

29 December 2021

Dear Shareholder,

General Meeting of Superior Lake Resources Limited – Notice and Proxy Form

Notice is hereby given that a general meeting of Shareholders of Superior Lake Resources Limited (ACN 139 522 553) (**Company**) will be held at Level 20, 140 St Georges Terrace, Perth on Friday, 28 January 2022 at 10.00 am (WST) (**Meeting**).

In accordance with the Australian Securities and Investments Commission's "no-action" position as set out in their recent media release "21-061MR ASIC adopts 'no-action' position and re-issues guidelines for virtual meetings", the Notice of Meeting and Explanatory Memorandum to Shareholders (the **Notice of Meeting**) will not be physically dispatched but instead is being made available to shareholders electronically. You can view and download the Notice of Meeting from the Company's website at: <https://superiorlake.com.au/investor-dashboard/asx-announcements/>.

The purpose of the Meeting is to transact the business contained in the Notice of Meeting. The Company's Directors encourage you to read the Notice of Meeting carefully.

Proxy Form and Voting

As you have not elected to receive notices by email, a copy of your personalised proxy form is enclosed for your convenience. You can also use that proxy form to update your communication preferences should you wish to receive future communications electronically.

Proxies should be returned as follows:

- Online** At <https://investor.automic.com.au/#/loginsah>
- By mail** Share Registry – Automic, GPO Box 5193, Sydney NSW 2001
- By fax** + 61 2 8583 3040
- By hand** Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

To be valid, your proxy voting instruction must be received by 10:00 am (WST) on Wednesday, 26 January 2022, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Company's Directors welcome you to attend the Meeting in person. If COVID-19 social distancing requirements change and impact arrangements for the physical Meeting, the Company will update Shareholders by way of an announcement on the ASX and the details will also be made available on the Company's website.

If you have any difficulties obtaining a copy of the NOM, please contact the Company's Company Secretary by telephone on +61 8 6117 0479 or by email at stuartm@superiorlake.com.au.

Stuart McKenzie
Company Secretary

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

Holder Number:

Your proxy voting instruction must be received by **10.00am (AWST) on Wednesday, 26 January 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 Chairman 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 Chairman 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 Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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 Key Management Personnel.

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>.





**SUPERIOR LAKE RESOURCES LIMITED
ACN 139 522 553**

PROPOSED TO BE RENAMED FRONTIER ENERGY LIMITED

NOTICE OF GENERAL MEETING

A General Meeting of the Company to be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on Friday, 28 January 2022 at 10:00am (AWST)

Superior Lake Resources Limited (**Superior Lake** or **Company**) advises Shareholders that a general meeting (**Meeting**) will be held in compliance with any restrictions on public gatherings in Australia.

Due to the evolving COVID-19 situation, it may not be possible for Shareholders to physically attend the Meeting. As a result, the Company strongly encourages all Shareholders to vote by directed proxy rather than attend the meeting in person. Proxy forms for the meeting should be lodged before 10:00am (AWST) on Wednesday, 26 January 2022.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to info@superiorlake.com.au by no later than 5:00pm (AWST) on Wednesday, 26 January 2022.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and/or on the Company's website at <https://superiorlake.com.au/>.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

A poll will be called on all resolutions being considered at the Meeting.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary at +61 8 6117 0479.

SUPERIOR LAKE RESOURCES LIMITED

ACN 139 522 553

PROPOSED TO BE RENAMED "FRONTIER ENERGY LIMITED"

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Superior Lake Resources Limited (**Superior Lake or Company**) will be held at Level 20, 140 St Georges Terrace, Perth WA 6000 on Friday, 28 January 2022 at 10:00am (AWST) (**Meeting**).

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

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 26 January 2022 at 4:00pm (AWST).

Terms and abbreviations used in the Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1. Resolution 1 – Change to Nature and Scale of Activities

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

"That, subject to each of the other Reconciliation Resolutions being passed or the inter-conditionality of the other Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to make a significant change to the nature and scale of its activities on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a counterparty to the transaction that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the entity's activities and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person (or those persons).

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

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

2. Resolution 2 – Issue of Vendor Securities

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

"That, subject to each of the other Re-compliance Resolutions being passed or the inter-conditional of the other Re-compliance Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of:

- (a) 41,666,667 Shares; and
- (b) 25,500,000 Performance Shares,

*(together, the **Vendor Securities**) to the Vendors (and/or their nominees) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and/or their respective nominees) and any other person 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) or an associate of that person (or those persons).

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

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

3. Resolution 3 – Creation of a New Class of Shares (Performance Shares)

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

"That, subject to each of the other Reconciliation Resolutions being passed or the inter-conditionality of the other Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, sections 246B(1) and 246C(5) of the Corporations Act and for all other purposes, the Company be authorised to create a new class of shares, being Performance Shares, on the terms and conditions set out in the Explanatory Memorandum."

4. Resolution 4 – Issue of Capital Raising Offer Shares

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

"That, subject to each of the other Reconciliation Resolutions being passed or the inter-conditionality of the other Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 61,538,462 Shares at an issue price of \$0.13 each per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of 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) or an associate of that person (or those persons).

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

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

5. Resolution 5 – Issue of Capital Raising Offer Shares – Mr Grant Davey

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Grant Davey (and/or his nominees) to participate in the Capital Raising Offer of up to 7,692,307 Shares at an issue price of \$0.13 per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Grant Davey (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

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

6. Resolution 6 – Issue of Capital Raising Offer Shares – Mr Mike Young

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Mike Young (and/or his nominees) to participate in the Capital Raising Offer of up to 1,538,461 Shares at an issue price of \$0.13 per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Mike Young (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson 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.

7. Resolution 7 – Issue of Capital Raising Offer Shares – Mr Chris Bath

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Chris Bath (and/or his nominees) to participate in the Capital Raising Offer of up to 1,923,076 Shares at an issue price of \$0.13 per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Chris Bath (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson 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.

8. Resolution 8 – Issue of Capital Raising Offer Shares – Ms Dixie Marshall

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Ms Dixie Marshall (and/or her nominees) to participate in the Capital Raising Offer of up to 384,615 Shares at an issue price of \$0.13 per Share, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms Dixie Marshall (and/or her nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson 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.

9. Resolution 9 – Issue of Director Options to Mr Grant Davey

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

"That, subject to the Re-compliance Resolutions being passed or the inter-conditionality of the Re-compliance Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve the issue of 5,000,000 Director Options to Mr Grant Davey (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Grant Davey (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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

10. Resolution 10 – Issue of Director Options to Mr Chris Bath

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve the issue of 5,000,000 Director Options to Mr Chris Bath (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Chris Bath (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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

11. Resolution 11 – Issue of Director Options to Ms Dixie Marshall

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, Shareholders authorise and approve the issue of 1,000,000 Director Options to Ms Dixie Marshall (and/or her nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ms Dixie Marshall (and/or her nominees) 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 entity) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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

12. Resolution 12 – Issue of Management Options to Mr Adam Kiley

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders authorise and approve the issue of 1,500,000 Management Options to Mr Adam Kiley (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Adam Kiley (and/or his nominees) and any other person 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) or an associate of that person (or those persons).

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

- (a) 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;
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairperson to vote on the resolution as the Chairperson decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chair is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

13. Resolution 13 – Issue of Management Options to Mr Keith Bowes

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

"That, subject to the Re-compliance Resolutions being passed or the inter-conditionality of the Re-compliance Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 1,000,000 Management Options to Mr Keith Bowes (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Keith Bowes (and/or his nominees) and any other person 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) or an associate of that person (or those persons).

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

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

- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

- (a) the person is appointed as a proxy and the appointment specifies how the proxy is to vote; or
- (b) the person appointed as proxy is the Chairperson and the appointment does not specify how the Chair is to vote but expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

14. Resolution 14 – Issue of CEO Options to Mr Mike Young

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve the issue of 5,000,000 CEO Options to Mr Mike Young (and/or his nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Mike Young (and/or his nominees) 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 entity) or an associate of that person (or those persons).

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

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

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a vote on this Resolution must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

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

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

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

15. Resolution 15 – Issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd

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

"That, subject to the Re-compliance Resolutions being passed or the inter-conditionality of the Re-compliance Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 3,000,000 Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) and any other person 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) or an associate of that person (or those persons).

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

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

16. Resolution 16 – Issue of Lead Manager Options to BW Equities

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

"That, subject to the Re-compliance Resolutions being passed or the inter-conditionality of the Re-compliance Resolutions being waived by the Board, pursuant to, and in accordance with, Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of 3,000,000 Lead Manager Options to BW Equities (and/or its nominees) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of BW Equities (and/or its nominees) and any other person 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) or an associate of that person (or those persons).

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

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

17. Resolution 17 – Re-election of Mr Mike Young as a Director

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

"That, pursuant to, and in accordance with, article 11.4 of the Constitution and for all other purposes, Mr Mike Young, Director, who was appointed as an addition to the Board on 1 December 2021, retires and being eligible is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

18. Resolution 18 – Re-election of Mr Chris Bath as a Director

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

"That, pursuant to, and in accordance with, article 11.4 of the Constitution and for all other purposes, Mr Chris Bath, Director, who was appointed as an addition to the Board on 1 December 2021, retires and being eligible is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

19. Resolution 19 – Re-election of Ms Dixie Marshall as a Director

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

"That, pursuant to, and in accordance with, article 11.4 of the Constitution and for all other purposes, Ms Dixie Marshall, Director, who was appointed as an addition to the Board on 1 December 2021, retires and being eligible is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

20. Resolution 20 – Change of Company Name

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

"That pursuant to, and in accordance with, section 157(1) of the Corporations Act and for all other purposes, Shareholders adopt Frontier Energy Limited as the new name of the Company on the terms and conditions in the Explanatory Memorandum."

21. Resolution 21 – Adoption of New Constitution

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

"That, pursuant to, and in accordance with, section 136 of the Corporations Act and for all other purposes, the Company repeal its current Constitution and adopt the New Constitution tabled at the Meeting with effect from the close of the Meeting, on the terms and conditions in the Explanatory Memorandum."

22. Resolution 22 – Section 195 Approval

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

"That, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board, pursuant to, and in accordance with, subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 9 to 11 (inclusive)."

BY ORDER OF THE BOARD



Grant Davey
Director
Dated: 24 December 2021

SUPERIOR LAKE LIMITED

ACN 139 522 553

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

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

| | |
|-------------|---|
| Section 2: | Action to be taken by Shareholders |
| Section 3: | Inter-Conditional Resolutions |
| Section 4: | ASX Requirements and Shareholder Approvals |
| Section 5: | Recompliance |
| Section 6: | Resolution 1 – Change to Nature and Scale of Activities |
| Section 7: | Resolution 2 – Issue of Vendor Securities |
| Section 8: | Resolution 3 – Creation of a New Class of Shares (Performance Shares) |
| Section 9: | Resolution 4 – Issue of Capital Raising Offer Shares |
| Section 10: | Resolutions 5 to 8 (inclusive) – Issue of Capital Raising Offer Shares to Related Parties |
| Section 11: | Resolutions 9 to 11 (inclusive) – Issue of Director Options to Related Parties |
| Section 12: | Resolutions 12 and 13 – Issue of Management Options to Key Management Personnel |
| Section 13: | Resolution 14 – Issue of CEO Options to Mr Mike Young |
| Section 14: | Resolution 15 – Issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd |
| Section 15: | Resolution 16 – Issue of Lead Manager Options to BW Equities |
| Section 16: | Resolution 17 – Re-election of Mr Mike Young as a Director |

| | |
|------------|--|
| Section 17 | Resolution 18 – Re-election of Mr Chris Bath as a Director |
| Section 18 | Resolution 19 – Re-election of Ms Dixie Marshall as a Director |
| Section 19 | Resolution 20 – Change of Company Name |
| Section 20 | Resolution 21 – Adoption of New Constitution |
| Section 21 | Resolution 22 – Section 195 Approval |
| Schedule 1 | Definitions |
| Schedule 2 | Risk Factors |
| Schedule 3 | Terms and Conditions of Performance Shares |
| Schedule 4 | Terms and Conditions of the Director Options and the Management Options |
| Schedule 5 | Terms and Conditions of the CEO Options |
| Schedule 6 | Terms and Conditions of the Lead Manager Options and the Adviser Options |
| Schedule 7 | Terms and Conditions of the Zero Exercise Price Options |
| Schedule 8 | Summary of New Constitution |
| Schedule 9 | Pro Forma Consolidated Statement of Financial Position |

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

2. Action to be taken by Shareholders

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

2.1 Proxies

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

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and

- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than Wednesday, 26 January 2022 at 10:00am (AWST) being at least 48 hours before the Meeting.

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

2.2 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

A vote on Resolutions 9 to 14 (inclusive) must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 9 to 14 (inclusive), and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolutions 9 to 14 (inclusive); or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolutions 9 to 14 (inclusive), but expressly authorises the Chairperson to exercise the proxy even if Resolutions 9 to 14 (inclusive) are connected with the remuneration of a member of the Key Management Personnel.

2.3 Attendance at Meeting

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

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

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

3. Inter-Conditional Resolutions

The Reconciliation Resolutions (Resolutions 1 to 4 (inclusive)) are inter-conditional, meaning that each of them will only take effect if the requisite majority of Shareholders' votes at the Meeting approve all of them or if the Board decides to waive the inter-conditional of a Reconciliation Resolution. The Board may, at its absolute discretion and subject to the Listing Rules and Corporations Act, elect to waive the inter-conditional of a Reconciliation Resolution in the event a particular Reconciliation Resolution is not passed.

If any of the Reconciliation Resolutions are not approved at the Meeting and/or the inter-conditional is not waived by the Board, none of the Reconciliation Resolutions will take effect

and the Acquisition and other matters contemplated by the Reconciliation Resolutions will not be completed.

