
BLACKSTONE MINERALS LIMITED
ACN 614 534 226
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)
DATE: 29 November 2021
PLACE: Level 3, 24 Outram Street, West Perth, WA 6005
Accessible online

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

IMPORTANT INFORMATION: Due to the COVID-19 pandemic, the Meeting will be held as a hybrid meeting. If you are a shareholder and you wish to virtually attend the Meeting, please pre-register in advance for the virtual meeting using the online attendance instructions within this Notice of Meeting.

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 11:00am (WST) on 27 November 2021.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – ALISON GAINES

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

“That, for the purpose of clause 6.3(j) of the Constitution, Listing Rule 14.4 and for all other purposes, Alison Gaines, a Director who was appointed as an additional Director on 1 April 2021, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – HAMISH HALLIDAY

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

“That, for the purpose of clause 6.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Hamish Halliday, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement.”

6. RESOLUTION 5 – ISSUE OF ZERO EXERCISE PRICE OPTIONS TO DIRECTOR – SCOTT WILLIAMSON

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 1,325,780 Zero Exercise Price Options to Scott Williamson (or his nominee) on the terms set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

7. RESOLUTION 6 – ISSUE OF SERVICE RIGHTS TO DIRECTOR IN LIEU OF DIRECTOR FEES – ALISON GAINES

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 212,465 Service Rights in lieu of Director Fees to Alison Gaines (or her nominee) on the terms set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

Dated: 26 October 2021

By order of the Board



**Jamie Byrde
Company Secretary**

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter 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: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolution 5 – Issue of Zero Exercise Price Options to Director – Scott Williamson	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (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.
Resolution 6 – Issue of Service Rights to Director in Lieu of Fees– Alison Gaines	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (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

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 5 – Issue of Zero Exercise Price Options to Director – Scott Williamson	<p>Any 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 (including Scott Williamson) or an associate of that person or those persons.</p>
Resolution 6 – Issue of Service Rights to Director in Lieu of Fees– Alison Gaines	<p>Any 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 (including Alison Gaines) or an associate of that person or those persons.</p>

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.

Voting online attendance

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to <https://investor.automic.com.au/#/home>
2. Login with your username and password or click "register" if you haven't already created an account. Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting
3. After logging in, a banner will be displayed at the top once the meeting is open for registration, click on "View" when this appears
4. Click on "Register" and follow the steps
5. Click on the URL to join the webcast where you can view and listen to the virtual meeting
6. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
7. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted]

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9425 5217.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.blackstoneminerals.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report considered at that annual general meeting were more than 25%. A Spill Resolution was put to the vote at that annual general meeting under an earlier application of section 250V of the Corporations Act, and that Spill Resolution was not carried. Accordingly, a Spill Resolution will not be relevant for this Annual General Meeting if at least 25% of the votes cast on the Remuneration Report Resolution are voted against adoption of the Remuneration Report.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – ALISON GAINES

3.1 General

Clause 6.2(b) of the Constitution allows the Directors to appoint at any time a person to be a director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 6.3(j) of the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Alison Gaines, having been appointed by the other Directors on 1 April 2021 in accordance with the Constitution, will retire in accordance with clause 6.3(j) of the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Alison has over 20 years of experience as a director in Australia and internationally. She has experience in the roles of Board Chair and board committee chair, particularly remuneration and nomination and governance committees. Alison is the Managing Director of Gaines Advisory P/L and was recently global CEO of international search and board consulting firm Gerard Daniels, with a significant mining and energy practice. Alison has a Bachelor of Laws and a Bachelor of Arts (hons) from the University of Western Australia, a Graduate Diploma Legal Practice from Australian National University and is an Honorary Doctorate of the University and Master of Arts (Public Policy) from Murdoch University. She is a Fellow of the Australian Institute of Company Directors and holds the INSEAD Certificate in Corporate Governance. She currently holds positions as the Governor of the College of Law Ltd, Non-Executive Chairman of ASX listed Hiremii Limited and Non-Executive Director of Tura New Music Ltd.

