

ASX ANNOUNCEMENT

29 December 2021

NOTICE OF GENERAL MEETING

Blue Star Helium Limited (ASX:BNL) (**Blue Star** or the **Company**) advises that attached to this release is a Notice of General Meeting. This General Meeting of Blue Star shareholders is to be held at 9:00am AWST on Thursday 3 February 2022.

The resolutions to be put to the General Meeting are:

- Resolution 1:** Ratification of the prior issue of placement shares (with respect to the equity raising undertaken by Blue Star in October 2021)
- Resolution 2:** Ratification of the prior issue of broker options (with respect to the equity raising undertaken by Blue Star in October 2021)
- Resolution 3:** Adoption of the Performance Rights Plan
- Resolutions 4 - 6:** Issue of Performance Rights to Executive Chairman, Managing Director and CEO, and Non-Executive Director

The proposed issue of Performance Rights is divided into four tranches, with each tranche only vesting upon achievement of the following key performance hurdles / milestones by the Company:

- **Tranche 1:** Blue Star publicly reporting an independently certified helium discovery as defined in the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers (SPE-PRMS) within 2 years after issue of the Performance Rights.
- **Tranche 2:** Blue Star publicly reporting independently certified helium resources including an estimate of helium reserves classified in accordance with the SPE-PRMS within 2 years after issue of the Performance Rights.
- **Tranche 3:** Blue Star making a Final Investment Decision (**FID**) in relation to the development of a facility for the development of a helium project within 3 years after issue of the Performance Rights.
- **Tranche 4:** Blue Star selling helium within 3 years after issue of the Performance Rights.

The Blue Star Board of Directors recommends voting in favour of all resolutions.

This ASX Announcement has been authorised for release by the Board of Blue Star Helium Limited.

For further information, please contact:

Trent Spry
Managing Director & CEO
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About Blue Star Helium:

Blue Star Helium Ltd (ASX:BNL) is an independent helium exploration and production company, headquartered in Australia, with operations and exploration in North America. Blue Star's strategy is to find and develop new supplies of low cost, high grade helium in North America. For further information please visit the Company's website at www.bluestarhelium.com

About Helium:

Helium is a unique industrial gas that exhibits characteristics both of a bulk, commodity gas and of a high value specialty gas and is considered a "high tech" strategic element. Due to its unique chemical and physical qualities, helium is a vital element in the manufacture of MRIs and semiconductors and is critical for fibre optic cable manufacturing, hard disc manufacture and cooling, space exploration, rocketry, lifting and high-level science. There is no way of manufacturing helium artificially and most of the world's reserves have been derived as a by-product of the extraction of natural hydrocarbon gas.



BLUE STAR HELIUM LIMITED**ACN 009 230 835****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 9.00am (Perth time)
DATE: 3 February 2022
PLACE: Level 11, London House
216 St Georges Terrace
Perth, Western Australia

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.

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 4.00pm (Perth time) on 1 February 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 141,800,853 Shares under ASX Listing Rule 7.1; and

(b) 126,056,290 Shares under ASX Listing Rule 7.1A,

on the terms and conditions set out in the Explanatory Statement.”

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of:

(a) 17,194,726 unquoted Options at \$0.084 expiring on 4 November 2023; and

(b) 17,194,726 unquoted Options at \$0.112 expiring on 4 November 2024,

to Canacord Genuity (Australia) Limited, on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – ADOPTION OF THE INCENTIVE PERFORMANCE RIGHTS PLAN

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

“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Incentive Performance Rights Plan and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR ROSS WARNER

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

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.14, Section 208 and 195 of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 24,000,000 Performance Rights to Mr Ross Warner (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

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

5. RESOLUTION 5 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR TRENT SPRY

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

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.14, Section 208 and 195 of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 39,000,000 Performance Rights to Mr Trent Spry (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

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

6. RESOLUTION 6 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO MR NEIL RINALDI

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

"That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.14, Section 208 and 195 of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 8,000,000 Performance Rights to Mr Neil Rinaldi (or their nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

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

Dated: 17 December 2021

By order of the Board

**Amanda Wilton-Heald
Company Secretary**

Voting Prohibition Statement

Resolutions 3, 4, 5 and 6- Adoption of Incentive Performance Rights Plan	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p style="padding-left: 20px;">(i) a member of the Key Management Personnel; or</p> <p style="padding-left: 20px;">(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
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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 1 – Ratification of prior issue of Placement Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely recipients of Shares under the Placement) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue of Broker Options	A person who participated in the issue or is a counterparty to the agreement being approved (namely Canacord Genuity (Australia) Limited) or an associate of that person or those persons.
Resolution 3 - Adoption of Incentive Performance Rights Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 4 – Issue of Incentive Performance Rights to Mr Ross Warner	Mr Ross Warner (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 5 – Issue of Incentive Performance Rights to Mr Trent Spry	Mr Trent Spry (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 6– Issue of Incentive Performance Rights to Mr Neil Rinaldi	Mr Neil Rinaldi (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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 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 (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) 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.