4. ASX Requirements and Shareholder Approvals

The significant change to the nature and scale of the Company's activities requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the Official List of ASX for the first time and therefore the significant change to the nature and scale of the Company's activities may not proceed if those requirements are not met. ASX has absolute discretion in deciding whether or not to reinstate the Company's Shares to the Official List and to quote its Shares on ASX and therefore the significant change to the nature and scale of the Company's activities and the Acquisition may not proceed if ASX exercises that discretion.

ASX (and its officers) take no responsibility for the contents of this Notice.

The significant change to the nature and scale of the Company's activities and the Acquisition requires Shareholder approval under the Listing Rules and therefore may not proceed if Shareholder approval is not obtained.

ASX has advised the Company that one of the conditions to reinstate the Company's Shares to the Official List in connection with the Acquisition is the receipt of development approval for the BSS Project (refer to Section 5.2). Development application approval was granted by the WA Regional Development Assessment Panel on 14 December 2021.

Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's Shares.

5. Reconciliation

5.1 Renewable Energy

Addressing the impact of climate change and the damage being done to the environment by fossil fuel emissions are at the forefront of the political agenda in developed nations, including Australia. The electricity generation sector remains the largest source of emissions in Australia.

Renewable energy technologies are key to decarbonising the electricity sector. In 2020/21, the share of electricity generation in Australia from renewables rose above 30% for the first time (on an annual basis).¹ Renewables continued to be the cheapest form of new electricity generation in Australia and battery costs fell the most of any generation or storage technology.

In Western Australia, the energy sector is undergoing unprecedented change, making the transition from a traditional, centralised power system that is heavily reliant on fossil fuels and makes limited use of data, to a system that is cleaner, smarter and consumer focussed. Renewable energy from wind and solar now accounts for around 16% of electricity supply in the South West Interconnected System (**SWIS**), up from around 4% a decade ago.

The rapid uptake of solar photovoltaic (**Solar PV**) by Western Australian households and businesses is a big part of this change, with Solar PV already installed on over a quarter of all households in the State. Although traditional coal and gas-fired generation is likely to remain an important part of the supply mix for the next decade and beyond, newer, cleaner energy technologies will almost certainly make a much greater contribution than they do today.

With improvements in technology and falling costs, this growth in renewables is now inevitable. Even without an emissions target or stronger renewable energy target, the Western Australian Government expects generation from renewable sources to more than double, to account for over one-third of annual electricity generation in the SWIS by 2030. Solar PV and batteries are also becoming a feature of electricity supplies in regional and remote parts of the State, reducing reliance on diesel and other traditional electricity sources.

¹ Australian Government (2021) Australian Energy Statistics, Table O Electricity generation by fuel type 2019-20 and 2020

Growing electricity demand and government and business decarbonisation strategies are expected to further accelerate renewables penetration. Over 70% of electricity generation capacity in the SWIS is forecast to be renewable by 2040. Energy storage, particularly large-scale network batteries will be crucial to offset the intermittency of renewable power.

The Western Australian Government's Whole of System Plan finds that the South West transmission network is the best location for new generation connections to utilise existing network capacity and diversify energy generation sources.

As large energy users seek ways to reduce emissions, opportunities for grid connection of private large-scale solar generation projects are becoming increasingly attractive.

When it comes to Western Australia's energy future, there is no doubt that large-scale renewables, distributed energy source and other new technologies have changed the picture dramatically. These technologies offer the opportunity for a clean, secure and affordable electricity supply into the future.

There are significant growth opportunities in the renewable energy industry and the Company has an early mover advantage which potentially enables the Company to play a pivotal role in the development of renewable energy projects in WA. It is for this reason that the Company is transitioning to a renewable energy company.

5.2 Renewable Energy Projects and Strategy

The Company's first project as a renewable energy company will be the development of the Bristol Springs Solar Project (**BSS Project**) – a large-scale solar energy project located in the south west of Western Australia.

The BSS Project development is well advanced and is designed to produce 114 MWdc of electricity. The Solar Farm will utilise well-established technology to deliver a low-cost energy plant. It is strategically located to connect to the backbone of the SWIS, close to road and port infrastructure. Development application approval has been granted by the WA Regional Development Assessment Panel, and an electricity connection application is in progress with Western Power. Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~350 MWdc.

The Company will seek to progress solar expansion opportunities adjacent to the existing landholding at the BSS Project and will review the economics of adding a battery energy storage system. The Company will undertake studies to assess the economics of integrating wind energy generation at the BSS Project and the production of green hydrogen.

The Company will also consider investments in other renewable energy projects that fit within the Company's investment criteria and drive shareholder value.

The Company is seeking Shareholder approval to raise \$8 million (before costs) to undertake the activities outlined above. A detailed use of funds is included at Section 5.16.

5.3 Bristol Springs Solar Project

The Company has entered into acquisition agreements to acquire Bristol Springs Solar Pty Ltd (**BSS**). BSS was incorporated on 2 April 2019. BSS has undertaken substantial work on the development of a 114 MWdc solar farm (**Solar Farm**) at the BSS Project.

The Solar Farm will utilise the latest, well-established technology to deliver a low-cost energy plant.

The BSS Project is well advanced and is a unique opportunity to participate in the Wholesale Electricity Market (**WEM**):

- (a) it is centrally located within the heart of the SWIS;

- (b) it is close to industrial users who are expected to enter into renewable energy power purchase agreements;
- (c) Connection is at the farmgate, with state owned Western Power responsible for the connection into the SWIS;
- (d) It is a cleared site with no existing flora or fauna of note and low geotechnical risk;
- (e) Grid connection application is in process with Western Power; and
- (f) Up to an additional 132 hectares of land available for expansion.

The BSS Project is in line with the Western Australia Government's renewable energy strategy, which is designed to remove barriers to investment and facilitate access to the WEM for new low-cost and cleaner generation technologies.

The BSS Project has low execution risk. It utilises the standard, latest generation (but standard) solar technology from Tier 1 OEM vendors and is located in the heart of the SWIS with comparable nearby projects recently being granted development approval.

A comparable sized solar farm of 132 MWdc in Merredin (260km east of Perth) developed by Risen Energy, connected to the SWIS in 2020 and initially sold into the spot market, but has subsequently signed its first power purchase agreement (**PPA**) in 2021 with BHP and is negotiating a further PPA for the balance of its power with an industrial power user connected to the SWIS.

The BSS Project is located approximately 123 kilometres south of the Perth CBD, 15 kilometres southwest of the Waroona townsite and 5 kilometres east of Forrest Highway (refer to Figure 1 and Figure 2). The site is located on the southern fringe of the Shire of Waroona local government area and approximately 700 metres north of the Shire of Harvey local government area. The Alcoa alumina refinery is located approximately 7.5 kilometres east of the site.



Figure 1 - Location of the BSS Project

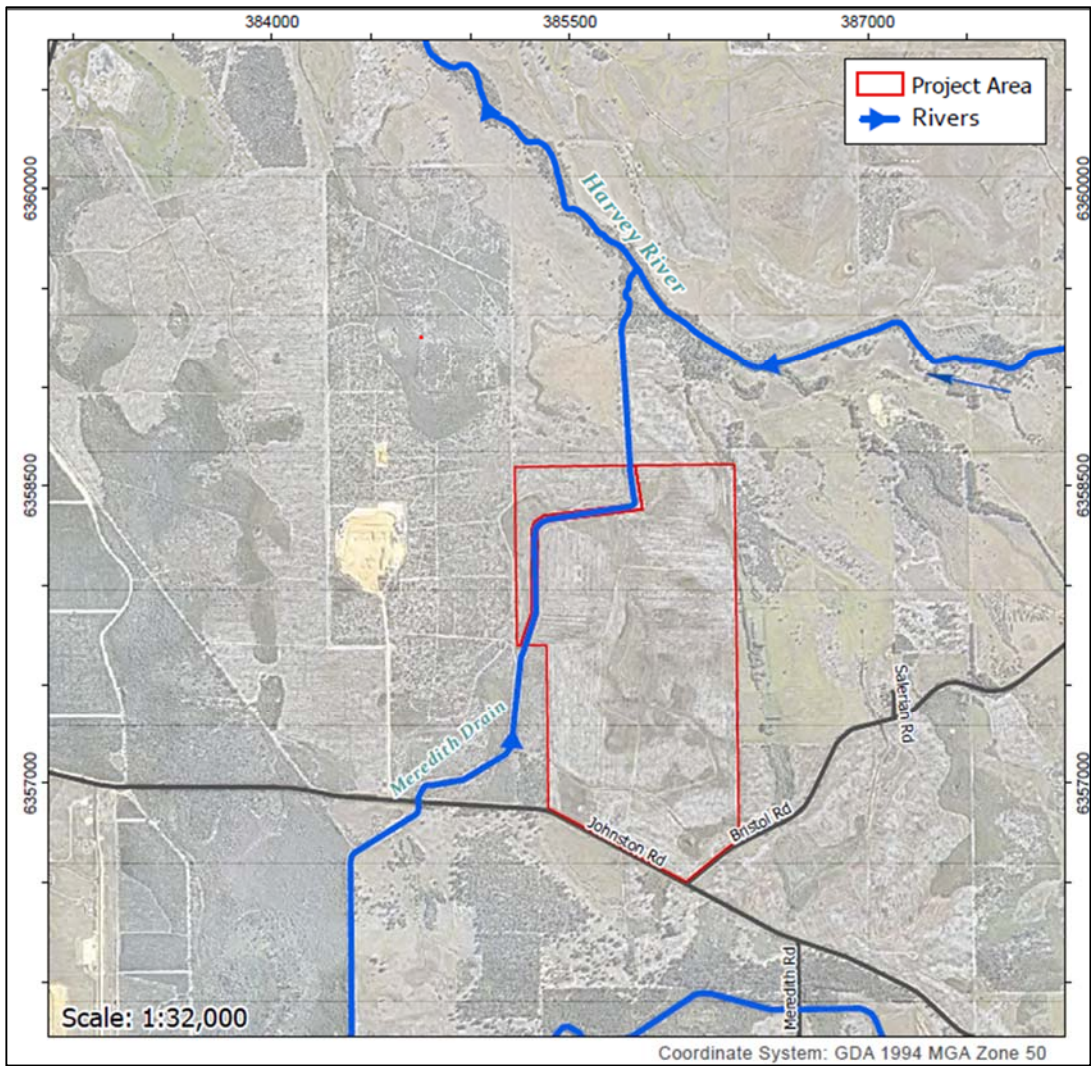


Figure 2 - Aerial photograph of the site and surrounds of the BSS Project

The site is cleared, mostly flat with low-grade mineral sand soils common to the Swan Coastal Plain (refer to Figure 3). The site is considered ideal for solar power developments with low subsurface risks, low environmentally sensitive areas and no obstructions in the overhead transmission line route.



Figure 3 - Photograph taken at the BSS Project site

A geotechnical study has been carried out by an independent geotechnical and geological consultant which included a desktop study of the area, a site visit to view the topographic features and an assessment of geological hazards likely to affect the BSS Project. The results of the study confirmed that the ground conditions are reasonably consistent with the geological maps, there were no hard zones encountered with in the investigation nor indicated on the historical geological map. Excavatability is not considered to be a significant risk and the site is likely to be considered a “free dig”, however consideration would need to be given to the electrical conductivity and thermal resistivity of the site. The results of the investigation indicated that there was no significant geohazards identified that are likely to significantly or catastrophically affect the proposed solar farm works.

5.4 Acquisition

On 13 October 2021, the Company entered into a sale agreement (**Sale Agreement**) to acquire 100% of the shares of BSS from Sector One Pty Ltd and Alicia Jane Goyder (**Vendors**) (**Acquisition**). Ranger Loaders Pty Ltd (**Landowner**), the entity which owns the land on which the BSS Project is proposed to be built, is also a party to the Sale Agreement (**Acquisition**).

The sole shareholder and director of the Landowner is Johnathon Goyder. Johnathon Goyder is the husband of Alicia Jane Goyder.

Refer to Section 5.9(a) for a summary of the material terms of the Sale Agreement.

The change from a mining company to a renewable energy company and the Acquisition will constitute a change to the nature and scale of its activities under Listing Rule 11.1 and accordingly, the Company is required to re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules. For this reason, the Company is seeking Shareholder approval pursuant to Resolution 1 to change the nature and scale of its activities under Listing Rule 11.1.2.

Subject to the terms of the Sale Agreement, including satisfaction or waiver of the relevant conditions precedent, the Company proposes to (amongst other matters):

- (a) issue an aggregate of 41,666,667 Shares (**Consideration Shares**) and 25,500,000 performance shares in the Company (**Performance Shares**) to the Vendors in consideration for the Acquisition (Resolution 2);
- (b) create a new class of securities, being the Performance Shares (Resolution 3);
- (c) undertake a capital raising up to \$8 million (before costs) via a prospectus (**Prospectus**) for an offer for up to 61,538,462 Shares at an issue price of \$0.13 each (Resolution 4);
- (d) issue an aggregate 11,538,459 Shares to each of Messrs Grant Davey, Mike Young and Chris Bath and Ms Dixie Marshall (and/or their respective nominees) pursuant to the Capital Raising Offer (Resolutions 5 to 8 (inclusive));
- (e) issue an aggregate 24,500,000 Options (each being unquoted and expiring 36 months from the date of approval from the Shareholders), to be comprised of:
 - (i) an aggregate 11,000,000 Options to the following members of the Board (and/or their respective nominees):
 - (A) 5,000,000 Options to Mr Grant Davey (and/or his nominees), non-executive chairman of the Company (Resolution 9);
 - (B) 5,000,000 Options to Mr Chris Bath (and/or his nominees), executive Director (Resolution 10);
 - (C) 1,000,000 Options to Ms Dixie Marshall (and/or her nominees), non-executive Director (Resolution 11),

(together, the **Director Options**). The terms of the Director Options are detailed in Schedule 4;
 - (ii) an aggregate 2,500,000 Options to the following members of the management of the Company (and/or their respective nominees):
 - (A) 1,500,000 Options to Mr Adam Kiley (and/or his nominees), business development manager of the Company (Resolution 12); and
 - (B) 1,000,000 Options to Mr Keith Bowes (and/or his nominees), former project director of the Company (Resolution 13),

(together, the **Management Options**). The terms of the Management Options are detailed in Schedule 4;
 - (iii) 5,000,000 Options to Mr Mike Young (and/or his nominees) (the **CEO Options**), non-executive Director and proposed managing director of the Company (Resolution 14). The terms of the CEO Options are detailed in Schedule 5;
 - (iv) 3,000,000 Options (each being unquoted with exercise prices of \$0.25 and \$0.40 and expiring 36 months from the date of issue) to Canaccord Genuity (Australia) Pty Ltd in connection with corporate advisory services to the Capital Raising Offer (**Adviser Options**) (Resolution 15). The terms of the Adviser Options are detailed in Schedule 6; and
 - (v) 3,000,000 Options (each being unquoted with exercise prices of \$0.25 and \$0.40 and expiring 36 months from the date of issue) to BW Equities (and/or its nominees) in connection with broker services to the Capital Raising Offer (**Lead Manager Options**) (Resolution 16). The terms of the Lead Manager Options are detailed in Schedule 6;

- (f) re-elect Directors to the Board, being Messrs Mike Young and Chris Bath and Ms Dixie Marshall (Resolutions 17 to 19 (inclusive));
- (g) change the Company's name to "Frontier Energy Limited" and with effect from the date ASIC alters the details of the Company's registration (Resolution 20); and
- (h) repeal the Company's current constitution and adopt a new constitution (Resolution 21).