3.3 Independence

Alison Gaines has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected, the Board considers Alison Gaines will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Alison Gaines.

Alison Gaines has confirmed that she considers she will have sufficient time to fulfil her responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with her availability to perform her duties as a Non-Executive Director of the Company.

3.5 Board recommendation

The Board has reviewed Alison Gaines's performance since her appointment to the Board and considers that her skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Alison Gaines and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – HAMISH HALLIDAY

4.1 General

Listing Rule 14.4 and clause 6.3 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is the longer.

Hamish Halliday, who has served as a Director since 30 August 2016 and was last re-elected on 28 November 2018, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Halliday is a Geologist with a Bachelor of Science from the University of Canterbury and has over 20 years of corporate and technical experience in the mining industry. Mr Halliday co-founded the Company and was instrumental in the acquisition of its current tenement portfolio. Mr Halliday has been involved in the discovery and acquisition of numerous projects over a range of commodities throughout four continents. Mr Halliday has founded and held executive and non-executive directorships with a number of successful listed exploration companies including Adamus Resources Ltd (**Adamus**). He was CEO of Adamus from its inception through to successful completion of a feasibility study on its gold project in Ghana which is now in production.

4.3 Independence

If re-elected the Board does not consider Hamish Halliday will be an independent Director.

4.4 Board recommendation

The Board has reviewed Hamish Halliday's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Hamish Halliday and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

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 the 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.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$175,837,578 (based on the number of Shares on issue and the closing price of Shares on the ASX on 14 October 2021).

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement 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 under 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.

5.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 4:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

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

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity 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 Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) continued exploration and development expenditure on the Ta Khoa Nickel Copper PGE Project, Vietnam and its Goldbridge Cobalt Project in Canada. Funds would then be used for project, feasibility studies, drilling programs and ongoing project administration;
- (ii) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (iii) the development of the Company's current business; and
- (iv) general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 8 October 2021.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.2575	\$0.515	\$0.7725
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	341,432,190 Shares	34,143,219 Shares	\$8,791,879	\$17,583,758	\$26,375,637
50% increase	512,148,285 Shares	51,214,829 Shares	\$13,187,818	\$26,375,637	\$39,563,455
100% increase	682,864,380 Shares	68,286,438 Shares	\$17,583,758	\$35,167,516	\$49,507,668

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 341,432,190 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing market price of the Shares on the ASX on 14 October 2021 (being \$0.515).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company did not obtain approval under Listing Rule 7.1A at its previous annual general meeting held on 20 November 2020. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTION 5 – ISSUE OF ZERO EXERCISE PRICE OPTIONS TO DIRECTOR – SCOTT WILLIAMSON

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 1,325,780 zero exercise price Options to Scott Williamson (or his nominee) pursuant to the Performance Rights and Option Plan adopted by Shareholders on 20 November 2020 (**Plan**) on the terms and conditions set out below (**Zero Exercise Price Options**).

The Zero Exercise Price Options will vest and become exercisable into Shares upon the satisfaction of the vesting conditions set out in Schedule 1.

6.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 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 issue of the Zero Exercise Price Options to Scott Williamson (or his nominee) constitutes giving a financial benefit and Scott Williamson is a related party of the Company by virtue of being a Director.

The Directors (other than Scott Williamson) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Zero Exercise Price Options, because the agreement to issue the Zero Exercise Price Options, reached as part of the remuneration package for Scott Williamson, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Zero Exercise Price Options to Scott Williamson falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the issue of the Zero Exercise Price Options under and for the purposes of Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Zero Exercise Price Options to Scott Williamson under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Options (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Zero Exercise Price Options to Scott Williamson under the Plan and may have to consider alternative forms of remuneration.

