



DALAROO METALS LTD
ABN 23 648 476 699

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT

To be held at

11.00am (WST)
Wednesday, 8 December 2021
The Celtic Club Inc
48 Ord Street, West Perth
Western Australia 6005



Notice is hereby given that the first Annual General Meeting of Dalaroo Metals Ltd (“the Company”) will be held at 11.00am (WST) on Wednesday, 8 December 2021 at the Presidents Room, The Celtic Club, 48 Ord Street, West Perth, Western Australia.

AGENDA

1. Discussion of Financial Statements and Reports

To discuss the Financial Report, the Directors’ Report and Auditor’s Report for the period ended 30 June 2021.

2. Adoption of the Remuneration Report

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

“That, for the purpose 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 period ended 30 June 2021.”

Voting Prohibition Statement

The Company will disregard any votes cast on Agenda Item 2 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and*
- (b) it is not cast on behalf of a Restricted Voter.*

Further, a Restricted Voter who is appointed as a proxy will not vote on Agenda Item 2 unless:

- (a) the appointment specifies the way the proxy is to vote on that Resolution; or*
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Agenda Item 2. Shareholders may also choose to direct the Chair to vote against Agenda Item 2, or to abstain from voting.*

3. Re-election of Director – Mr Robert Beeck

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

“That, Mr Robert Beeck, who was appointed to the Board before this first Annual General Meeting of the Company, who retires in accordance with the Company’s Constitution and being eligible, offers himself for re-election, be re-elected as a director of the Company.”

DALAROO METALS LTD

ABN 23 648 476 699

NOTICE OF ANNUAL GENERAL MEETING

4. Approval of Additional 10% Placement Capacity

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

"That, for the purpose of Listing Rule 7.1A and all other purposes, the Company approves the allotment and issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement:

The Company will disregard any votes cast in favour of Agenda Item 4 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity).

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

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

5. Approval of Employee Securities Incentive Scheme

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

"That, the Employee Securities Incentive Plan which is detailed in Annexure 1, be hereby approved."

6. Appointment of Auditor

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

"That pursuant to section 327B(1)(a) of the Corporations Act Crowe Perth, who have consented in writing to act as auditor of the Company, be appointed as auditor of the Company."

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

DALAROO METALS LTD

ABN 23 648 476 699

NOTICE OF ANNUAL GENERAL MEETING

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Statement.

GENERAL NOTES

1. With respect to Agenda Item 2, the vote on this item is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.
2. **Voting by Proxy:** Sections 250BB and 250BC of the Corporations Act came into effect on 1 July 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - if a poll is demanded for a particular Resolution, any directed proxies which are not voted (where the appointed proxy is not the chair of the meeting) will automatically default to the Chair, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

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:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has two or more appointments that specify different ways to vote on the Resolution – the proxy must not vote on a show of hands; and
- 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 (ie as directed); and
- 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 (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

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

- 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; and
- the appointed proxy is not the chair of the meeting;
- and at the meeting, a poll is duly demanded on the Resolution;
- and either of the following applies:
 - 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.

3. The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.

DALAROO METALS LTD
ABN 23 648 476 699

NOTICE OF ANNUAL GENERAL MEETING

4. *The Directors have determined in accordance with Regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the meeting, Shares will be taken to be held by the registered holders at 11.00 am (WST) on 6 December 2021.*

QUESTIONS AND COMMENTS

Shareholders will be provided the opportunity to ask questions about or make comments on the operations and management of the Company.

BY ORDER OF THE BOARD



David Peterson
Company Secretary

Dated this 8th day of November 2021

EXPLANATORY STATEMENT

The purpose of the Explanatory Statement is to provide Shareholders with information concerning all of the Agenda Items in the Notice of Annual General Meeting.

Certain abbreviations and other defined terms are used throughout this Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

1. Discussion of Financial Statements and Reports

The Company's financial reports for the financial period ended 30 June 2021, together with the Directors' Report and the Auditor's Report are placed before the Annual General Meeting thereby giving Shareholders the opportunity to discuss those documents and to ask questions. The Auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

2. Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to present to its Shareholders the Remuneration Report, as disclosed in the Company's Annual Report.

The Resolution is advisory only and does not bind the Directors or the Company. The Annual Report (together with the Remuneration Report) is available on the Company's website (www.dalaroometals.com.au).

Under the Corporations Act, if at least 25% of the votes cast on the Resolution to Agenda Item 2 are voted against adoption of the Remuneration Report at the Annual General Meeting and, then again at the Company's next Annual General Meeting, the Company will be required to put to Shareholders a Resolution proposing the calling of a general meeting to consider the appointment of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting ("**Spill Meeting**") within 90 days of the Company's Annual General Meeting. All of the Directors who were in office when the Company's Directors' Report 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 is approved will be the Directors of the Company.