Other than as detailed in this Notice, no fees have been paid or are payable by the Company or BSS to any person for finding, arranging or facilitating the Acquisition.

5.5 Land

BSS has agreed to enter into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 (**Land**) from the Landowner for 3 years and 1 day commencing from the completion of the Acquisition (**Initial Term**) at an annual fee of \$100,000 per annum (**Lease**). The Company may, through BSS, subject to meeting applicable fees, convert the Initial Term to 25 years with an option to renew for a further term of 5 years at the applicable rate (\$362,600 excluding GST per annum being \$1,850 per hectare). Refer to Section 5.9 for further details of the Lease. The Company, through BSS, also has acquired a sole and exclusive option to purchase the Land during the five-year period from the completion of the Acquisition at a fixed value of \$5,000,000 (exclusive of GST) (**Land Option**). Refer to Section 5.9 for further details of the Land Option.

Additional land acquisition opportunities are available to allow for an increase in solar power generation up to ~350 MWdc.

The Company has commissioned searches which have confirmed the freehold nature of tenure to the Land and the land the subject of the additional land acquisition opportunities. The searches also confirmed that there are no known or suspected contaminated sites, native title or land access issues associated with the Land.

5.6 Preliminary Studies Complete and Next Steps

Conceptual design work for the BSS Project was undertaken and completed in July 2019 and preliminary engineering estimates were undertaken in September 2019.

EPC Technologies completed a FEED design encompassing Basis of Design methodologies, parameters and equipment technologies used to ensure optimal energy yield, HV integration, safety and financial returns. System design was carefully considered to match all Western Power requirements covering infrastructure and access standards.

The site has been designed with 114 MW DC of high power class bifacial panels mounted on a single axis tracking system. The uniformity of site conditions will allow for a simple, modular and low-cost design.

An Economic Study Report was completed in February 2020 detailing the analysis, outputs, scenarios and sensitivities from the economic modelling conducted.

In September 2020 an independent advisor was engaged to provide revenue stream forecasts for the Solar Farm. The purpose of this report was to provide insights regarding the future pricing of renewable energy and the capacity market in the Western Australia WEM for the next thirty years and underpins BSS's own economic modelling.

Following completion of the Acquisition, the Company will, over the short to medium term:

- (a) undertake studies to assess the economics of undertaking a solar expansion of the BSS facility;
- (b) negotiate and execute an Electricity Transfer Access Control Agreement with Western Power;

- (c) once all necessary approvals have been received and studies completed, make a final investment decision in respect of the BSS Project;
- (d) liaise with Western Power for the design and construction of the transmission line from farmgate to the substation; and
- (e) fund the capital expenditure cost associated with the transmission line and connection.

5.7 Future opportunities at the BSS Project

There are significant future opportunities at the BSS Project to enhance the capability of the existing BSS Project. For example:

(a) Solar

There are additional land acquisition opportunities adjacent to the existing Land at the BSS Project which are available to the Company. Such land acquisitions would allow for an increase in solar power generation up to ~350 MWdc. The Company will undertake a study to consider any solar expansion.

(b) Battery

As a logical extension to the BSS Project, the Company will undertake a study to review the economics of adding a battery energy storage system. Opportunities include revenue from ancillary services performed by battery and revenue from energy arbitrage from the battery.

(c) Wind

There is sufficient existing Land at the existing BSS Project to accommodate wind generators, which are complementary energy sources given the typical timing of energy dispatch. The Company will undertake a study on the impact on the integration of wind energy into the BSS Project.

(d) Hydrogen

The Company will undertake a study to assess the viability and economics of using the electricity produced from the BSS solar project to split water by way of electrolysis to produce green hydrogen. Electrolysis is an established process that could be integrated into the BSS solar project. This would not be a standalone new project or an alternative to the BSS solar project but rather an addition and augmentation to the BSS solar project.

The Company will also consider investments in other renewable energy projects, including wind, solar and hydrogen that meet the Company's investment criteria and drive shareholder value.

5.8 Legacy mining assets

The Company has a legacy asset, holding an approximately 66% interest in TSX Venture Exchange listed company Metallum Resources Inc. (**Metallum**) worth approximately \$11 million as at 7 December 2021 (based on Metallum's share price of C\$0.08 and an exchange rate of 1 CAD:1.1013 AUD on 7 December 2021). This shareholding follows the sale of the Superior Lake Zinc Project in Canada to Metallum, which completed in April 2021. The Company will look to realise the value of this investment over the medium term.

5.9 Material Contracts

(a) Sale Agreement

On 13 October 2021, the Company entered into a binding agreement to acquire a 100% interest in BSS from the Vendors. The Landowner, the entity which owns the land on

which the BSS Project is proposed to be built, is also a party to the Sale Agreement. The key terms of the Sale Agreement are detailed below.

(i) **Consideration**

The consideration for the Acquisition is:

- (A) 41,666,667 Consideration Shares on completion of the Acquisition (**Completion Date**);
- (B) 25,500,000 Performance Shares which will be issued on the Completion Date. The Performance Shares are comprised of the following:
 - (1) Tranche A: 12,750,000 Performance Shares that convert into Shares on the date that the Company or BSS having received a binding offer (Access Offer) from Western Power to provide the BSS Project with access to the grid which contains the terms of the Electricity Transfer Access Control Agreement;; and
 - (2) Tranche B: 12,750,000 Performance Shares that convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project.

Sector One Pty Ltd (and/or its nominees) will be issued 40% of the Consideration Shares and Performance Shares and Alicia Jane Goyder will be issued 60% of the Consideration Shares and Performance Shares.

(ii) **Conditions Precedent**

Completion of the Acquisition is conditional upon the satisfaction or waiver of:

- (A) the parties having obtained all shareholder approvals, regulatory consents, NAB consent (for the grant of the lease to BSS as mortgagee of the land) and approvals which are necessary for the Acquisition, including all approvals required by ASX;
- (B) ASX approving the terms of the Performance Shares pursuant to Listing Rule 6.1;
- (C) the Company having received a conditional re-admission letter from ASX on terms acceptable to the Company;
- (D) the Company completing the Capital Raising Offer to its sole satisfaction;
- (E) the BSS Project receiving developmental approval from the Development Assessment Panel (this condition has been satisfied as development application approval was granted on 14 December 2021);
- (F) the Company and the Landowner executing the Option Agreement (refer to Section 5.9(b)) (this condition has been satisfied); and
- (G) the Company and the Landowner having executing the Lease Agreement (refer to Section 5.9(c)) (this condition has been satisfied),

(together, the **Conditions**).

The Conditions are for the benefit of the Company and can only be waived by the Company.

If the Conditions are not satisfied or waived on or before 28 February 2022 (or such other date as mutually agreed), the Sale Agreement will automatically terminate.

(iii) **Escrow**

The Consideration Shares will be subject to a 24 month escrow period from the date the Company's Shares re-commence trading on the Official List of ASX.

The Sale Agreement includes pre-completion obligations on, and customary representations and warranties from, the Vendors and the Company. The Consideration Shares and Performance Shares will be offered under the Prospectus.

(b) **Option Agreement**

On 20 December 2021, BSS entered into a call option deed with the Landowner (**Option Agreement**) on the following terms:

- (i) the Landowner has granted BSS the sole and exclusive option to purchase the Land during the five-year period from the Completion Date (**Option Period**) at a fixed value of \$5,000,000 (exclusive of GST) (**Purchase Price**) (**Land Option**);
- (ii) the following option fees are payable by BSS to the Landowner:
 - (A) First Option Fee: \$1,500,000 exclusive of GST, payable on entry into this Option Deed;
 - (B) Second Option Fee: \$1,500,000 exclusive of GST, payable on the third anniversary of the Completion Date;
 - (C) Third Option Fee: \$1,500,000 exclusive of GST, payable on the fourth anniversary of the Completion Date; and
 - (D) Fourth Option Fee: \$2,000,000 exclusive of GST, payable on the fifth anniversary of the Completion Date,(together, **Option Fees**);
- (iii) if BSS exercises the Land Option, any Option Fees paid (other than the First Option Fee) will be credited towards the Purchase Price;
- (iv) if BSS does not exercise the Land Option, any instalment of the Option Fee paid by BSS to the Landowner shall be non-refundable;
- (v) if BSS fails to pay any instalment of the Option Fees by the relevant due date the Landowner may terminate the Option Agreement; and
- (vi) BSS may assign the Land Option to a related party, subject to that party entering into a deed of covenant with the Landowner.

The Option Agreement otherwise contains customary terms and conditions for an option to purchase agreement.

(c) **Lease Agreement**

On 20 December 2021, BSS entered into an agreement to lease the Land from the Landowner for 3 years and 1 day commencing from the Completion Date (**Initial Term**) at an annual fee of \$100,000 per annum plus GST (**Lease**) on the following terms:

- (i) BSS is permitted to use the Land to construct, test, commission, operate and maintain a power generation and power storage facility, conduct feasibility studies and all necessary plant and equipment required for the operation of such facilities, including solar panels, fencing, interconnection cabling, transformers and meters and for the generation and transmission of electricity;
- (ii) if BSS has decided not to build or has not made a decision to build during the Initial Term, the Lease will expire at the end of the Initial Term;
- (iii) if BSS makes a decision to build during the Initial Term, the Landlord will grant BSS a new lease for a 25 year period with an option to renew for a further term of five years at an initial annual rent equivalent to \$1,850 per hectare; and
- (iv) the Company will not be providing security for the Lease.

The Lease contains customary terms and conditions for a lease agreement, including payment of service charges and outgoings by BSS, positive covenants on BSS to maintain the premises and obtain relevant insurance coverage and standard events of default.

5.10 Capital Raising Offer

The Company intends to undertake a capital raising under the Prospectus to raise \$8 million (before costs) by way of an offer of 61,538,462 Shares at an issue price of \$0.13 per Share (**Capital Raising Offer**). The Company does not expect that the Capital Raising Offer will be underwritten.

Funds from the Capital Raising Offer and existing cash reserves will be used to fund the Acquisition, develop the BSS Project, fund solar, wind, battery and hydrogen studies at the BSS Project, to facilitate the relisting of the Company on ASX and for working capital. Refer to Section 5.16 for details of the proposed use of funds raised pursuant to the Capital Raising Offer.

Detailed information on the offer of securities under the Capital Raising Offer, the capital structure and an indicative timetable will be included in the Prospectus, which will be made available after lodgement with the Australian Securities and Investments Commission (**ASIC**). Investors should consider the Prospectus (when available) in deciding whether to acquire securities in the Company. Applications for securities can only be made by completing the application form which will accompany the Prospectus. The Company expects to lodge the Prospectus in the coming weeks.

If the conditions of the Capital Raising Offer are not satisfied, or the Company does not receive conditional approval for re-quotation on the ASX on terms which the board of the Company reasonably believes are capable of satisfaction, then the Company will not proceed with the Capital Raising Offer and will repay all application monies received (without interest).

5.11 Composition of Board of Directors

The qualifications, skills and experience of the Board at the date of this Notice and following the Acquisition is as follows:

(a) **Mr Grant Davey – Non-Executive Chairman**

Mr Davey is an entrepreneur with 30 years of senior management and operational experience in the development, construction and operation of precious metals, base metals, uranium and bulk commodities throughout the world. More recently, he has been involved in venture capital investments in several exploration and mining projects and

has been instrumental in the acquisition and development of the Panda Hill niobium project in Tanzania, the Cape Ray gold project in Newfoundland and recently the acquisition of the Kaylekera Uranium mine in Malawi from Paladin Energy Limited. He is currently a Director of Cradle Resources Limited (ASX:CXX), Lotus Resources Limited (ASX:LOT), Superior Lake Resources Limited (ASX:SUP) and is a member of the Australian Institute of Company Directors.

(b) **Mr Mike Young – Managing Director**

Mr Young is a mining executive and resource development geologist with strong capability in team building, feasibility studies, managing joint ventures, execution of mine development, and management of mining operations. Mr Young has extensive experience in managing public companies, the delivery of on-time and on-budget feasibility studies, developing and implementing company strategy and maintaining strong relationships with key stakeholders, including governments. Most recently, Mr Young was the CEO and Managing Director of Vimy Resources Limited (ASX: VMY).

(c) **Mr Chris Bath – Executive Director**

Mr Chris Bath is a Chartered Accountant and member of the Australian Institute of Company Directors, with over 20 years of senior management experience in the energy and resources sector both in Australia and south-east Asia. Chris has been Chief Financial Officer for companies listed on AIM, ASX and JSX. More recently he was a senior executive with a family office investment firm.