6.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 5:

- (a) the Zero Exercise Price Options will be issued to Scott Williamson (or his nominee), who falls within the category set out in Listing Rule 10.14.1 by virtue of Scott Williamson being a Director;
- (b) the maximum number of Zero Exercise Price Options (**ZEPOs**) to be issued is 1,325,780 comprising 88,385 short term incentive (**STI**) Tranche 1 ZEPOs, 220,963 STI Tranche 2 ZEPOs, 132,578 STI Tranche 3 ZEPOs, 176,771 long term incentive (**LTI**) Tranche 1 ZEPOs, 176,771 LTI Tranche 2 ZEPOs, 176,771 LTI Tranche 3 ZEPOs, 176,771 LTI Tranche 4 ZEPOs and 176,770 LTI Tranche 5 ZEPOs;
- (c) the current total remuneration package for Scott Williamson is \$313,500 for the 2022 Financial Year, noting that Mr Williamson's package is currently under review. The remuneration package is comprised of a salary of \$285,000, a superannuation payment of \$28,500 and share-based payments of nil. If the Zero Exercise Price Options are issued, the total remuneration package of Scott Williamson will increase by \$220,962 (includes STI Tranches 1 to 3 Short Term Incentives) to \$534,462 being the value of the Zero Exercise Price Options (based on the Black Scholes methodology);
- (d) 2,000,000 Equity Securities have previously been issued under the Plan to employees. Mr Williamson has not previously received Equity Securities under the Plan;
- (e) a summary of the material terms and conditions of the Zero Exercise Price Options is set out in Schedule 1;
- (f) the primary purpose of the issue of the Zero Exercise Price Options to Mr Williamson is to provide a performance linked incentive component in the remuneration package for the Mr Williamson to motivate and reward his performance as Managing Director of the Company. All Zero Exercise Price Options are subject to certain milestones which must be satisfied before they vest and can be exercised into Shares;
- (g) the Zero Exercise Price Options are unquoted Options. The Company has chosen to issue Zero Exercise Price Options to Scott Williamson for the following reasons:
 - (i) the Zero Exercise Price Options are unquoted, therefore, the issue of the Zero Exercise Price Options has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Zero Exercise Price Options to Scott Williamson will align his interests with those of Shareholders;
 - (iii) the issue of the Zero Exercise Price Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to

spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Williamson; and

- (i) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Options on the terms proposed;
- (h) the value of the Zero Exercise Price Options and the pricing methodology is set out in Schedule 4;
- (i) the Zero Exercise Price Options will be issued to Scott Williamson (or his nominee) no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Zero Exercise Price Options will be issued on one date;
- (j) the issue price of the Zero Exercise Price Options will be nil, as such no funds will be raised from the issue of the Zero Exercise Price Options;
- (k) a summary of the material terms and conditions of the Plan is set out in Schedule 2;
- (l) no loan is being made to Scott Williamson in connection with the acquisition of the Zero Exercise Price Options;
- (m) details of any Options 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; and
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the Plan after Resolution 5 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

7. RESOLUTION 6 – ISSUE OF SERVICE RIGHTS TO DIRECTOR IN LIEU OF FEES – ALISON GAINES

7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue 212,465 Service Rights (a form of Performance Right) to Alison Gaines (or her nominee) in lieu of part of her Board committee fees, pursuant to the Plan and on the terms and conditions set out below (**Service Rights**).

The current remuneration package for Alison Gaines' is \$113,000, comprising:

- (a) annual board fees of \$77,000; and
- (b) annual committee fees of \$36,000.