If you sign the enclosed Voting Form and no direction is given or you do not mark Box [A] or Box [B], the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all resolutions.

If you mark both Box [A] and Box [B], you will be taken not to have appointed a proxy and your direct votes will be counted.

Voting in person

The Directors have resolved that Shareholders will not be able to attend the Meeting in person due to the Australian Government's implementation of prohibitions on public gatherings and social distancing measures in light of the COVID-19 pandemic.

Virtual attendance

The Meeting will be held by a webconferencing facility which will allow Shareholders to observe the Meeting via a Zoom webconference, ask questions and vote via an Online Poll.

If you wish to attend the meeting online, you must email the Company Secretary info@bluestarhelium.com to register. Your email must include your registered name and address. Shareholders who request attendance at the GM will be sent a Virtual GM Guide (**Guide**) the day prior to the meeting, along with a link to join the GM online. The Guide will include details on how you can logon, ask questions during the GM and how to vote on the Poll.

If you are unable to attend online, you may wish to email any questions you want addressed at the GM by emailing them to info@bluestarhelium.com by **5.00pm (Perth time) on 2 February 2022**.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on +61 8 9481 0389.

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. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES

1.1 General

On 5 November 2021, the Company issued 267,857,143 Shares at an issue price of \$0.056 per Share to raise approximately \$15 million (**Placement**).

The Placement Shares were issued pursuant to the Company's capacity under Listing Rules 7.1 (141,800,853 Shares) and Listing Rule 7.1A (126,056,290 Shares) which was approved by Shareholders at the annual general meeting held on 31 May 2021.

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 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 31 May 2021.

The issue of the Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

1.2 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

1.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares were issued to professional and sophisticated investors who are clients of Canaccord Genuity (Australia) Limited (**Canaccord**) who acted as sole lead manager and bookrunner of the Placement and Pamplona Capital Pty Ltd acted as co-manager. The recipients were identified through a bookbuild process, which involved Canaccord seeking expressions of interest to participate in the capital raising from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 141,800,853 Shares were issued under ASX Listing Rule 7.1 and 126,056,290 Shares were issued under Listing Rule 7.1A, and all were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were all issued on 4 November 2021;
- (e) the issue price was \$0.056 per Share. The Company has not and will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the Placement was to accelerate helium exploration and development activities across the Company's world-class Las Animas County acreage in Colorado; and
- (g) the Shares were not issued under an agreement.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF BROKER OPTIONS

2.1 General

On 29 October 2021, the Company issued a total of 34,389,452 unquoted Options in consideration for services provided by Canacord Genuity (Australia) Limited (**Canacord**) relating to the Placement(**Broker Options**).

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 12 month period.

The issue of the Broker Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Broker Options.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Broker Options.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Broker Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

If Resolution 2 is not passed, the Broker Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Broker Options.

2.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) the Broker Options were issued to Canacord;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:

- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) A total of 34,389,504 Broker Options were issued, and the Broker Options were issued on the terms and conditions set out in Schedule 2;
 - (d) the Broker Options were issued on 29 October 2021;
 - (e) the Broker Options were issued at a nil issue price, in consideration for broker services provided by Canacord Genuity (Australia) Limited in the Placement. The Company has not and will not receive any other consideration for the issue of the Broker Options (other than in respect of funds received on exercise of the Broker Options); and
 - (f) the purpose of the issue of the Broker Options was to comply with the terms of the appointment of Canaccord.

3. RESOLUTION 3 – ADOPTION OF INCENTIVE PERFORMANCE RIGHTS PLAN

3.1 General

Resolution 3 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Incentive Performance Rights Plan" (**Performance Rights Plan**) and for the issue of Performance Rights under the Performance Rights Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

As summarised in Section 1.1 above, 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 shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 3 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years. The issue of any Performance Rights to eligible participants under the

Performance Rights Plan (up to the maximum number of Performance Rights stated in Section (c) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Performance Rights under the Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained. Resolutions 4 to 6 are conditional upon this Resolution 3 being approved.