Chris is currently the Chief Financial Officer of Superior Lake Resources Limited (ASX:SUP) and Matador Mining Limited (ASX:MZZ) and non-executive director and company secretary of Cradle Resources Limited (ASX:CXX).

(d) **Ms Dixie Marshall – Non-Executive Director**

Ms Marshall has more than 38 years' experience in media, advertising, politics, and communications across a range of platforms, including television, radio, newspapers, and digital. She has won awards for journalism, and more recently advertising. She has an advanced knowledge of data and digital innovation as applied to communications, marketing, and sales. She is the first woman Managing Director of Marketforce, Western Australia's oldest advertising agency.

Ms Marshall worked in the Premier's Office for six years as the Director of Strategic Communications for the Western Australian Government and has a unique insight and understanding of Australian Government policy and politics.

Ms Marshall is the Managing Director of Marketforce and a Commissioner with the WA Football Commission.

5.12 ASX waivers and confirmations

The completion of the Acquisition and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules for re-admission of the Company to the Official List is subject to the receipt of a number of approvals, waivers and confirmations. The Company has received in-principle advice from ASX that it would likely grant the following waivers / confirmations:

- (a) Listing Rules 1.1 Condition 1, 6.1 and 12.5: confirmation that the terms of the Performance Shares satisfy those rules and are appropriate and equitable;
- (b) Listing Rule 1.1 condition 10 and Listing Rule 9.1: confirmation from ASX in respect of the treatment of the Company's securityholders pursuant to Listing Rule 9.1;
- (c) Listing Rule 2.1 Condition 2: a waiver to permit the Company to issue Shares (including pursuant to the Capital Raising Offer) at an issue price below \$0.20 per Share subject to the issue price being at least \$0.02 per Share, subject to the following conditions:

- (i) the issue price of the Capital Raising Shares is not less than \$0.13 per share;
 - (ii) the terms of the waiver and the Capital Raising Shares being clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising; and
 - (iii) the Company's shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the proposed Acquisition; and
- (d) Listing Rule 1.1 condition 12: a waiver to the extent necessary to permit the Company to have Options on issue which are incapable of being satisfied as their vesting conditions cannot be met with exercise prices below \$0.20 (**Zero Exercise Price Options**), subject to the terms of the waiver and the Options being clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising. The terms of these Zero Exercise Price Options are set out in Schedule 7.

ASX has granted the Company a waiver from Listing Rule 10.13.5 to the extent necessary to permit this Notice and the issue the Director Capital Raising Shares, Director Options and CEO Options to the applicable Directors to state that the Director Capital Raising Shares, Director Options and CEO Options will be issued later than 1 month after the date of the Meeting, subject to the following conditions:

- (a) the Director Capital Raising Shares, Director Options and CEO Options are issued by no later than the date that the Capital Raising Shares are issued, which must be no later than 3 months after the date of the shareholder meeting;
- (a) the Notice discloses the full terms and conditions of the Director Capital Raising Shares, Director Options and CEO Options and the Director Capital Raising Shares, Director Options and CEO Options are issued pursuant to those terms and conditions;
- (b) the circumstances of the Company, as determined by the ASX, have not materially changed since the Company's shareholders approved the issue of the Director Capital Raising Shares, Director Options and CEO Options; and
- (c) the terms of this waiver are clearly disclosed in the Notice and in the prospectus to be issued in respect of the Capital Raising Offer.

The conditions above regarding Shareholder approval are being sought from Shareholders at the Meeting.

5.13 Pro forma statement of financial position and BSS financial statements

An unaudited pro forma statement of financial position of the Company following completion of the Acquisition and the Capital Raising Offer is detailed in Schedule 9.

A copy of BSS's audited financial statements for 30 June 2021, 30 June 2020 and 30 June 2019 can be obtained from <https://superiorlake.com.au/>.

5.14 Pro forma capital structure

The pro forma capital structure of the Company following completion of the Acquisition and the Capital Raising Offer is detailed below:

| | Shares | Performance Shares | Options |
|------------------------------------|--------------------|--------------------|-------------------|
| Existing Securities | 166,561,155 | Nil | 9,822,779 |
| Issue of Vendor Securities | 41,666,667 | 25,500,000 | Nil |
| Capital Raising Offer ¹ | 61,538,462 | Nil | Nil |
| Issue of Options ² | Nil | Nil | 24,500,000 |
| Total | 269,766,284 | 25,500,000 | 34,322,779 |

Notes:

1. Assuming \$8 million (before costs) is raised at \$0.13 per Share.
2. Comprising the 3,000,000 Lead Manager Options, 11,000,000 Director Options, 2,500,000 Management Options the 5,000,000 CEO Options and the 3,000,000 Adviser Options.

5.15 Effect of the Acquisition on control and substantial Shareholders

No person will acquire control of, or voting power of 20% or more in, the Company as a result of the Acquisition or the Capital Raising Offer. As at the date of the Notice, the following persons had a relevant interest in 5% or more of the Shares on issue:

| Name | Number of Shares | Percentage of Shares (%) |
|---|------------------|--------------------------|
| Zero Nominees Pty Ltd | 18,908,539 | 11.35 |
| Grant Davey | 18,099,271 | 10.87 |
| HSBC Custody Nominees (Australia) Limited | 14,355,929 | 8.62 |
| Kitara Investments <Kumova Family A/C> | 9,833,868 | 5.90 |

Based on the information known as at the date of the Notice, upon completion of the Acquisition and assuming the Company raises \$8 million (before costs) under the Capital Raising Offer, the following persons will have a relevant interest in 5% or more of the Shares on issue:

| Name | Number of Shares | Percentage of Shares |
|--------------------|------------------|----------------------|
| Grant Davey | 25,791,578 | 9.56% |
| Alicia Jane Goyder | 25,000,000 | 9.27% |

| Name | Number of Shares | Percentage of Shares |
|---|------------------|----------------------|
| Zero Nominees Pty Ltd | 18,908,539 | 7.01% |
| Sector One Pty Ltd | 16,666,667 | 6.18% |
| HSBC Custody Nominees (Australia) Limited | 14,355,929 | 5.32% |

5.16 Funds available and allocation of funds

Upon the completion of the Acquisition and the Capital Raising Offer, the Company will have the following funds available:

| Funds available | Amount (\$) | Percentage (%) |
|---|------------------|----------------|
| Cash and cash equivalents as at the date of this Notice | 490,000 | 12.1 |
| Funds raised under the Capital Raising Offer | 8,000,000 | 87.9 |
| TOTAL | 8,490,000 | 100 |

Upon the completion of the Acquisition and the Capital Raising Offer, the funds raised from the Capital Raising Offer (over a two year period) will be utilised as follows:

| Use of Funds | Amount (\$) | Percentage (%) |
|---|-------------|----------------|
| Land Option fees | 1,650,000 | 20.6 |
| Lease fees | 220,000 | 2.8 |
| Solar FEED (Front End Engineering Design) | 265,104 | 3.3 |
| Generator model assessment and studies | 126,500 | 1.6 |
| Interconnection works | 55,000 | 0.7 |
| Solar financing | 154,000 | 1.9 |
| Solar offtake | 572,000 | 7.1 |
| Solar expansion study | 123,750 | 1.5 |
| Battery integration study | 74,250 | 0.9 |
| Wind integration study | 126,500 | 1.6 |
| Hydrogen integration study | 234,850 | 2.9 |

| Use of Funds | Amount (\$) | Percentage (%) |
|--------------------------------|------------------|----------------|
| Corporate costs | 2,873,220 | 36.0 |
| Transaction costs ¹ | 741,630 | 9.3 |
| Working capital | 783,196 | 9.8 |
| TOTAL | 8,000,000 | 100 |

Notes:

1. Comprises of legal expenses, accounting expenses, broker fees, independent consultant fees and ASX fees.

Shareholders should note that the above estimated expenditures will be subject to modification on an ongoing basis depending on the progress of the Company's development activities. The above table is a statement of current intentions as at the date of the Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Capital Raising Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors detailed in Schedule 2.

5.17 Indicative timetable

The following is an indicative timetable for, amongst other things, completion of the Acquisition and the Capital Raising Offer.

| Event | Indicative Date |
|---|------------------|
| Dispatch Notice of Meeting to Shareholders | 29 December 2021 |
| Lodgement of Prospectus with ASIC | 14 January 2022 |
| Capital Raising Offer opens | 14 January 2022 |
| Last day for lodgement of Proxy Form | 28 January 2022 |
| General Meeting | 28 January 2022 |
| Capital Raising Offer closes | 4 January 2022 |
| Issue of Capital Raising Offer Shares | 11 February 2022 |
| Completion of Acquisition | 11 February 2022 |
| Satisfaction of Chapters 1 and 2 of the Listing Rules | 25 February 2022 |
| Expected date for Shares to re-commence trading on the Official List of ASX | 28 February 2022 |

* The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of the completion of the Acquisition as they progress.

5.18 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Reconciliation Resolutions.

- (a) The Company is currently suspended from trading on ASX. The significant change to the nature and scale of the Company's activities and completion of the Acquisition will likely result in the re-instatement of the Company's securities on the ASX providing the opportunity to increase the value of the Company. Shareholders will be able to share in the growth of the Company and will also be able to buy or sell their Shares on ASX.
- (b) Following the significant change to the nature and scale of the Company's activities and completion of the Acquisition, Shareholders will gain exposure to an opportunity in the renewable energy sector.
- (c) The Acquisition and Capital Raising Offer will provide the Company with sufficient funds to undertake its business model detailed in Section 5.
- (d) The potential increase in market capitalisation of the Company, following the significant change to the nature and scale of the Company's activities, completion of the Acquisition and the Capital Raising Offer, may lead to increased coverage from investment analysts, access to improved capital market opportunities and increased liquidity which are not currently present.

5.19 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Reconciliation Resolutions.

- (a) The Acquisition and the Capital Raising Offer will result in the issue of securities as detailed in this Explanatory Memorandum, which will have a dilutionary effect on the holdings of existing Shareholders. On completion of the Acquisition, the existing Shareholders will retain approximately 61.7% of the issued capital of the Company, the Vendors (and/or their respective nominees) will hold an aggregate of 15.4% and the investors under the Capital Raising Offer will hold an aggregate of 22.8% of the issued capital of the Company. The Company will also issue Performance Shares to the Vendors (and/or their respective nominees). Subject to the satisfaction of vesting conditions, the interests of Shareholders will be diluted on conversion of these Performance Shares.
- (b) The Acquisition (and by extension a transition to the development of renewable energy projects as the Company's main undertaking) may not be consistent with the objectives of all Shareholders.
- (c) There are inherent risks associated with the change in operations of the Company's activities which may not suit the risk profile or be consistent with the objectives of Shareholders. Key risks which will be faced by the Company and which Shareholders will be exposed to are summarised in Schedule 2.
- (d) The BSS Project and other renewable energy projects may not turn out to be commercially viable. In general terms, investments in renewable energy companies which are not yet in development should be considered highly speculative.

5.20 Corporate Structure

The Company's corporate structure at completion of the Acquisition and on re-instatement to Official Quotation is reflected in Figure 4.

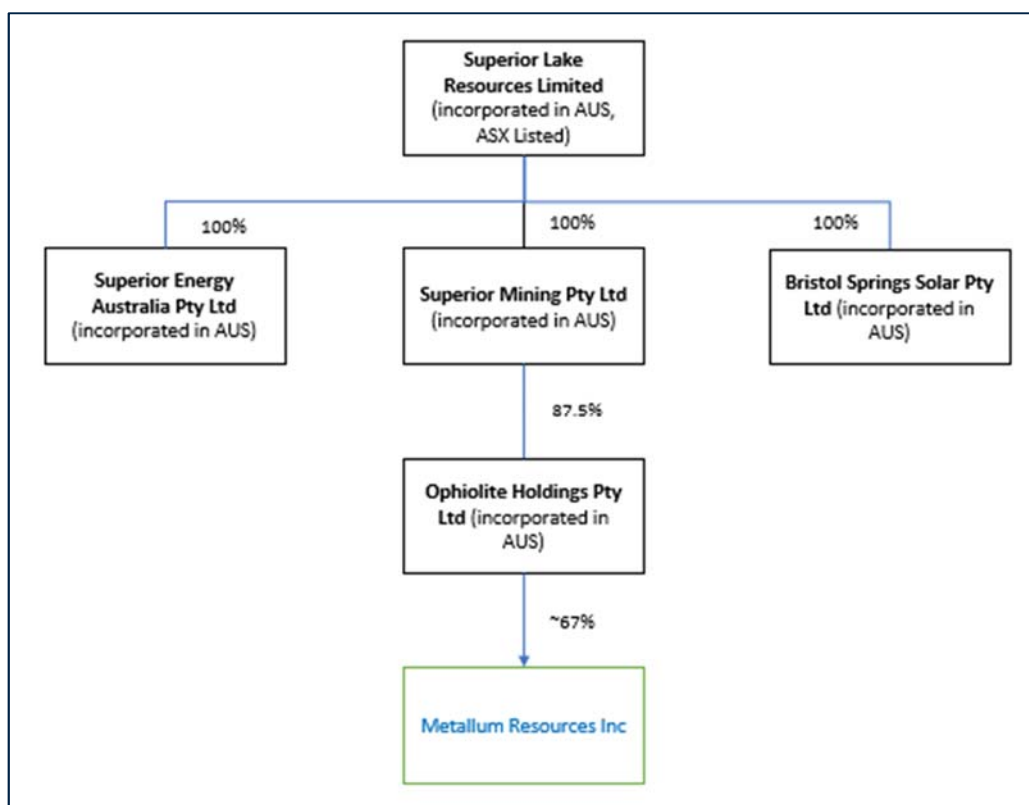


Figure 4 - Corporate structure of the Company following completion of the Acquisition

5.21 Risk factors

Shareholders should be aware that if the Reconciliation Resolutions are approved and the Acquisition is completed, the Company will be changing the nature and scale of its activities which will result in it being subject to various new risk factors (in addition to those that are presently applicable). Based on the information available, a non-exclusive list of these risk factors is detailed in Schedule 2.

