issue; and
 - (ii) having been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares, Performance Rights will automatically convert to that number of Shares which when issued together with all Shares issued under any other class of Performance Rights then on issue in the Company, is equal to the lesser of one Share per Performance Right and 10% of the total Shares on issue at that time. Performance Rights that are not converted into Shares will continue to be held by the holder on the same terms and conditions.

Schedule 4 Company's valuation of the Performance Rights

Performance Rights

| Description | Tranche A | Tranche B | Tranche C |
|--|---------------------------------|---------------------------------|---------------------------------|
| Underlying security spot price | \$0.145 | \$0.145 | \$0.145 |
| Exercise price | Nil | Nil | Nil |
| Expiry date | 5 years after the date of issue | 5 years after the date of issue | 5 years after the date of issue |
| Number of performance Rights | 5,200,000 | 5,200,000 | 5,200,000 |
| Remaining life of Performance Rights | 5 years | 5 years | 5 years |
| Probability of vesting | 60% | 40% | 20% |
| Estimated number of Performance Rights to vest | 3,120,000 | 2,080,000 | 1,040,000 |
| Valuation per Performance Right | \$0.145 | \$0.145 | \$0.145 |
| Valuation per tranche | \$452,400 | \$301,600 | \$150,800 |

Notes:

- (a) The Performance Rights issued to the Directors will vest upon satisfaction of the relevant Milestones set out in Section 6.3(e).
- (b) A nil dividend yield was assumed on the basis that the Company is unlikely to pay a dividend during the life of the Performance Rights.
- (c) The assumed Share price at the grant date of \$0.145 is based on the Share price at the close of trading on 29 September 2021, being the day prior to the valuation date.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10:00am (WST) on Monday, 15 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

[illegible]