The Service Rights are proposed to be issued in lieu of \$25,000 of the annual committee fees that would otherwise be payable to Alison Gaines for each of the three year periods between 30 June 2021 and 30 June 2024. The Service Rights have a deemed issue price equal to \$0.353, which is the volume weighted average price (**VWAP**) of the Shares over the 30 consecutive trading days ending

on 30 June 2021. Under this sacrifice arrangement, the Company is proposing to issue a total of 212,465 Service Rights to Alison Gaines, comprising:

- (a) 70,821 Service Rights in lieu of \$25,000 of annual committee fees for the period between 30 June 2021 and 30 June 2022;
- (b) 70,821 Service Rights in lieu of \$25,000 of annual committee fees for the period between 30 June 2022 and 30 June 2023; and
- (c) 70,821 Service Rights in lieu of \$25,000 in annual committee fees for the period between 30 June 2023 and 30 June 2024.

It is proposed that the Service Rights will vest on an annual basis. If Alison Gaines ceases to be a director, the number of Service Rights that vest will be scaled back on a pro-rata basis, based on the number of days served as a Director. A summary of the material terms and conditions of the Service Rights is set out in Schedule 3.

7.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 6.2 above.

The issue of the Service Rights to Alison Gaines (or her nominee) constitutes giving a financial benefit and Alison Gaines is a related party of the Company by virtue of being a Director.

The Directors (other than Alison Gaines) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Service Rights, because the agreement to issue the Service Rights, reached as part of the remuneration package for Alison Gaines, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 Listing Rule 10.14

A summary of Listing Rule 10.14 is set out in Section 6.3 above.

The issue of Service Rights to Alison Gaines falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 6 seeks the required Shareholder approval for the issue of the Service Rights under and for the purposes of Listing Rule 10.14.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Service Rights to Alison Gaines under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Service Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Service Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Service Rights to Alison Gaines under the Plan and will be required to pay 100% of her annual Board committee fees in cash.

7.5 Technical information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the Service Rights will be issued to Alison Gaines (or her nominee), who falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Service Rights to be issued under the Plan is 212,465;
- (c) the current total remuneration package for Alison Gaines is \$113,000 comprising of annual board fees of \$77,000 and annual committee fees of \$36,000;
- (d) 2,000,000 Equity Securities have previously been issued under the Plan to employees. Ms Gaines has not previously received Equity Securities under the Plan;
- (e) a summary of the material terms and conditions of the Service Rights is set out in Schedule 3;
- (f) the Service Rights are unquoted. The Company has chosen to issue Service Rights to Alison Gaines for the following reasons:
 - (i) the Service Rights are unquoted, therefore, the issue of the Service Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Service Rights to Alison Gaines will align the interests of Alison Gaines with those of Shareholders;
 - (iii) the issue of the Service Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Alison Gaines; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Service Rights on the terms proposed;
- (g) as the number of Service Rights to be issued is based on the 30-day VWAP of the Shares on 30 June 2021, the value the Company attributes to the Service Rights is the value of the annual committee fees to be sacrificed, which is outlined in Section 7.1;
- (h) the Service Rights will be issued to Alison Gaines (or her nominee) no later than 3 years after the date of the Meeting (or such later date as permitted

by any ASX waiver or modification of the Listing Rules) and it is anticipated the Service Rights will be issued on one date;

- (i) the issue price of the Service Rights will be nil, as such no funds will be raised from the issue of the Service Rights;
- (j) a summary of the material terms and conditions of the Plan is set out in Schedule 2;
- (k) no loan is being made to Alison Gaines in connection with the acquisition of the Service Rights;
- (l) details of any Service Rights 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 Service Rights under the Plan after Resolution 6 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.
- (n) a voting exclusion statement is included in the Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

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 Blackstone Minerals Limited (ACN 614 534 226).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

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.

Explanatory Statement means the explanatory statement accompanying the Notice.

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.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Plan means the Company's Performance Rights and Option Plan adopted by Shareholders on 20 November 2020.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

Section means a section of the Explanatory Statement.

Service Rights means rights which are convertible to Shares subject to the satisfaction of service conditions and the terms and conditions of issue and the Plan.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF ZERO EXERCISE PRICE OPTIONS

(a) **Entitlement**

Each Zero Exercise Price Option entitles the holder to subscribe for one Share upon exercise of the Zero Exercise Price Option.