5.22 Plans for the Company if the Reconciliation Resolutions are not passed

If the Reconciliation Resolutions are not passed and the Acquisition is not completed, the Company will continue to seek potential acquisitions across all industries, including the renewable energy sector. If the Reconciliation Resolutions are not passed and the Acquisition is not completed, the shares will remain suspended from official quotation on ASX.

5.23 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those securities or an interest in those securities, or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods.

If Shareholders approve all of the Reconciliation Resolutions, ASX may, subject to the Company re-complying with Chapters 1 and 2 of the Listing Rules, classify certain Securities issued in connection with the Acquisition and the relisting of the Company as Restricted Securities and may require those Securities to be held in escrow for up to 24 months from the date the Securities are reinstated to trading on ASX. During the period which those Securities are prohibited from being transferred, trading in Shares may be less liquid which may affect a Shareholder's ability to dispose of their Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the securities in the Company required to be held in escrow prior to the reinstatement of the Company to the Official List of ASX.

5.24 Directors' interests in the Acquisition

None of the Company's existing Directors have any interest in the Acquisition, other than as disclosed in the Notice.

5.25 ASX Disclosure Confirmations

The Company confirms that it has undertaken appropriate enquiries in respect of the BSS Project, including the assets and liabilities, financial position and performance, profits and losses and prospectus of BSS, for the Board to be satisfied that the Acquisition and the significant change to the nature and scale of the Company's activities and the entry into the Sale Agreement are in best interests of the Company and its Shareholders, subject to the satisfaction or waiver of the conditions precedent of the Sale Agreement.

The Company confirms that, other than the issue of 1,500,000 Shares on exercise of Options in November 2021, it has not issued any Securities in the six months preceding this Notice. The Company further confirms that, except as specifically detailed in this Notice, it does not intend to issue any further Securities prior to re-admission.

The Company confirms it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

5.26 Forward looking statements

The forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Memorandum. These risks include but are not limited to, the risks detailed in Schedule 2. Forward looking statements generally include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

6. Resolution 1 – Change to Nature and Scale of Activities

6.1 General

Resolution 1 seeks the approval of Shareholders for a change in nature and scale of the Company's activities.

A detailed description of our corporate strategy as a renewable energy company and the Acquisition is outlined in Sections 5.2 to 5.7.

Listing Rule 11.1.2 empowers ASX to require a listed company to obtain the approval of its shareholders to undertake a significant change to the nature or scale of its activities. The Acquisition will involve a significant change to the nature or scale of the Company's activities for these purposes and, as its usual practice, ASX has imposed the requirement under Listing Rule 11.1.2 that the Company obtain Shareholder approval.

If Resolution 1 (together with the other Reconciliation Resolutions) is passed, the Company will be able to change the nature and scale of its activities and proceed with the Acquisition and will seek to re-comply with Chapters 1 and 2 of the Listing Rules.

If Resolution 1 (or the other Reconciliation Resolutions) is not passed, the Company will not be able to change the nature and scale of its activities and proceed with the Acquisition and will remain suspended from trading. Further, the Company will continue to seek an alternative acquisition opportunities.

Resolution 1 is an ordinary resolution and is subject to the approval of the other Reconciliation Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

6.2 Listing Rule 11.1

Chapter 11 of the Listing Rules requires shareholders to approve any significant change in the nature or scale of an ASX listed company's activities.

Where an ASX listed company seeks to change the nature or scale of its activities, it must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change;
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change, if required by ASX; and
- (c) under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of ASX, if required by ASX.

The Company acknowledges that:

- (a) Listing Rule 11.1.2 applies in respect of the significant change to the nature and scale of the Company's activities and the Acquisition and that the Company will need to obtain Shareholder approval to undertake the change in nature and scale of activities. In this regard, the Company has agreed to undertake the significant change to the nature and scale of the Company's activities, subject to the satisfaction or waiver of the conditions precedent (refer to Section 5.9(a)) including but not limited to, the obtaining of Shareholder approval; and
- (b) Listing Rule 11.1.3 applies in respect of the significant change to the nature and scale of the Company's activities and the Acquisition and accordingly the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In this regard, the Company proposes to undertake the Capital Raising Offer (the subject of Resolution 4) to satisfy the ASX re-compliance.

On the basis that Shareholders approve all of the Re-compliance Resolutions, the Company will seek to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. In accordance with these requirements, the Company will issue the Prospectus.

Trading of Shares is currently suspended and will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules in accordance with Listing Rule 11.1.3. It is anticipated that the Company's securities will be reinstated to trading on ASX in February 2022.

Details of the Acquisition by the Company and the proposed changes to the structure and operations of the Company are detailed in Sections 5.2 to 5.7.

A voting exclusion statement is included in the Notice for Resolution 1.

6.3 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

7. Resolution 2 – Issue of Vendor Securities

7.1 General

As detailed in Section 5.4, the Company is proposing to acquire shares in BSS which holds the BSS Project.

The Acquisition will be subject to the satisfaction or waiver of certain conditions. A detailed description of the Acquisition is detailed in Section 5.4.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of Vendor Securities, comprising of:

- (a) 41,666,667 Shares; and
- (b) 25,500,000 Performance Shares, which comprise of two tranches,

to the Vendors (and/or their nominees).

Each Performance Share will convert into a Share and vest in accordance with the following vesting conditions:

| Tranche | Performance Shares | Number of Shares | Vesting Date | Vesting Condition |
|---------|--------------------|------------------|---|--|
| A | 12,750,000 | 12,750,000 | The date the Vesting Condition is satisfied | SUP/BSS having received a binding offer (Access Offer) from Western Power to provide the BSS Project with access to the grid which contains the terms of the Electricity Transfer Access Control Agreement |
| B | 12,750,000 | 12,750,000 | The date the Vesting Condition is satisfied | All approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project |

Resolution 2 is an ordinary resolution and is subject to the approval of the other Reconciliation Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

7.2 Listing Rule 7.1

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 shares it had on issue at the start of that period.

Given the Vendor Securities to be issued under Resolution 2 will exceed the balance of the Company's 15% placement capacity and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval to issue the Vendor Securities under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of Vendor Securities and proceed with the Acquisition. In addition, the issue of Vendor Securities 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.

If Resolution 2 is not passed, the Company will not issue the Vendor Securities to the Vendors and will not proceed with the Acquisition.

7.3 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of Vendor Securities and the requirements of Listing Rule 7.3, the following information is provided:

- (a) the Vendor Securities will be issued to the Vendors (and/or respective nominees), who are not related parties of the Company, being:

| Name | Number of Shares | Number of Performance Shares |
|--|-------------------|------------------------------|
| Sector One Pty Ltd ATF The Gillham Family Trust | 16,666,667 | 10,200,000 |
| Alicia Jane Goyder ATF J & A Goyder Family Trust | 25,000,000 | 15,300,000 |
| Total | 41,666,667 | 25,500,000 |

- (b) the maximum number of Securities the Company intends to issue under Resolution 2 is:
- (i) 41,666,667 Shares; and
- (ii) 25,500,000 Performance Shares.
- (c) the terms of the Vendor Securities issued pursuant to Resolution 2 are as follows:
- (i) the 41,666,667 Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (ii) the 25,500,000 Performance Shares will be issued in accordance with the terms and conditions in Schedule 3;
- (d) the Company will issue the 41,666,667 Shares and 25,500,000 Performance Shares no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow). The Company will issue the relevant number of Shares on conversion of the Performance Shares following satisfaction of the relevant vesting condition (which must be satisfied no later than 60 months following the date of issue of Performance Shares);
- (e) the Consideration Shares will be issued to the Vendors as consideration for the Acquisition pursuant to the Sale Agreement (the material terms of which are outlined in Section 5.9(a)), and as such, no funds will be raised from the issue of Vendor Securities; and
- (f) a voting exclusion statement is included in the Notice for Resolution 2.

The Vendor Securities will be subject to a 24 month period from the date the Company's Shares re-commence trading on the Official List of ASX

7.4 Additional information provided in relation to ASX Guidance Note 19 and Listing Rule 6.1 confirmation

The following information is provided for the purposes of satisfying the requirements of ASX Guidance Note 19 and the Listing Rule 6.1 confirmation received from ASX in relation to the 25,500,000 Performance Shares:

- (a) the number and parties to be issued the Performance Shares is contained in Section 7.3(a);

- (b) the Vendors (and their nominees) described in Section 7.3(a) are not related parties of the Company;
- (c) the Performance Shares are being issued to the Vendors (and their nominees) in connection with the Acquisition, being a new proposed undertaking by the Company, to acquire a 100% interest in capital of BSS held by the Vendors;
- (d) the Acquisition was negotiated between the Company and the Vendors on arm's length terms. The Company determined that a significant portion of the value of the BSS Project should be attributable to its future success given the BSS Project is not yet operational. Accordingly, the consideration for the Acquisition was structured with:
- (i) 62% in upfront consideration – 41,666,667 Shares; and
 - (ii) 38% in deferred consideration – 25,500,000 Performance Shares.
- The Company determined the number of Performance Shares to be issued to the Vendors as being appropriate and equitable given the current and proposed capital structure of the Company, the level of risk involved in achieving the vesting conditions for the Performance Shares and the requirements of ASX Guidance Note 19;
- (e) the Vendors provided the Company with a list of nominees to receive the Performance Shares as described in Section 7.3(a). The Company had no involvement in determining who the Vendors nominated to receive the Vendor Securities;
- (f) each Performance Share converts into one Share if the relevant vesting conditions are satisfied and the terms and conditions of the Performance Shares is contained in Schedule 3; and
- (g) the effect on the Company's capital structure if the vesting conditions for the Performance Shares are satisfied and all Performance Shares convert into Shares is as follows:

| Event | Ordinary Shares |
|--|------------------------|
| Existing Shares | 166,561,155 |
| Issue of Consideration Shares | 41,666,667 |
| Capital Raising Offer ¹ | 61,538,462 |
| Total (after completion of the Capital Raising Offer and Acquisition) | 269,766,284 |
| Conversion of Performance Shares | 25,500,000 |
| Total (after conversion of Performance Shares)² | 295,266,284 |

Notes:

1. Assumes \$8 million (before costs) is raised at \$0.13 per Share.
2. Assumes no Shares are issued or Options are converted prior to conversion of the Performance Shares.

7.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

8. Resolution 3 – Creation of a New Class of Shares (Performance Shares)

8.1 General

Resolution 3 seeks Shareholder approval for the Company to be authorised to issue the Performance Shares as a new class of shares. The Performance Shares are intended to form part of the consideration payable to the Vendors in respect of the Acquisition.

Section 246C(5) of the Corporations Act provides that if a company has one class of share and seeks to issue a new class of share, such issue is taken to vary the rights attached to shares already issued.

Section 246B of the Corporations Act provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the Shareholders holding Shares in that class; or
- (b) the written consent of the Shareholders who are entitled to at least 75% of the votes that may be cast in respect of Shares in that class.

Accordingly, the Company seeks approval from Shareholders for the issue of Performance Shares as a new class of shares on the terms set out in Schedule 3.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 3 is subject to the approval of the other Reconciliation Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

8.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 3.

9. Resolution 4 – Issue of Capital Raising Offer Shares

9.1 General

Resolution 4 seeks Shareholder approval to enable the Company to issue up to 61,538,462 Shares at an issue price of \$0.13 per Share (**Capital Raising Offer Shares**) to raise up to \$8 million (before costs).

Funds under the Capital Raising Offer and existing cash reserves will be used to fund the Acquisition, develop the BSS Project, fund solar, wind, battery and hydrogen studies at the BSS Project, to facilitate the relisting of the Company on ASX and for working capital.

The Capital Raising Offer Shares will only be issued if:

- (a) the minimum subscription of \$8 million (before costs) is raised; and
- (b) the Company receives conditional approval from ASX for the Company to be reinstated to official quotation on ASX following the Company's compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the Listing Rules on conditions acceptable to the Company.

Further information on the offer of securities under the Capital Raising Offer, the capital structure and an indicative timetable will be included in the Prospectus. Investors should consider the

Prospectus (when available) in deciding whether to acquire securities in the Company. Applications for securities can only be made by completing the application form, which will accompany the Prospectus.

Resolution 4 is an ordinary resolution and is subject to the approval of the other Reconciliation Resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolution 4.

9.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is detailed in Section 7.2.

Given the Capital Raising Offer Shares to be issued under Resolution 4 will exceed the balance of the 15% placement capacity and none of the exceptions detailed in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

Resolution 4 seeks the required Shareholder approval to issue the Capital Raising Offer Shares under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of Capital Raising Offer Shares to raise up to \$8 million (before costs) pursuant to the Capital Raising Offer.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Capital Raising Offer Shares to raise up to \$8 million (before costs) pursuant to the Capital Raising Offer.

9.3 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of Capital Raising Offer Shares and the requirements of Listing Rule 7.3 the following information is provided:

- (a) the Capital Raising Offer Shares will be issued to:
 - (i) members of the general public at the Board's discretion who apply for Capital Raising Offer Shares under the Prospectus; and
 - (ii) Messrs Grant Davey, Mike Young and Chris Bath, and Ms Dixie Marshall who intend to apply for Capital Raising Offer Shares subject Resolution 5 to 8 (inclusive) being passed;
- (b) none of the subscribers for Shares under the Capital Raising Offer will be related parties of the Company (other than as approved pursuant to Resolution 5 to 8 (inclusive));
- (c) the maximum number of securities the Company intends to issue under the Capital Raising Offer is 61,538,462 Shares;
- (d) the terms of the Capital Raising Offer Shares to be issued pursuant to Resolution 4 are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (e) the Company will issue the Capital Raising Offer Shares no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (f) the Capital Raising Offer Shares will be issued at \$0.13 per Share;
- (g) proceeds from the Capital Raising Offer will be used to fund the Acquisition, develop the BSS Project, fund solar, wind, battery and hydrogen studies at the BSS Project, to facilitate the relisting of the Company on ASX and for working capital; and
- (h) a voting exclusion statement is included in the Notice for Resolution 4.