3.2 Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 2:

- (a) a summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 1;
- (b) the Company has not issued any Performance Rights under the Performance Rights Plan as this is the first time that Shareholder approval is being sought for the adoption of the Performance Rights Plan. Should Resolution 2 be passed, Resolutions 3 to 5 seek approval for the issue of a total of 71,000,000 Performance Rights under the Plan; and
- (c) the maximum number of Securities proposed to be issued under the Performance Rights Plan, following Shareholder approval, is 71,000,000 Performance Rights which includes the Performance Rights proposed to be issued under Resolutions 3 to 5. It is not envisaged that the maximum number of Securities for which approval is sought will be issued immediately.

4. RESOLUTIONS 4 TO 6 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTORS

4.1 General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Performance Rights Plan (refer Resolution 2), to issue 71,000,000 Performance Rights to Ross Warner, Trent Spry and Neil Rinaldi (or their nominees) (**Related Parties**) pursuant to the Incentive Performance Rights Plan (**Performance Rights Plan**) and on the terms and conditions set out below (**Incentive Performance Rights**).

4.2 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 Incentive Performance Rights to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Incentive Performance Rights. Accordingly, Shareholder approval for the issue of Incentive Performance Rights to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

4.3 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.

Resolutions 4 to 6 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

4.4 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 6 are passed, the Company will be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Performance Rights 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 Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Incentive Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 6 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights to the Related Parties under the Performance Rights Plan and may have to consider alternative arrangement for the incentives offered to the Directors.

4.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 4 to 6:

- (a) the Incentive Performance Rights will be issued to the following persons:
 - (i) Ross Warner (or their nominee) pursuant to Resolution 4;
 - (ii) Trent Spry (or their nominee) pursuant to Resolution 5; and

(iii) Neil Rinaldi (or their nominee) pursuant to Resolution 6,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;

(b) the maximum number of Incentive Performance Rights to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 71,000,000 comprising:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Ross Warner	6,000,000	6,000,000	6,000,000	6,000,000
Trent Spry	21,000,000	6,000,000	6,000,000	6,000,000
Neil Rinaldi	2,000,000	2,000,000	2,000,000	2,000,000

(c) as this is the first time that the Shareholder approval is being sought for the adoption of the Performance Rights Plan, no Performance Rights have been previously issued under the Performance Rights Plan;

(d) a summary of the material terms and conditions of the Incentive Performance Rights is set out in Schedule 2;

(e) the Incentive Performance Rights are unquoted securities. The Company has chosen to issue Incentive Performance Rights to the Related Parties for the following reasons:

(i) the Incentive Performance Rights are unquoted; therefore, the issue of the Incentive Performance Rights has no immediate dilutionary impact on Shareholders;

(ii) the milestones attaching to the Incentive Rights represent significant development milestones for the Company's projects that will see ongoing development of the Company's projects;

(iii) the milestones attaching to the Incentive Performance Rights will align the interests of the Related Parties with those of Shareholders; 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 Incentive Performance Rights on the terms proposed;

(f) the number of Incentive Performance Rights to be issued to each of the Related Parties has been determined based upon a consideration of:

(i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;

(ii) the remuneration of the Related Parties; and

(iii) incentives to attract and ensure continuity of service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed;

- (g) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year (refer to 2020 annual report for composition)
Ross Warner	285,000 ¹	200,127
Trent Spry	285,000 ²	225,760
Neil Rinaldi	42,833 ³	Nil

Notes:

1. Comprising Directors' salary/bonus of \$259,682, a superannuation payment of \$25,318 and share-based payments of \$Nil (\$1,176,000 being the value of the Incentive Performance Rights, will be included in the 2022 financial year remuneration).
 2. Comprising Directors' fees/salary/bonus of \$272,045, a superannuation payment of \$12,955 and share-based payments of \$Nil (\$1,911,000, being the value of the Incentive Performance Rights, will be included in the 2022 financial year remuneration).
 3. Comprising Directors' fees of \$42,833 and share-based payments of \$Nil (\$392,000 being the value of the Incentive Performance Rights, will be included in the 2022 financial year remuneration).
- (h) the value of the Incentive Performance Rights and the pricing methodology is set out in Schedule 3. The Board notes that the valuation does not take into account the fact that the vesting conditions need to be satisfied in order for the performance rights to be converted;
- (i) the Incentive Performance Rights will be issued to the Related Parties 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 Incentive Performance Rights will be issued on one date;
- (j) the issue price of the Incentive Performance Rights will be nil, as such no funds will be raised from the issue of the Incentive Performance Rights;
- (k) the purpose of the issue of the Incentive Performance Rights is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which 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 the Related Parties;