This is the first time that the Company is seeking Shareholder approval for its Remuneration Report. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to the Directors and sets out the Company's remuneration arrangements for each of the Directors and senior management of the Company for the financial period ended 30 June 2021. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial period ending 30 June 2021.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

The Board considers that its current practices of setting executive and non-executive remuneration are within normal industry expectations and provides an effective balance between the need to attract and retain the

EXPLANATORY STATEMENT

2. Adoption of Remuneration Report (Continued)

services of the highly skilled key management personnel that the Company requires. As such, the Directors recommend that Shareholders vote in favour of the Resolution to Agenda Item 2.

Voting

Note that a voting exclusion applies to Agenda Item 2 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By appointing the Chair as proxy, and not providing voting directions, you are considered to have expressly authorised the Chair to exercise your proxy, even though the Resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

3. Re-Election of Director – Mr Robert Beeck MBA, Associate Member of the AusIMM as an Ordinary Resolution

Listing Rule 14.5

Under Listing Rule 14.5 a director is required to stand for re-election at this Annual General Meeting and the Board has agreed that Mr Beeck will do so.

Experience

Mr Beeck has 30 years' experience in mineral processing operations management in Australia with relation to nickel, diamonds, gold and iron ore. Mr Beeck has held senior roles in mine operations, feasibility studies, engineering design and construction of ore processing and infrastructure projects.

Mr Beeck is an associate member of the AusIMM and Master of Business Administration (University of Western Australia).

Currently, Mr Beeck is General Manager of API Management, the manager of the joint venture of the West Pilbara Iron Ore Project.

Term of Office

Mr Beeck was appointed as Director of the Company on 5 March 2021.

Independence

The Board of Dalaroo Metals Ltd does not consider Mr Beeck to be an Independent Director due to his status as a director and Shareholder of Serena Minerals Limited and Shenton Resources Limited, both substantial Shareholders.

Special Responsibilities

Mr Beeck is a Non-Executive Director of the Company.

Appointment

Mr Beeck is a founding director of the Company. In undertaking its background checks prior to the Company's Initial Public Offer on the Australian Securities Exchange, the Board did not become aware of any material

EXPLANATORY STATEMENT

adverse information or identify any interest, position or relationship that may be perceived to compromise Mr Beeck's capacity to act in the best interests of the Company and its Shareholders.

Directors' Recommendation

The Board (excluding Mr Beeck) supports the proposed re-election and recommends that Shareholders vote in favour of the re-election of Mr Beeck as a Director.

4. Approval of Additional 10% Placement Capacity as a Special Resolution

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.

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 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.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

$(A \times D) - E$

Where,

A = *Has the same meaning as in rule 7.1*

D = 10%

E = *The number of equity securities issued or agreed to be issued under rule 7.1A2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under rule 7.4; and*

."relevant period" has the same meaning as in rule 7.1.

Specific information required by Listing Rule 7.3A

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;

EXPLANATORY STATEMENT

- (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 4.2(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 to advance its exploration and feasibility programs, project development and general working capital purposes.

(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.

If Resolution 4 is approved by Shareholders and the Company issues Equity Securities under the 7.1A Mandate, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:

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

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 as at 5 November 2021.

DALAROO METALS LTD

ABN 23 648 476 699

EXPLANATORY STATEMENT

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.085 50% decrease in current Share price	\$0.17 Current Share price	\$0.34 100% increase in current Share price
Current Variable A 54,000,000 Shares	Shares issued	5,400,000	5,400,000	5,400,000
	Funds raised	\$459,000	\$918,000	\$1,836,000
	Dilution	10%	10%	10%
50% increase in current Variable A 81,000,000 Shares	Shares issued	8,100,000	8,100,000	8,100,000
	Funds raised	\$688,500	\$1,377,000	\$2,754,000
	Dilution	10%	10%	10%
100% increase in current variable A 108,000,000 Shares	Shares issued	10,800,000	10,800,000	10,800,000
	Funds raised	\$918,000	\$1,836,000	\$3,672,000
	Dilution	10%	10%	10%

Note: this table assumes:

- (i) No Options are exercised before the date of the issue of the Equity Securities;
 - (ii) The Company issues the maximum number of Equity Securities under the Additional 10% Placement Capacity and the Equity Securities issues consists only of Shares;
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholders holding at the date of the Annual General Meeting; and
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.
- (f) The Company's allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s). Securities allotted pursuant to the allocation policy will be determined following consideration of a number of factors including, but not limited to, the following matters:
- a. the ability of the Company to raise funds at the time of the proposed issue of Equity Securities;
 - b. the dilutionary effect of the proposed of the issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
 - c. the financial situation and solvency of the Company; and
 - d. advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

EXPLANATORY STATEMENT

At the date of this Notice, the Company has not formed an intention as to whether the securities will be offered to existing security holders, or to any class or group of existing security holders, or whether the securities will be offered exclusively to new investors that have not previously been security holders of the Company. The Company will give consideration before making any placement of securities under Listing Rule 7.1A whether the raising of any funds under such placement could be carried out in whole, or in part, by an entitlement offer to existing security holders.