9.4 Board recommendation

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

10. Resolutions 5 to 8 (inclusive) – Issue of Capital Raising Offer Shares to Related Parties

10.1 General

Resolutions 5 to 8 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of an aggregate of up to 11,538,462 Shares to each of Messrs Grant Davey, Mike Young, Chris Bath and Ms Dixie Marshall (and/or their respective nominees) pursuant to the Capital Raising Offer in the following proportions:

- (a) 7,692,307 Shares to be issued to Mr Davey (and/or his nominees);
- (b) 1,538,461 Shares to be issued to Mr Young (and/or his nominees);
- (c) 1,923,076 Shares to be issued to Mr Bath (and/or his nominees); and
- (d) 384,615 Shares to be issued to Ms Marshall (and/or her nominees),

(together, the **Director Capital Raising Shares**) to raise gross proceeds of approximately \$1,500,000.

The terms and conditions upon which Messrs Davey, Young and Bath and Ms Marshall will subscribe for the Director Capital Raising Shares will be on the same terms as other investors in the Capital Raising Offer.

Resolutions 5 to 8 (inclusive) are ordinary resolutions and are subject to the Reconciliation Resolutions being passed.

The Chairperson intends to exercise all available proxies in favour of Resolutions 5 to 8 (inclusive).

10.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Davey, Young and Bath and Ms Marshall, Directors, are related parties of the Company for the purposes of section 208 of the Corporations Act.

The Board considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Shares to be issued to Messrs Davey, Young and Bath and Ms Marshall under the Capital Raising Offer will be issued on the same terms as non-related party participants in the Capital Raising Offer and as such the giving of the financial benefit to Messrs Davey, Young and Bath and Ms Marshall will be on arm's length terms. Accordingly, Shareholder approval is not being sought for the purposes of Section 208 of the Corporations Act.

10.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Messrs Davey, Young and Bath and Ms Marshall are related parties of the Company as each is a Director and Shareholder approval will be sought under Listing Rule 10.11, as none of the exceptions under Listing Rule 10.12 apply.

If Shareholder approval is obtained under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1. Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 5 to 8 (inclusive) will be to allow the Company to issue up to 11,538,462 Shares to each of Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 5 to 8 (inclusive) is not passed, the Company will not issue the Director Capital Raising Offer to each of Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees).

10.4 Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that the following information be provided to Shareholders:

- (a) up to 11,538,462 Shares will be issued to each of Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees);
- (b) Messrs Davey, Young and Bath and Ms Marshall are Directors and therefore are related parties of the Company under Listing Rule 10.11.1;
- (c) the maximum number of Director Capital Raising Shares the Company will issue each Director is as follows:
 - (i) 7,692,307 Shares to be issued to Mr Davey (and/or his nominees);
 - (ii) 1,538,461 Shares to be issued to Mr Young (and/or his nominees);
 - (iii) 1,923,076 Shares to be issued to Mr Bath (and/or his nominees); and
 - (iv) 384,615 Shares to be issued to Ms Marshall (and/or her nominees);
- (d) the Director Capital Raising Shares to be issued to Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees) are fully paid ordinary shares and rank equally in all respects with the Company's existing shares on issue;
- (e) the Company will issue the Director Capital Raising Shares to Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees) at the same time as the issue of the Capital Raising Offer Shares the subject of Resolution 4. While the Company expects to issue the Director Capital Raising Shares to Messrs Davey, Young and Bath and Ms Marshall within 1 month of the date of the Meeting, ASX has granted a waiver from Listing Rule 10.13.5 to permit the Company to issue the Director Capital Raising Shares to Messrs Davey, Young and Bath and Ms Marshall no later than the date that the Capital Raising Shares are issued, which must be no later than 3 months after the date of the Meeting;
- (f) the Director Capital Raising Shares to be issued to Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees) will each be allotted at an issue price of \$0.13 per Share;
- (g) proceeds from the issue of Director Capital Raising Shares to Messrs Davey, Young and Bath and Ms Marshall (and/or their respective nominees) will be used to fund the Acquisition, develop the BSS Project, fund solar, wind, battery and hydrogen studies at the BSS Project, to facilitate the relisting of the Company on ASX and for working capital; and
- (h) voting exclusion statements are included in the Notice for Resolutions 5 to 8 (inclusive).

10.5 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 5 to 8 (inclusive).

11. Resolutions 9 to 11 (inclusive) – Issue of Director Options to Related Parties

11.1 General

Resolutions 9 to 11 (inclusive) seek Shareholder approval in accordance with Listing Rule 10.11 and section 208 of the Corporations Act for the grant of Director Options to Messrs Grant Davey and Chris Bath and Ms Dixie Marshall (and/or their respective nominees), Directors, subject to the Recombliance Resolutions being passed or the inter-conditionality of the Recombliance Resolutions being waived by the Board.

The proposed issue of Director Options pursuant to Resolutions 9 to 11 (inclusive) is as follows:

| Party | Class A Director Options | Class B Director Options | Class C Director Options | Total Director Options |
|-------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Mr Grant Davey | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Mr Chris Bath | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Ms Dixie Marshall | 500,000 | 250,000 | 250,000 | 1,000,000 |
| Total | 5,500,000 | 2,750,000 | 2,750,000 | 11,000,000 |

Resolution 9 seeks Shareholder approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act, for the grant of an aggregate 5,000,000 Director Options to Mr Grant Davey (and/or his nominees), to appropriately incentivise the performance of Mr Davey.

Resolution 10 seeks Shareholder approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act, for the grant of an aggregate 5,000,000 Director Options to Mr Chris Bath (and/or his nominees), to appropriately incentivise the performance of Mr Bath.

Resolution 11 seeks Shareholder approval, pursuant to Listing Rule 10.11 and section 208 of the Corporations Act, for the grant of an aggregate 1,000,000 Director Options to Ms Dixie Marshall (and/or her nominees), to appropriately incentivise the performance of Ms Marshall.

In the Company's present circumstances, the Board considers that the grant of the Director Options to Messrs Davey and Bath and Ms Marshall is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Messrs Davey and Bath and Ms Marshall and is consistent with the strategic goals and targets of the Company.

The Director Options are unquoted Options with an expiry date of three years from the date of issue. The Director Options will have the following exercise prices:

- (a) *Class A*: exercise price of \$0.20 (**Class A Director Options**);
- (b) *Class B*: exercise price of \$0.25 (**Class B Director Options**); and
- (c) *Class C*: exercise price of \$0.40 (**Class C Director Options**).

Resolutions 9 to 11 (inclusive) are ordinary resolutions.

The Chairperson intends to exercise all available proxies in favour of Resolutions 9 to 11 (inclusive).

11.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Messrs Davey and Bath and Ms Marshall, Directors, are related parties of the Company for the purposes of section 208 of the Corporations Act.

Messrs Davey and Bath and Ms Marshall are related parties of the Company for the purposes of section 208 of the Corporations Act. The issue of Director Options to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act and the Board has determined that the Company will seek Shareholder approval for the purposes of section 208 of the Corporations Act.

11.3 Specific information required by section 219 of the Corporations Act

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval for Resolutions 9 to 11 (inclusive) as follows:

- (a) the Director Options will be issued to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) in three tranches as follows:

| Party | Class A Director Options | Class B Director Options | Class C Director Options | Total Director Options |
|-------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Mr Grant Davey | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Mr Chris Bath | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Ms Dixie Marshall | 500,000 | 250,000 | 250,000 | 1,000,000 |
| Total | 5,500,000 | 2,750,000 | 2,750,000 | 11,000,000 |

- (b) the Director Options will be granted on the terms and conditions detailed in Schedule 4;
- (c) the Director Options are being issued to incentivise Messrs Davey and Bath and Ms Marshall to provide ongoing dedicated services to the Company. The benefit will only be received from the Director Options upon the Share price exceeding the exercise price of the Director Options and thereby warranting their exercise;
- (d) each of Messrs Davey and Bath and Ms Marshall abstain from making a recommendation on Resolutions 9 to 11 (inclusive) as they have an interest in the outcome as the recipient of the Director Options and therefore believe it inappropriate to make a recommendation;
- (e) the value of the Director Options has been determined, and on the basis of the assumptions set out below, the technical value of the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall is as follows:

| Director | Class | Number of Director Options | Value per Security (\$) | Total Value (\$) |
|-------------------|-------|----------------------------|-------------------------|------------------|
| Mr Grant Davey | A | 2,500,000 | 0.05740 | 143,498 |
| Mr Chris Bath | A | 2,500,000 | 0.05740 | 143,498 |
| Ms Dixie Marshall | A | 500,000 | 0.05740 | 28,700 |

| | | | | |
|-------------------|---|-------------------|---------|------------------|
| Mr Grant Davey | B | 1,250,000 | 0.05064 | 63,303 |
| Mr Chris Bath | B | 1,250,000 | 0.05064 | 63,303 |
| Ms Dixie Marshall | B | 250,000 | 0.05064 | 12,660 |
| Mr Grant Davey | C | 1,250,000 | 0.03718 | 46,475 |
| Mr Chris Bath | C | 1,250,000 | 0.03718 | 46,475 |
| Ms Dixie Marshall | C | 250,000 | 0.03718 | 9,295 |
| Total | | 11,000,000 | | \$557,207 |

This valuation imputes a total value of \$557,207 to the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees). The value may go up or down after the date of valuation as it will depend on the future price of a Share. The Black Scholes Pricing Model has been used to value the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall, with the following assumptions:

- (i) risk free rate of 0.98%; and
 - (ii) volatility of 84%;
- (f) under the accounting standard AASB 2 share based payments, the Company will recognise an expense in the income statement based on the fair value of the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) over the period from the date of issue to the exercise date. The total of the fair value of the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) is \$557,207 at the date of the Notice;
- (g) each of Messrs Davey and Bath and Ms Marshall's total remuneration packages (inclusive of superannuation) are as follows:

| Director | Current total remuneration per annum | Remuneration post completion of the Acquisition per annum |
|-------------------|--------------------------------------|---|
| Mr Grant Davey | \$120,000 | \$150,000 |
| Ms Chris Bath | Nil ¹ | \$120,000 |
| Ms Dixie Marshall | \$50,000 | \$50,000 |

Notes:

1. Consulting fees have been paid as part of a Cost Sharing Agreement between Matador Capital Pty Ltd (an entity controlled by Grant Davey) and the Company. Mr Bath and the Company have entered into an Executive Services Agreement effective from 1 February 2022.

Remuneration post completion of the Acquisition comprises either base salary and superannuation or consulting fees and does not include the value of options issued to the Directors, which is set out in Section 11.

- (h) each of Messrs Davey and Bath and Ms Marshall's interests in the securities of the Company are as follows:

| Director | Shares | Options |
|----------|--------|---------|
|----------|--------|---------|

| | | |
|-------------------|-------------------------|------------------|
| Mr Grant Davey | 18,099,271 ¹ | Nil ¹ |
| Ms Chris Bath | Nil ² | Nil ² |
| Ms Dixie Marshall | Nil ³ | Nil ³ |
| Total | 18,099,271 | Nil |

Notes:

1. If Resolutions 5 and 9 are passed, Mr Grant Davey will have an interest in 25,791,578 Shares and 5,000,000 Options.
2. If Resolutions 7 and 10 are passed, Mr Chris Bath will have an interest in 1,923,076 Shares and 5,000,000 Options.
3. If Resolutions 5 and 9 are passed, Ms Dixie Marshall will have an interest in 384,615 Shares and 1,000,000 Options.

(i) the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) are issued under director services agreements and consultancy agreements with the Company:

(i) the terms of Mr Davey's agreement with the Company are as follows:

- (A) Term: Mr Davey will act as non-executive Chairman to the Company and also provide consultancy services to the Company. The consultancy services will be provided to the Company for a 2 year fixed term.
- (B) Fee: \$150,000 per year inclusive of superannuation for the performance of these services (**Agreed Fee**). Subject to Shareholder approval, Mr Davey will be issued with 5,000,000 Options on the terms detailed in Schedule 4;
- (C) Termination: the Company may terminate Mr Davey as a consultant at any time during the 2 year fixed term. If the Company terminates Mr Davey as a consultant, other than in the circumstances set out below, Mr Davey will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the fixed term. Mr Davey will not be entitled to his Agreed Fee (or any part thereof) if:
 - (1) Mr Davey no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (2) Mr Davey and the Company agree in writing that Mr Davey will no longer provide consultancy services to the Company; or
 - (3) the Company terminates the engagement of Mr Davey as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
- (D) Other: Mr Davey's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;

(ii) the terms of Mr Bath's agreement with the Company are as follows:

- (A) Term: Mr Bath will act as an executive director to the Company and also provide consultancy services to the Company. The consultancy services will be provided to the Company for a 2 year fixed term;

- (B) Fee: \$120,000 per year inclusive of superannuation for the performance of these services (**Agreed Fee**). Subject to Shareholder approval, Mr Bath will be issued with 5,000,000 Options on the terms detailed in Schedule 4; and
 - (C) Termination: the Company may terminate Mr Bath as a consultant at any time during the 2 year fixed term. If the Company terminates Mr Bath as a consultant, other than in the circumstances set out below, Mr Bath will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the fixed term. Mr Bath will not be entitled to his Agreed Fee (or any part thereof) if:
 - (1) Mr Bath no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (2) Mr Bath and the Company agree in writing that Mr Bath will no longer provide consultancy services to the Company; or
 - (3) the Company terminates the engagement of Mr Bath as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
 - (D) Other: Mr Bath's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (iii) the terms of Ms Marshall's agreement with the Company are as follows:
- (A) Term: commenced on 1 December 2021 and continues so long as she is engaged by the Company as a non-executive director, in accordance with the Corporations Act, the Listing Rules and the Constitution;
 - (B) Fee: \$50,000 per year inclusive of superannuation. Subject to Shareholder approval, Ms Marshall will be issued with 1,000,000 Options on the terms detailed in Schedule 4; and
 - (C) Other: Ms Marshall's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations.
- (j) the exercise of the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) will result in a dilution of all other Shareholder's holding in the Company of:
- (i) approximately 6.6% based on issued Shares as at the date of this Notice; and
 - (ii) approximately 4.1% based on issued Shares on completion of the Acquisition; and
- (k) other than the information detailed in this Notice, the Company believes there is no there is no other information that would be reasonably required by Shareholders to pass Resolutions 9 to 11 (inclusive).