- (l) a summary of the material terms and conditions of the Performance Rights Plan is set out in Schedule 1;
- (m) no loans are being made to the Related Parties in connection with the acquisition of the Incentive Performance Rights;
- (n) details of any Performance Rights issued under the Performance Rights 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;
- (o) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after Resolution 2 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (p) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options	Performance Rights
Ross Warner	17,000,000	22,000,000	nil
Trent Spry	3,000,000	22,000,000	nil
Neil Rinaldi	nil	nil	nil

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: BNL).
2. Unquoted Options exercisable at \$0.012 each on or before 31 December 2021.

- (q) if the milestones attaching to the Incentive Performance Rights issued to the Related Parties are met and the Incentive Performance Rights are converted, a total of 71,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,528,420,058 (being the total number of Shares on issue as at the date of this Notice) to 1,599,420,058 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.44%, comprising 1.50% by Ross Warner, 2.44% by Trent Spry and 0.50% by Neil Rinaldi;
- (r) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.068	30 September 2021 & 25 October 2021
Lowest	\$0.030	15 December 2020 & 8 March 2021
Last	\$0.051	3 December 2021

- (s) each Director has a material personal interest in the outcome of Resolutions 3 to 5 on the basis that all of the Directors (or their nominees) are to be issued Incentive Performance Rights should Resolutions 3 to 5 be passed. For this reason, the Directors do not believe that it is

appropriate to make a recommendation on Resolutions 3 to 5 of this Notice; and

the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 3 to 5.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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 Blue Star Helium Limited (ACN 009 230 835).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Optionholder means a holder of an Option.

Performance Right means a right to acquire a Share, subject to the satisfaction of any vesting conditions.

Performance Rights Plan means the incentive performance rights plan to be adopted by the Company, being the subject of Resolution 3 and as summarised in Schedule 1.

Placement has the meaning given to that term in Section 1.1 of the Explanatory Statement.

Proxy Form means the proxy form accompanying the Notice.

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.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – SUMMARY OF PERFORMANCE RIGHTS PLAN

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

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company or 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 Performance Rights under the Performance Rights Plan (**Eligible Participant**).
- (b) **Offer:** The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the Performance Rights 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 Performance Rights 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) **Consideration:** Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.
- (e) **Vesting conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:
- (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, 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.
- (g) **Lapse of a Performance Right:** A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;
 - (ii) a Vesting Condition in relation to the Performance Right 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 waive the Vesting Condition and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Performance Right only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Rights granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
 - (v) the Board deems that a Performance Right 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 Performance Right; and
 - (vii) the expiry date of the Performance Rights.
- (h) **Not transferrable:** Subject to the Listing Rules, and except as otherwise provided for by an offer, Performance Rights 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.
- (i) **Shares:** Shares resulting from the vesting of the Performance Rights shall, subject to any sale restrictions (refer to paragraph (j)) from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Sale restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (k) **Quotation of Shares:** If Shares of the same class as those issued under the Performance Rights 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. The Company will not apply for quotation of any Performance Rights on the ASX.
- (l) **No participation rights:** There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.
- (m) **No change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
- (n) **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.
- (o) **Amendments:** Subject to express restrictions set out in the Performance Rights 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 Performance Rights Plan, or the terms or conditions of any Performance Rights granted under the Performance Rights Plan including giving any amendment retrospective effect.

SCHEDULE 2 – TERMS AND CONDITIONS OF BROKER OPTIONS

The material terms and conditions of the Options are summarised below:

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be:

(i) 17,194,752 Options - \$0.084; and

(ii) 17,194,752 Options - \$0.112,

each respective amount payable in (b) being the relevant Options exercise price (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on:

(iii) 17,194,752 Options - 4 November 2023; and

(iv) 17,194,752 - 4 November 2024,

each respective date in (c) being the relevant Options expiry date (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the relevant Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The 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**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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

Within five 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 Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

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

(i) **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.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

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

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

(a) **Milestones**

The Performance Rights shall convert to Shares upon the Company achieving the applicable Milestone for that Class of Rights, prior to the applicable expiry date of that Class of Rights.

The Milestones and expiry dates for each Class of Rights is set out in section 2 below.

(b) **Notification to holder**

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

(c) **Conversion**

Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share.