(b) **Exercise Price**

No consideration is payable upon the exercise of each Zero Exercise Price Option.

(c) **Expiry Date**

Each Zero Exercise Price Option will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). A Zero Exercise Price Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Condition**

The Zero Exercise Price Options will vest and become exercisable into Shares subject to the following vesting conditions:

	Number	Vesting Conditions	Measurement Date
STI Tranche 1	88,385	Complete life cycle carbon analysis on integrated upstream and downstream PFS for the Ta Khoa Project demonstrating NCM production impact (Kg CO ₂ eq/Kg NCM) in lowest 50 th percentile of similar producers. The analysis will be completed with reference to an independent third party report	30 June 2022 Escrowed for 12 months
STI Tranche 2	220,963	Completion of Phase One Pilot Plant Program for the Downstream Refinery (Ta Khoa Project) to supply battery grade sample products to potential downstream partners.	30 June 2022 Escrowed for 12 months
STI Tranche 3	132,578	Achieve a JORC compliant resource of 500,000 tonnes (inferred and indicated) of Nickel or metal equivalents reported in accordance with clause 50 of JORC code, for the Ta Khoa Project and greater than 50% conversion of Resource to Reserve.	30 June 2022 Escrowed for 12 months
LTI Tranche 1	176,771	Securing a binding downstream offtake and a downstream partner to develop the Ta Khoa Project	30 June 2023
LTI Tranche 2	176,771	Achieve a final investment decision and commence development of the Ta Khoa Project	30 June 2023
LTI Tranche 3	176,771	<ul style="list-style-type: none"> • Zero fatalities at the Ta Khoa Project • Total Recordable Incident Frequency Rate target is 30% off 3.9% = 3% • Zero material breaches of any permits • A net zero carbon DFS (Scope 1 and 2 emissions) 	30 June 2024
LTI Tranche 4	176,771	Proportional vesting will occur based on the Absolute Total Shareholder Return ("ATSR") from 1 July 2021 to 30 June 2024 (the "Measurement Period")	30 June 2024
LTI Tranche 5	176,770	Proportional vesting will occur where the Relative Total Shareholder Return ("RTSR") exceeds the median TSR over the Measurement Period from 1 July 2021 and 30 June 2024 of the selected peer group (refer to Annexure A)	30 June 2024

The proportion of the Tranche 7 and Tranche 8 (together, the **Market Condition ZEPOs**) vest based on the ATSR and RTSR over the Measurement Period as follows:

ATSR	RTSR	Percentage that vests
<30%	<50 th percentile	0%
Between 30% and 100%	Between 50 th and 75 th percentile	Pro rata allocation between 0% and 100%
>100%	>75 th percentile	100%

(e) **Exercise Period**

The Zero Exercise Price Options are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Options will lapse. Subject to compliance with applicable laws and regulations and the ASX Listing Rules, the Board has discretion at any time to declare any Zero Exercise Price Options which have not vested as having vested in the event the holder fails to satisfy the Vesting Condition for the Zero Exercise Price Options.

(f) **Cessation of Employment**

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Zero Exercise Price Options that have vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse if the holder does not exercise the Zero Exercise Price Option within a period of 1 month after the Cessation Date; and
- (ii) subject to the Board discretion reserved at paragraph (d), any unexercised Zero Exercise Price Options that have not vested as at the Cessation Date shall immediately lapse upon the Cessation Date.

(g) **Automatic Vesting**

Subject to the Company complying with the ASX Listing Rules and the Corporations Act, each Zero Exercise Price Option will automatically vest and become exercisable into Shares in the event of:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) 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; or
- (iii) a person acquiring voting power (as defined in section 610 of the Corporations Act) in over 50% of the Company's Shares, in circumstances where such person's voting power was lower than the 50% threshold prior to the date on which the Options were issued; or
- (iv) the Company enters into agreements to sell businesses or assets which are owned by the Company at the date of issue of the Options (whether

or not in the form of shares in a subsidiary company) the consideration for which businesses or assets represents more than 50% of the value of all of the businesses and assets owned by the Company at the date of issue of the Options (with reference to the Company's most recent audited financial statements) to a person, or a number of persons, none of which are in the Company's group; and

such a determination shall be notified to the holder in writing.