11.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;

- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains shareholder approval.

The issue of Director Options to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) falls within Listing Rule 10.11.1 as Messrs Davey and Bath and Ms Marshall are Directors and therefore related parties of the Company, and the issue does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Shareholders under Listing Rule 10.11.

Resolution 9 to 11 (inclusive) seek the required Shareholder approval to issue 11,000,000 Director Options to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) under and for the purposes of Listing Rule 10.11.

If Resolutions 9 to 11 (inclusive) are passed, the Company will be able to proceed with the issue of 11,000,000 Director Options to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the 11,000,000 Director Options without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolutions 9 to 11 (inclusive) are not passed, the Company will not be able to proceed with the issue of 11,000,000 Director Options to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees), and the Company will need to consider other ways to incentivise Messrs Davey and Bath and Ms Marshall.

11.5 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval for Resolutions 9 to 11 (inclusive) as follows:

- (a) the Director Options will be issued to Messrs Davey and Bath and Ms Marshall (and/or their respective nominees);
- (b) Messrs Davey and Bath and Ms Marshall fall within Listing Rule 10.11.1 as Messrs Davey and Bath and Ms Marshall are Directors;
- (c) the number and class of Director Options to be issued is as follows:

| Director | Class A Director Options | Class B Director Options | Class C Director Options | Total Director Options |
|-------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Mr Grant Davey | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Mr Chris Bath | 2,500,000 | 1,250,000 | 1,250,000 | 5,000,000 |
| Ms Dixie Marshall | 500,000 | 250,000 | 250,000 | 1,000,000 |
| Total | 5,500,000 | 2,750,000 | 2,750,000 | 11,000,000 |

- (d) the Director Options have an expiry date of three years from the date of issue. The Director Options will have the following exercise prices:
- (i) *Class A*: exercise price of \$0.20;
 - (ii) *Class B*: exercise price of \$0.25; and
 - (iii) *Class C*: exercise price of \$0.40;
- (e) a summary of the material terms of the Director Options is provided in Schedule 4;
- (f) while the Company expects to issue the Director Options to Messrs Davey and Bath and Ms Marshall within 1 month of the date of the Meeting, ASX has granted a waiver from Listing Rule 10.13.5 to permit the Company to issue the Director Options to Messrs Davey and Bath and Ms Marshall no later than the date that the Capital Raising Shares are issued, which must be no later than 3 months after the date of the Meeting;
- (g) the issue price of the Director Options is nil;
- (h) no funds will be raised by the issue of Director Options. The Director Options are being issued to appropriately incentivise the performance of Messrs Davey and Bath and Ms Marshall and is consistent with the strategic goals and targets of the Company;
- (i) Messrs Davey and Bath's and Ms Marshall's total remuneration packages (inclusive of superannuation) are as follows:

| Director | Current total remuneration per annum | Remuneration post completion of the Acquisition per annum |
|-------------------|--------------------------------------|---|
| Mr Grant Davey | \$120,000 | \$150,000 |
| Mr Chris Bath | Nil ¹ | \$120,000 |
| Ms Dixie Marshall | \$50,000 | \$50,000 |

Notes:

1. Consulting fees have been paid as part of a Cost Sharing Agreement between Matador Capital Pty Ltd (an entity controlled by Grant Davey) and the Company. Mr Bath and the Company have entered into an Executive Services Agreement effective from 1 February 2022.

Remuneration post completion of the Acquisition comprises either base salary and superannuation or consulting fees and does not include the value of options issued to the Directors, which is set out in Section 11.

- (j) the Director Options to be issued to each of Messrs Davey and Bath and Ms Marshall (and/or their nominees) are issued under are issued under director services agreements and consultancy agreements with the Company:
- (i) the terms of Mr Davey's agreement with the Company are as follows:
 - (A) Term: Mr Davey will act as non-executive Chairman to the Company and also provide consultancy services to the Company. The consultancy services will be provided to the Company for a 2 year fixed term.
 - (B) Fee: \$150,000 per year inclusive of superannuation for the performance of these services (**Agreed Fee**). Subject to Shareholder approval, Mr Davey will be issued with 5,000,000 Options on the terms detailed in Schedule 4;

- (C) Termination: the Company may terminate Mr Davey as a consultant at any time during the 2 year fixed term. If the Company terminates Mr Davey as a consultant, other than in the circumstances set out below, Mr Davey will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the fixed term. Mr Davey will not be entitled to his Agreed Fee (or any part thereof) if:
 - (1) Mr Davey no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (2) Mr Davey and the Company agree in writing that Mr Davey will no longer provide consultancy services to the Company; or
 - (3) the Company terminates the engagement of Mr Davey as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
 - (D) Other: Mr Davey's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (ii) the terms of Mr Bath's agreement with the Company are as follows:
- (A) Term: Mr Bath will act as an executive director to the Company and also provide consultancy services to the Company. The consultancy services will be provided to the Company for a 2 year fixed term;
 - (B) Fee: \$120,000 per year inclusive of superannuation for the performance of these services (**Agreed Fee**). Subject to Shareholder approval, Mr Bath will be issued with 5,000,000 Options on the terms detailed in Schedule 4; and
 - (C) Termination: the Company may terminate Mr Bath as a consultant at any time during the 2 year fixed term. If the Company terminates Mr Bath as a consultant, other than in the circumstances set out below, Mr Bath will be entitled to receive the balance of his Agreed Fee from the date of termination until the end of the fixed term. Mr Bath will not be entitled to his Agreed Fee (or any part thereof) if:
 - (1) Mr Bath no longer wishes to provide consultancy services to the Company or resigns as a Director;
 - (2) Mr Bath and the Company agree in writing that Mr Bath will no longer provide consultancy services to the Company; or
 - (3) the Company terminates the engagement of Mr Bath as a consultant as the result of an occurrence that gives the Company a right to dismiss the consultant at common law, including but not limited to fraud or dishonesty, gross misconduct or wilful disobedience; and
 - (D) Other: Mr Bath's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations;
- (iii) the terms of Ms Marshall's agreement with the Company are as follows:
- (A) Term: commenced on 1 December 2021 and continues so long as she is engaged by the Company as a non-executive director, in

accordance with the Corporations Act, the Listing Rules and the Constitution;

(B) Fee: \$50,000 per year inclusive of superannuation. Subject to Shareholder approval, Ms Marshall will be issued with 1,000,000 Options on the terms detailed in Schedule 4; and

(C) Other: Ms Marshall's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations.

(k) other than the information detailed in this Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass Resolutions 9 to 11 (inclusive); and

(l) a voting exclusion statement is included in the Notice for Resolutions 9 to 11 (inclusive).

11.6 Board recommendation

The Board declines to make a recommendation in respect of Resolutions 9 to 11 (inclusive).

12. Resolutions 12 and 13 – Issue of Management Options to Key Management Personnel

12.1 General

Resolutions 12 and 13 seek Shareholder approval for the issue of up to an aggregate 2,500,000 Management Options as follows:

- (a) 1,500,000 Management Options to Mr Adam Kiley (and/or his nominees); and
- (b) 1,000,000 Management Options to Mr Keith Bowes (and/or his nominees).

The Company considers that the grant of the Management Options to Messrs Kiley and Bowes (and/or their respective nominees) is a cost effective and efficient reward for the Company to appropriately incentivise continued performance and is consistent with the strategic goals and targets of the Company.

The Management Options are unquoted Options with an expiry date of three years from the date of issue. The Management Options will have the following exercise prices:

- (a) *Class A*: exercise price of \$0.20 (**Class A Management Options**);
- (b) *Class B*: exercise price of \$0.25 (**Class B Management Options**); and
- (c) *Class C*: exercise price of \$0.40 (**Class C Management Options**).

Resolutions 12 and 13 are ordinary resolutions.

Resolutions 12 and 13 are subject to the Reconciliation Resolutions being passed or the inter-conditional of the Reconciliation Resolutions being waived by the Board.

The Chairperson intends to exercise all available proxies in favour of Resolutions 12 and 13.

12.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 7.2.

While the issue of Management Options to Messrs Kiley and Bowes (and/or their respective nominees) does not exceed the 15% limit in Listing Rule 7.1, and can therefore be made without

breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of Management Options to the Messrs Kiley and Bowes (and/or their respective nominees) under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolutions 12 and 13 seek Shareholder approval to issue Management Options to Messrs Kiley and Bowes (and/or their respective nominees) under and for the purposes of Listing Rule 7.1.

If Resolutions 12 and 13 are passed, the issue of Management Options to Messrs Kiley and Bowes (and/or their respective nominees) can proceed without using up the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolutions 12 and 13 are not passed, the Company can still proceed with the issue of Management Options to Messrs Kiley and Bowes (and/or their respective nominees) but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

12.3 Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Management Options to be issued to Messrs Kiley and Bowes (and/or their respective nominees) as follows:

- (a) the Management Options will be issued to Messrs Kiley and Bowes (and/or their respective nominees);
- (b) the maximum number of Management Options issued to Messrs Kiley and Bowes (and/or their respective nominees) is as follows:

| Party | Class A Management Options | Class B Management Options | Class C Management Options | Total Management Options |
|----------------|----------------------------|----------------------------|----------------------------|--------------------------|
| Mr Adam Kiley | 750,000 | 375,000 | 375,000 | 1,500,000 |
| Mr Keith Bowes | 500,000 | 250,000 | 250,000 | 1,000,000 |
| Total | 1,250,000 | 625,000 | 625,000 | 2,500,000 |

- (c) the Management Options will be issued on the terms and conditions in Schedule 4;
- (d) the Management Options will be issued no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Management Options have an expiry date of three years from the date of issue and have the following exercise prices:
 - (i) *Class A*: exercise price of \$0.20;
 - (ii) *Class B*: exercise price of \$0.25; and
 - (iii) *Class C*: exercise price of \$0.40;
- (f) the issue price of the Management Options is nil. The Management Options are being issued to appropriately remunerate Messrs Kiley and Bowes and is consistent with the strategic goals and targets of the Company; and
- (g) a voting exclusion statement is included in the Notice for Resolutions 12 and 13.

12.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolutions 12 and 13.

13. Resolution 14 – Issue of CEO Options to Mr Mike Young

13.1 General

Resolution 14 seeks Shareholder approval in accordance with Listing Rule 10.11, for the grant of the CEO Options to Mr Mike Young, non-executive Director and proposed managing director of the Company, subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board.

The proposed issue of CEO Options pursuant to Resolution 14 is as follows:

| Party | Class A CEO Options | Class B CEO Options | Class C CEO Options | Total CEO Options |
|---------------|---------------------|---------------------|---------------------|-------------------|
| Mr Mike Young | 1,666,667 | 1,666,666 | 1,666,666 | 5,000,000 |

Resolution 14 seeks Shareholder approval, pursuant to Listing Rule 10.11 for the grant of the CEO Options to Mr Young (and/or his nominees), as part of the long-term incentive component of his remuneration as managing director of the Company.

In the Company's present circumstances, the Board (excluding Mr Young) considers that the grant of the CEO Options to Mr Young is a cost effective and efficient reward for the Company to make to appropriately incentivise the performance of Mr Young and is consistent with the strategic goals and targets of the Company.

The CEO Options are unquoted Options that vest following the applicable vesting date and expire three years from the date of issue. The CEO Options will be issued on the following terms:

- (a) *Class A*: vest 12 months of continuous service from the date of the Meeting at an exercise price of \$0.20 (**Class A CEO Options**);
- (b) *Class B*: vest 24 months of continuous service from the date of the Meeting at an exercise price of \$0.25 (**Class B CEO Options**); and
- (c) *Class C*: vest 24 months of continuous service from the date of the Meeting at an exercise price of \$0.40 (**Class C CEO Options**).

Resolution 14 is an ordinary resolution.

Resolution 14 is subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board.

The Chairperson intends to exercise all available proxies in favour of Resolution 14.

13.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Young is a related party of the Company for the purposes of section 208 of the Corporations Act.

The Board (excluding Mr Young) has determined that the grant of the CEO Options to Mr Young constitutes reasonable remuneration on the basis that the agreement to issue the CEO Options

was negotiated between the Board and Mr Young on an arm's length basis prior to Mr Young becoming a Director and falls within the exception in section 211 of the Corporations Act.

13.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is provided in Section 11.4.

The issue of CEO Options to Mr Young (and/or his nominees) falls within Listing Rule 10.11.1 as Mr Young is a related party to the Company, and the issue does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Shareholders under Listing Rule 10.11.

Resolution 14 seeks the required Shareholder approval to issue CEO Options to Mr Young (and/or his nominees) under and for the purposes of Listing Rule 10.11.

If Resolution 14 is passed, the Company will be able to proceed with the issue of CEO Options to Mr Young (and/or his nominees) and pursuant to Listing Rule 7.2, exception 14, the Company may issue the CEO Options without using up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 14 is not passed, the Company will not be able to proceed with the issue of CEO Options to Mr Young (and/or his nominees) and the Company will need to consider other ways to incentivise and remunerate Mr Young or the Company may need to utilise its 15% annual placement capacity to issue the CEO Options, thereby reducing the Company's ability to utilise its placement capacity for the balance of the applicable 12 month period.