The allottees under the Additional 10% Placement Capacity have not been determined as at the date of this Notice but will not include related parties (or their associates) of the Company.

- (g) The Company has not previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A.
- (h) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the Additional 10% Placement Capacity. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, and therefore no Shareholder will be excluded from voting on Agenda Item 4.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Agenda Item 4.

5. Approval of Employee Incentive Scheme as an Ordinary Resolution

- 5.1** The Board adopted the Employee Securities Incentive Plan in 2021 to enable the Company to issue any of Options, performance rights or Shares to eligible participants being employees (full and part-time), directors, relevant contractors, casual employees and prospective parties in these capacities.

The Employee Securities Incentive Plan is intended to provide an opportunity to eligible participants to participate in the Company's future growth.

A copy of the Employee Securities Incentive Plan will be made available for inspection at the Meeting. A summary of the Employee Incentive Securities Plan is set out in Annexure 1.

5.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the Listing Rules for the operation of the Employee Securities Incentive Plan. Under Listing Rule 7.2 Exception 13(a), Listing Rules 7.1 and 7.1A will not apply to an issue of a maximum of 5,400,000 securities under the Employee Securities Incentive Plan within 3 years from 16 August 2021, the date of the Company's Prospectus.

If an offer is made to a Director to participate in the Employee Securities Incentive Plan then separate Shareholder approval will need to be obtained.

5.3 Recommendation

The Board recommends that Shareholders approve the issue of securities under the Employee Securities Incentive Plan. It will allow the Company to issue securities for the benefit of participants of the Employee Securities Incentive Plan whilst preserving the Company's placement limits of issuing securities and provide flexibility in the manner in which the Employee Securities incentive Plan is managed.

6. Appointment of Auditor as an Ordinary Resolution

On 8 March 2021 the Board appointed Crowe Perth as auditor of the Company pursuant to section 327C(1) of the Corporations Act. Pursuant to section 327C(2) of the Corporations Act this appointment expires at the Annual General Meeting and accordingly there will be a vacancy in the office of auditor.

Section 327B(1)(a) provides that a company must appoint an auditor at the Annual General Meeting.

DALAROO METALS LTD

ABN 23 648 476 699

EXPLANATORY STATEMENT

David Peterson, a member of the Company, has nominated the firm Crowe Perth as auditor of the Company pursuant to sub-section 328B(1) of the Corporations Act. Crowe Perth are eligible and have consented to be appointed a auditor of the Company as required by sub-section 328A(1) of the Corporations Act. Pursuant to sub-section 328B(3) of the Corporations Act the written notice nominating Crowe Perth as auditor is attached to this Explanatory Memorandum as an annexure. See Annexure 2.

The Board recommends the appointment of Crowe Perth as the auditor of the Company.

EXPLANATORY STATEMENT

Glossary

7.1A Mandate has the meaning given in Section 4 of the Explanatory Statement.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out in Section 4 of the Explanatory Statement.

Annual General Meeting or **Meeting** means the annual general meeting the subject of the Notice.

Annual Report means the annual report of the Company for the period ended 30 June 2021.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Dalaroo Metals Ltd ABN 23 648 476 699.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Equity Securities has the meaning as in the Listing Rules.

Explanatory Statement means this Explanatory Statement accompanying the Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of the ASX.

Market Value means the value of Shares as determined by the volume weighted average trading price of Shares sold on the ASX over the last five Trading Days immediately before the relevant date.

Notice or **Notice of Meeting** means the notice of Annual General Meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Plan means the Dalaroo Metals Ltd Employee Securities Incentive Plan.

Prospectus means the Company's Prospectus dated 16 August 2021.

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

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Resolution means a Resolution the subject of this Notice.

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

Shareholder means a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

WST means Australian Western Standard Time.

ANNEXURE 1 – TERMS & CONDITIONS OF EMPLOYEE SECURITIES INCENTIVE SCHEME (“Plan”)

A summary of the key terms of the Plan is set out below.