(h) **Notice of Exercise**

The Zero Exercise Price Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**).

(i) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(j) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Zero Exercise Price Options specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Zero Exercise Price Options.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(k) **Shares issued on exercise**

Shares issued on exercise of the Zero Exercise Price Options rank equally with the then issued shares of the Company.

(l) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) **Participation in new issues**

There are no participation rights or entitlements inherent in the Zero Exercise Price Options and holders will not be entitled to participate in new issues of capital

offered to Shareholders during the currency of the Zero Exercise Price Options without exercising the Zero Exercise Price Options.

(n) **Change in exercise price**

A Zero Exercise Price Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Zero Exercise Price Option can be exercised.

(o) **Transferability**

The Zero Exercise Price Options are not transferable.

(p) **Tax Deferral**

For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral, applies (subject to the conditions in that Act) to the Zero Exercise Performance Options

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS AND OPTION PLAN

The material terms of the Performance Rights and Option Plan (**Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
- (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 participant under subparagraphs (i), (ii), or (iii) above,
- who is declared by the Board to be eligible to receive grants of Options or Performance Rights (**Awards**) under the Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant to apply for Awards, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** 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.
- (d) **Issue price:** Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the Options are quoted on the ASX, Options issued under the 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 Listing Rules specify or require a minimum price, the Option exercise price must not be less than any minimum price specified in the Listing Rules.
- (f) **Vesting conditions:** An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**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 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) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) 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,

(**Special Circumstances**), or
 - (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, or hedging of, the Award occurring;
 - (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Awards only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (g) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Awards only, a Relevant Person ceases to be an Eligible Participant and the Award granted in respect of that Relevant Person is not exercised within a one (1) month period (or such later date as the Board determines) of the date that 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 Eligible Participant;

- (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and
 - (vii) the expiry date of the Award.
- (i) **Not transferrable:** Subject to the Listing Rules, Awards are only transferrable in Special Circumstances 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 personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
 - (j) **Shares:** Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (k)) from the date of issue, rank on equal terms with all other Shares on issue.
 - (k) **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 a Participant on exercise of those Awards (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
 - (l) **Quotation of Shares:** If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 5 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends.
 - (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 of 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 Participant are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
 - (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Award granted under the Plan including giving any amendment retrospective effect.

SCHEDULE 3 – TERMS AND CONDITIONS OF SERVICE RIGHTS

A summary of the key terms and conditions of the Service Rights to be issued by the Company are set out below:

(a) **Entitlement**

Each vested Service Right entitles the holder to subscribe for one Share upon exercise of the Service Right.

(b) **Exercise Price**

No consideration is payable upon the exercise of each Service Right.

(c) **Expiry Date**

Each Service Right will expire at 5:00 pm (WST) on the date that is 5 years from the date of issue (**Expiry Date**). A Service Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Condition**

The Service Rights will vest and become exercisable into Shares subject to the following vesting conditions:

Number	Vesting Conditions	Measurement Date
70,821	Continuous service as a Director until the measurement date	30 June 2022
70,821	Continuous service as a Director until the measurement date	30 June 2023
70,821	Continuous service as a Director until the measurement date	30 June 2024

(e) **Termination**

In the event that the holder ceases to be a Director of the Company for any reason before a Measurement Date, the number of Service Rights that vest is to be scaled back on a pro-rata basis, based on the number of days of the year served as a Director. The remaining Service Rights will lapse.