(d) **Share ranking**

(a) All Shares issued upon the vesting of Performance Rights will upon issue rank *pari passu* in all respects with other Shares.

(e) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(g) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues**

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

(i) **Reorganisation of capital**

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

(j) **Adjustment for bonus issue**

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

(k) **Dividend and Voting Rights**

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

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder.
- (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,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(m) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

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

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

will not result in any person being in contravention of the General Prohibition.

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

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

(o) **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.

(p) **No other rights**

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

2. **Conversion of the Performance Rights**

(a) **Milestones**

Subject to sub-paragraph (b), Performance Rights will vest and be convertible into one (1) Share on the achievement of the following milestones:

- (i) 29,000,000 of Performance Rights will vest and be convertible upon the Company publicly reporting an independently certified helium discovery as defined in the Petroleum Resources Management System sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers (**SPE-PRMS**) within 2 years after issue of the Performance Right (**Tranche 1**);
- (ii) 14,000,000 of Performance Rights will vest and be convertible upon the Company publicly reporting independently certified helium resources including an estimate of helium reserves classified in accordance with the SPE-PRMS within 2 years after issue of the Performance Right (**Tranche 2**); and;
- (iii) 14,000,000 of Performance Rights will vest and be convertible upon the Company making a Final Investment Decision (FID) in relation to the development of a facility for the development of a helium project within 3 years after issue of the Performance Right (**Tranche 3**); and
- (iv) 14,000,000 of Performance Rights will vest and be convertible upon the Company selling helium within 3 years after issue of the Performance Right (**Tranche 4**),

(each referred to as a **Milestone**).

For the avoidance of doubt, all calculations for the purposes of satisfying the Milestones will be based on the relevant accounting standards and will exclude:

- (v) one off or extraordinary revenue items;
- (vi) revenue received in the form of government grants, allowances, rebates or other hand-outs; and

- (i) revenue or profit that has been manufactured to achieve the Milestone.

(b) **Conversion of Performance Rights**

- (i) Subject to paragraph (b)(ii) below, in the event a Milestone is satisfied, the Performance Rights held by the holders will convert into an equal number of the Company Shares if the holder provides the Company with:

- (A) the certificate for the Performance Rights or, if the certificate for the Performance Rights has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed; and

- (B) a notice in the form provided in the incentive performance rights plan addressed to the Company and signed by the Participant stating that the Participant request to convert the Performance Rights and specifying the number of Performance Rights which are to be converted.

- (ii) If the exercise of the Performance Rights into the Company Shares would result in the holder being in contravention of section 606(1) of the Corporations Act, then the conversion of such number of Performance Rights that would cause the contravention will be deferred until such time or times thereafter the conversion would not result in such a breach.

(c) **After Conversion**

The Shares issued on conversion of the Performance Rights will, as and from 5:00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

(d) **Conversion Procedure**

The Company will issue the holders with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Rights into Shares.

SCHEDULE 4 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 3 to 5 have been valued by internal management.

Using the Black & Scholes model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

Tranche 1 and Tranche 2 Performance Rights

Item	
Value of the underlying Shares	\$0.049
Exercise Price	Nil
Valuation date	6 December 2021
Commencement of performance	6 December 2021
Expiry date	6 December 2023
Term of the Performance Right	2 years
Volatility	100%
Risk-free interest rate	0.5666%
Dividend yield	Nil
Value per right	\$0.049
Total Value of Incentive Performance Rights	\$2,107,000
- Ross Warner (Resolution 3)	\$588,000
- Trent Spry (Resolution 4)	\$1,323,000
- Neil Rinaldi (Resolution 5)	\$196,000

Tranche 3 and Tranche 4 Performance Rights

Item	
Value of the underlying Shares	\$0.049
Exercise Price	Nil
Valuation date	6 December 2021
Commencement of performance	6 December 2021
Expiry date	6 December 2024
Term of the Performance Right	2 years
Volatility	100%
Risk-free interest rate	0.9394%
Dividend yield	Nil
Value per right	\$0.049

Total Value of Incentive Performance Rights	\$1,372,000
- Ross Warner (Resolution 3)	\$588,000
- Trent Spry (Resolution 4)	\$588,000
- Neil Rinaldi (Resolution 5)	\$196,000

Note: The valuation noted above is not necessarily the market price that the Incentive Performance Rights could be traded at and is not automatically the market price for taxation purposes.

Proxy Voting Form

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

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **9.00am (WST) on Tuesday, 1 February 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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