- (a) **(Purpose of Plan):** The purpose of the Plan is to:
 - (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Related Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Awards (being securities exercisable for Shares, including options and performance rights).
- (a) **(Eligibility to participate):** An Eligible Participant means a person that:
 - (i) is an "eligible participant" (as defined in AS/C Class Order [CO 14/1000]) in relation to the Company or any Related Body Corporate (as defined in the Corporations Act)); and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) **(Administration of Plan):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its absolute discretion. The Board may delegate its powers and discretion.
- (c) **(Offers of Awards):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an offer to that Eligible Participant to apply for Awards.
- (d) **(Applications for Awards):** An Eligible Participant who wishes to apply to participate in the Plan in response to an Offer must provide a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the Offer, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation in order for that nominee to be granted the Awards the subject of the Offer.
- (e) **(Grant of Awards):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Awards, subject to the terms and conditions set out in the Offer, the Plan rules and any ancillary documentation required.
- (f) **(Terms of Awards):** Each 'Award' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan. Prior to an Award being exercised, a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Award by virtue of holding the Award.
- (g) **(Vesting of Awards):** Any vesting conditions applicable to the grant of Awards will be described in the Offer. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Awards have vested. Unless and until the vesting notice is issued by the Company, the Awards will not be considered to have vested. For the avoidance of doubt, if the vesting conditions

relevant to an Award are not satisfied and/or otherwise waived by the Board, that Award will lapse.

- (h) **(Delivery of Shares):** As soon as practicable after the valid exercise of an Award by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Awards held by that Participant.
- (i) **(Exercise of Awards):** In the case of an Award which is an Option, to exercise an Award, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Awards (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation. In the case of an Award which is a Performance Right, following the issue of a Vesting Notice, a vested Performance Right will automatically be exercised within the period specified by the Board in the relevant Offer.

The Participant may elect not to be required to provide payment of the exercise price for the number of Awards specified in a notice of exercise, but that on exercise of those Awards the Company will transfer or issue to the Participant that number of Shares as are equal in value to the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (determined as the volume weighted average of the prices at which Shares were traded on the ASX during the 5 trading-day period immediately preceding the exercise date) calculated in accordance with the following formula:

$$S = A \times (MSP - EP) / MSP$$

Where:

- (i) **S** = Number of Shares to be issued on exercise of the Awards;
- (ii) **A** = Number of Awards;
- (iii) **MSP** = Market value of Shares (calculated using the volume weighted average price (as that term is defined in the Listing Rules) at which Shares were traded on the ASX during the 5 trading day-period immediately preceding the exercise date); and
- (iv) **EP** = Exercise Price.

If the difference between the total Exercise Price otherwise payable for the Awards on the Awards being exercised and the then market value of Shares at the time of exercise (calculated in accordance with the formula above) is zero or negative, then a holder will not be entitled to use the Cashless Exercise Facility.

- (j) **(Restrictions on dealing):** A Participant may not sell, transfer, assign, grant a security interest over, option, swap, alienate or otherwise deal with an Award that has been granted to them.

The Board may impose a restriction on dealing with Shares allocated on exercise or vesting of an Award. The Board may implement any procedure it considers appropriate to ensure the compliance by the Participant with this restriction, including the imposition of a holding lock or requiring that Shares be held in trust on behalf of the Participant.

- (k) **(Forfeiture of Awards):** Where a Participant who holds Awards ceases to be an Eligible Participant or becomes insolvent, all unvested Awards will automatically

be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Awards to vest. Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Awards held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Awards which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Awards which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its absolute discretion determine that:
 - (i) all or a specified number of a Participant's unvested Awards are deemed to have vested;
 - (ii) all or specified number of a Participant's Options may be exercised for a period specified by the Board, and if not exercised within that period, will lapse;
 - (iii) the Dealing Restrictions or any other terms which apply to the Award cease to apply; and/or
 - (iv) the Dealing Restrictions which apply to Shares allocated on the vesting of or exercise of an Award (as applicable) cease to apply.
- (m) **(Rights):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of an Award, will rank equally in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares.
- (n) **(Adjustment for capital reconstructions):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Awards will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Awards is entitled, upon exercise of the Awards, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Awards are exercised.

Unless otherwise determined by the Board, a holder of Awards does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Awards and holders are not entitled to participate in any new issue

of Shares of the Company during the currency of the Awards without exercising the Awards.

- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including the terms upon which any Awards have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Term of Plan):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

ANNEXURE 2 – NOMINATION OF AUDITOR

4 November 2021

The Board of Directors
Dalaroo Metals Ltd
Suite 1, 346 Barker Rad
SUBIACO WA 6008

I, David Peterson, being a member of Dalaroo Metals Ltd, ACN 648 476 699 (Company) nominate Crowe Perth in accordance with section 328B(1) of the Corporations Act fill the office of the auditor of the Company.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Corporations Act.



DAVID PETERSON

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.


2021 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Dalaroo Metals Ltd and entitled to attend and vote hereby:

APPOINT A PROXY

☐ The Chair of the meeting

OR

 **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at the Presidents Room, the Celtic Club, 48 Ord street, West Perth WA 6005 on Wednesday, 8 December 2021 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair of the Meeting as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES.

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Robert Beeck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Employee Securities Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐ Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution 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 resolution 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 a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy, you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance to Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00am (WST) 6 December 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au

IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033