(f) **Exercise Period**

The Service Rights are exercisable into Shares at any time after vesting on or prior to the Expiry Date (**Exercise Period**) after which the Service Rights will lapse. Subject to compliance with applicable laws and regulations and the ASX Listing Rules, the Board has discretion at any time to declare any Service Rights which have not vested as having vested in the event the holder fails to satisfy the Vesting Condition for the Service Right.

(g) **Notice of Exercise**

The Service Rights may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**).

(h) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

(i) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Service Rights specified in the Notice of Exercise;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Service Rights.

If a notice delivered under (i)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(t) **Shares issued on exercise**

Shares issued on exercise of the Service Rights rank equally with the then issued shares of the Company.

(u) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(v) **Participation in new issues**

There are no participation rights or entitlements inherent in the Service Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Service Rights (such as bonus issues and entitlement issues) without exercising the Service Rights.

(w) **Change in exercise price**

A Service Right does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Service Right can be exercised.

(x) **Dividend and Voting Rights**

The Service Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(y) **No rights to return of capital**

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

(z) **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 of the Company.

(aa) **Transferability**

The Service Rights are not transferable.

(bb) **Tax Deferral**

For the avoidance of doubt, Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral, applies (subject to the conditions in that Act) to the Service Rights.

SCHEDULE 4 – VALUATION OF ZERO PRICE EXERCISE OPTIONS & SERVICE RIGHTS

	Tranche 1 Options	Tranche 2 Options	Tranche 3 Options	Tranche 4 Options	Tranche 5 Options	Tranche 6 Options	Service Rights
Methodology	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes	Black Scholes
Assumed grant date	12 October 2021	12 October 2021	12 October 2021	12 October 2021	12 October 2021	12 October 2021	12 October 2021
Assumed expiry date	12 October 2026	12 October 2026	12 October 2026	12 October 2026	12 October 2026	12 October 2026	12 October 2026
Share price at assumed grant date (\$)	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Exercise price (\$)	nil	nil	nil	nil	nil	nil	nil
Risk-free rate (%)	1.005	1.005	1.005	1.005	1.005	1.005	1.005
Volatility (%)	90	90	90	90	90	90	90
Undiscounted fair value per security (\$)	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Recipient	Scott Williamson	Scott Williamson	Scott Williamson	Scott Williamson	Scott Williamson	Scott Williamson	Alison Gaines
Number	88,385	220,963	132,578	176,771	176,771	176,771	212,465
Total undiscounted fair value (\$)	44,192	110,481	66,289	88,385	88,385	88,385	106,232
		Tranche 7 Options			Tranche 8 Options		
Vesting condition		ATSR			RTSR		
Methodology		Monte Carlo			Monte Carlo		
Iterations		100,000			100,000		
Assumed grant date		12 October 2021			12 October 2021		
Measurement date		30 June 2024			30 June 2024		
Assumed expiry date		12 October 2026			12 October 2026		
Share price at assumed grant date (\$)		0.500			0.500		
Exercise price (\$)		nil			nil		
Risk-free rate (%)		1.005			1.005		
Volatility (%)		90			90		
Fair value per ZEPO (\$)		0.3785²			0.4521²		
Recipient		Scott Williamson			Scott Williamson		
Number		176,771			176,770		
Total fair value (\$)		66,899			79,921		

ANNEXURE A – PEER GROUP COMPANY VOLATILITIES

Company	Volatility
Renascor Resources Limited	84.36%
EcoGraf Limited	79.53%
Magnis Energy Technologies Limited	74.11%
Cobalt Blue Holdings Limited	65.15%
Sunrise Energy Metals Limited	75.75%
Jervois Global Limited	74.99%
Euro Manganese Inc.	94.78%
Mincor Resources NL	51.40%
Poseidon Nickel Limited	74.24%
Panoramic Resources Limited	69.88%
Centaurus Metals Limited	101.65%
Queensland Pacific Metals Limited	78.77%



Blackstone Minerals Limited | 96 614 534 226

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Sunday, 27 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

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

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

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414
(Overseas)