13.4 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval for Resolution 14 as follows:

- (a) the CEO Options will be issued to Mr Young (and/or his nominees);
- (b) Mr Young falls within Listing Rule 10.11.1 as Mr Young is a Director;
- (c) the number and class of CEO Options to be issued is as follows:

| Party | Class A CEO Options | Class B CEO Options | Class C CEO Options | Total CEO Options |
|---------------|---------------------|---------------------|---------------------|-------------------|
| Mr Mike Young | 1,666,667 | 1,666,666 | 1,666,666 | 5,000,000 |

- (d) the CEO Options are unquoted Options that vest following the applicable vesting date and expire three years from the date of issue. The CEO Options will be issued on the following terms:
 - (i) *Class A*: vest 12 months of continuous service from the date of the Meeting at an exercise price of \$0.20;
 - (ii) *Class B*: vest 24 months of continuous service from the date of the Meeting at an exercise price of \$0.25; and
 - (iii) *Class C*: vest 24 months of continuous service from the date of the Meeting at an exercise price of \$0.40;
- (e) a summary of the material terms of the CEO Options is provided in Schedule 5;
- (f) while the Company expects to issue the CEO Options to Mr Young within 1 month of the date of the Meeting, ASX has granted a waiver from Listing Rule 10.13.5 to permit the Company to issue the CEO Options to Mr Young no later than the date that the

Capital Raising Shares are issued, which must be no later than 3 months after the date of the Meeting;

- (g) the issue price of the CEO Options is nil;
- (h) no funds will be raised by the issue of CEO Options. The CEO Options are being issued to appropriately incentivise the performance of Mr Young and is consistent with the strategic goals and targets of the Company;
- (i) Mr Young's remuneration package (inclusive of superannuation) is as follows:

| Director | Current total remuneration | Remuneration post completion of the Acquisition |
|---------------|---------------------------------|---|
| Mr Mike Young | \$10,000 per month ¹ | \$385,000 per year |

Notes:

- 1. From the date of appointment until the reinstatement of the Shares to the Official List, the Company will pay Mr Young a monthly fee of \$10,000 per month or part thereof.

- (j) the CEO Options to be issued to Mr Young are issued under an executive services agreement with the Company on the following terms:
 - (i) Term: commenced on 1 December 2021 and continues until terminated by either party in accordance with the terms of the agreement;
 - (ii) Fee: \$10,000 per month (or part thereof) from the commencement date until the date the Company's Shares are reinstated to the Official List. Mr Young will receive a salary of \$350,000 per annum plus statutory superannuation from the date the Company's Shares are reinstated to the Official List. Subject to Shareholder approval, Mr Young will be issued with 5,000,000 Options on the terms detailed in Schedule 5; and
 - (iii) Other: Mr Young's agreement with the Company otherwise contains provisions considered standard for an agreement of this nature, including confidentiality obligations, leave entitlements and non-compete undertakings;
- (k) other than the information detailed in this Notice, the Company believes there is no other information that would be reasonably required by Shareholders to pass Resolution 14; and
- (l) a voting exclusion statement is included in the Notice for Resolution 14.

13.5 Board recommendation

The Board (excluding Mr Young) recommends that Shareholders vote in favour of Resolution 14.

14. Resolution 15 – Issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd

14.1 General

Resolution 15 seeks Shareholder approval for the issue of up to an aggregate 3,000,000 Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) in connection with corporate advisory services provided to the Company.

The Company considers that the grant of the Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) in connection with corporate advisory services provided to the

Company is a cost effective and efficient method of payment for the corporate advisory services and is consistent with the strategic goals and targets of the Company.

The Adviser Options are unquoted Options that expire three years from the date of issue. The Adviser Options will have the following vesting dates and exercise prices:

- (a) *Class A*: vest 12 months from the date of the Meeting at an exercise price of \$0.25 (**Class A Adviser Options**); and
- (b) *Class B*: vest 18 months from the date of the Meeting at an exercise price of \$0.40 (**Class B Adviser Options**).

Resolution 15 is an ordinary resolution.

Resolution 15 is subject to the Reconciliation Resolutions being passed or the inter-conditionality of the Reconciliation Resolutions being waived by the Board.

The Chairperson intends to exercise all available proxies in favour of Resolution 15.

14.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 7.2.

While the issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) does not exceed the 15% limit in Listing Rule 7.1, and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 15 seeks Shareholder approval to issue the Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) under and for the purposes of Listing Rule 7.1.

If Resolution 15 is passed, the issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) can proceed without using up the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 15 is not passed, the Company can still proceed with the issue of Adviser Options to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

14.3 Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Adviser Options to be issued to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) as follows:

- (a) the Adviser Options will be issued to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees);
- (b) the maximum number of Adviser Options to be issued to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) is as follows:

| Party | Class A Adviser Options | Class B Adviser Options | Total Adviser Options |
|---------------------------------------|-------------------------|-------------------------|-----------------------|
| Canaccord Genuity (Australia) Pty Ltd | 1,500,000 | 1,500,000 | 3,000,000 |

- (c) the Adviser Options will be issued on the terms and conditions in Schedule 6;
- (d) the Adviser Options will be issued no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (e) the Adviser Options will have the following vesting dates and exercise prices:
 - (i) *Class A*: vest 12 months from the date of the Meeting at an exercise price of \$0.25; and
 - (ii) *Class B*: vest 18 months from the date of the Meeting at an exercise price of \$0.40;
- (f) the issue price of the Adviser Options is nil.;
- (g) the Adviser Options are not being issued under an agreement. The Adviser Options are being issued to Canaccord Genuity (Australia) Pty Ltd (and/or its nominees) for its role in searching for proposed acquisitions for the Company and its assistance with the recompliance process; and
- (h) a voting exclusion statement is included in the Notice for Resolution 15.

14.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 15.

15. Resolution 16 – Issue of Lead Manager Options to BW Equities

15.1 General

Resolution 16 seeks Shareholder approval for the issue of up to an aggregate 6,000,000 Lead Manager Options to BW Equities (and/or its nominees) in connection with broker services to the Capital Raising Offer.

The Company considers that the grant of the Lead Manager Options to BW Equities (and/or its nominees) in connection with broker services to the Capital Raising Offer is a cost effective and efficient method of payment for the broker services and is consistent with the strategic goals and targets of the Company.

The Lead Manager Options are unquoted Options that expire three years from the date of issue. The Lead Manager Options will have the following vesting dates and exercise prices:

- (c) *Class A*: vest 12 months from the date of the Meeting at an exercise price of \$0.25 (**Class A Lead Manager Options**); and
- (d) *Class B*: vest 18 months from the date of the Meeting at an exercise price of \$0.40 (**Class B Lead Manager Options**).

Resolution 16 is an ordinary resolution.

Resolution 16 is subject to the Recompliance Resolutions being passed or the inter-conditionality of the Recompliance Resolutions being waived by the Board.

The Chairperson intends to exercise all available proxies in favour of Resolution 16.

15.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is provided in Section 7.2.

While the issue of Lead Manager Options to BW Equities (and/or its nominees) does not exceed the 15% limit in Listing Rule 7.1, and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue of Lead Manager Options to BW Equities (and/or its nominees) under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

To this end, Resolution 16 seeks Shareholder approval to issue the Lead Manager Options to BW Equities (and/or its nominees) under and for the purposes of Listing Rule 7.1.

If Resolution 16 is passed, the issue of Lead Manager Options to BW Equities (and/or its nominees) can proceed without using up the Company's 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

If Resolution 16 is not passed, the Company can still proceed with the issue of Lead Manager Options to BW Equities (and/or its nominees) but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

15.3 Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Lead Manager Options to be issued to BW Equities (and/or its nominees) as follows:

- (i) the Lead Manager Options will be issued to BW Equities (and/or its nominees);
- (j) the maximum number of Lead Manager Options to be issued to BW Equities (and/or its nominees) is as follows:

| Party | Class A Lead Manager Options | Class B Lead Manager Options | Total Lead Manager Options |
|-------------|------------------------------|------------------------------|----------------------------|
| BW Equities | 1,500,000 | 1,500,000 | 3,000,000 |

- (k) the Lead Manager Options will be issued on the terms and conditions in Schedule 6;
- (l) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (m) the Lead Manager Options will have the following vesting dates and exercise prices:
 - (iii) *Class A*: vest 12 months from the date of the Meeting at an exercise price of \$0.25; and
 - (iv) *Class B*: vest 18 months from the date of the Meeting at an exercise price of \$0.40;
- (m) the issue price of the Lead Manager Options is nil. The Lead Manager Options are being issued to appropriately pay the Advisor in connection with broker services to the Capital Raising Offer and is consistent with the strategic goals and targets of the Company;
- (n) the Lead Manager Options are being issued pursuant to a lead manager mandate between the Company and BW Equities on the following terms:
 - (i) BW Equities will act as a lead manager to the Capital Raising Offer; and
 - (ii) the Company will pay BW Equities a management fee of 1% (plus GST) of the total value of all funds raised under the Capital Raising Offer and a capital raising fee of 4%; and

(n) a voting exclusion statement is included in the Notice for Resolution 16.

15.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 16.

16. Resolution 17 – Re-election of Mr Mike Young as a Director

Article 11.4 of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Mike Young was appointed on 1 December 2021 as an addition to the Board. Resolution 17 provides that he retires from office and seeks re-election as a Director.

Details of Mr Young's background and experience are set out in the Company's ASX announcement dated 30 November 2021.

Resolution 17 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 17.

The Board (excluding Mr Young) supports the re-election of Mr Young and recommends that Shareholders vote in favour of Resolution 17.

17. Resolution 18 – Re-election of Mr Chris Bath as a Director

Article 11.4 of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Mr Chris Bath was appointed on 1 December 2021 as an addition to the Board. Resolution 18 provides that he retires from office and seeks re-election as a Director.

Details of Mr Bath's background and experience are set out in the Company's ASX announcement dated 1 December 2021.

Resolution 18 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 18.

The Board (excluding Mr Bath) supports the re-election of Mr Bath and recommends that Shareholders vote in favour of Resolution 18.

18. Resolution 19 – Re-election of Ms Dixie Marshall as a Director

Article 11.4 of the Constitution allows the Directors to appoint a person as an addition to the Board at any time, providing that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office until the next general meeting of members of the Company and is eligible for re-election at that meeting.

Ms Dixie Marshall was appointed on 1 December 2021 as an addition to the Board. Resolution 19 provides that she retires from office and seeks re-election as a Director.

Details of Ms Marshall's background and experience are set out in the Company's ASX announcement dated 1 December 2021.

Resolution 19 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 19.

The Board (excluding Ms Marshall) supports the re-election of Ms Marshall and recommends that Shareholders vote in favour of Resolution 19.

19. Resolution 20 – Change of Company Name

19.1 General

Resolution 20 seeks Shareholder approval for the change of name of the Company to Frontier Energy Limited.

The Company's current name dates back to its zinc exploration business. The change of name is therefore intended to better reflect the Company's proposed new focus as a renewable energy company.

In accordance with section 157 of the Corporations Act, if a company wants to change its name it must pass a special resolution adopting a new name.

Resolution 20 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chairperson intends to exercise all available proxies in favour of Resolution 20.

The change of name will take effect on the date that ASIC alters the details of the Company's registration.

19.2 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 20.

20. Resolution 21 – Adoption of New Constitution

20.1 Background

Since the Company adopted its current Constitution, there have been changes to the Corporations Act, the Listing Rules and other regulatory requirements. There have also been developments in corporate governance practices and policies. The Directors believe it is desirable to update the Constitution to reflect current corporate practice and to ensure it is in line with the present legislation and regulatory requirements in Australia. Rather than make numerous piecemeal amendments to the current Constitution, the Directors believe that it is preferable to repeal the current Constitution and replace it with a new constitution (**New Constitution**).

A copy of the New Constitution is available on request from the Company.

20.2 General

Resolution 21 seeks Shareholder approval for the repeal of the Constitution and adoption of the New Constitution in accordance with section 136 of the Corporations Act.

A Company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 21 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

20.3 Summary of New Constitution

The key provisions of the New Constitution are summarised in Schedule 8.

20.4 Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 21.

21. Resolution 22 – Section 195 Approval

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'material personal interest' are being considered.

The Directors may have a material personal interest in the outcome of Resolutions 9 to 11 (inclusive).

In the absence of this Resolution 22, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 9 to 11 (inclusive).

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 22 is an ordinary resolution.

Schedule 1 – Definitions and Interpretation

1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

Acquisition has the meaning given in Section 5.4.

Adviser Options has the meaning given in Section 14.1.

ASIC means the Australian Securities and Investments Commission.

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

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors from time to time.

BSS means Bristol Springs Solar Pty Ltd.

BSS Project has the meaning given in Section 5.2.

Capital Raising Offer has the meaning given in Section 5.10.

Capital Raising Offer Shares has the meaning given in Section 9.

CEO Options has the meaning given in Section 5.4.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Class A Adviser Options has the meaning given in Section 14.1

Class A CEO Options has the meaning given in Section 13.1.

Class A Director Options has the meaning given in Section 11.1.

Class A Lead Manager Options has the meaning given in Section 15.

Class A Management Options has the meaning given in Section 12.1.

Class B Adviser Options has the meaning given in Section 14.1.

Class B CEO Options has the meaning given in Section 13.1.

Class B Director Options has the meaning given in Section 11.1.

Class B Management Options has the meaning given in Section 12.1.

Class B Lead Manager Options has the meaning given in Section 17.1.

Class C CEO Options has the meaning given in Section 13.1.

Class C Director Options has the meaning given in Section 11.1

Class C Management Options has the meaning given in Section 12.1.

Closely Related Party means:

- (a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

Company means Superior Lake Resources Limited ACN 139 522 553.

Completion Date has the meaning given in Section 5.9(a).

Conditions has the meaning given in Section 5.9(a).

Consideration Shares has the meaning given in Section 5.4.

Constitution means the constitution of the Company.

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

Director means any director of the Company and **Directors** means all of them.

Director Capital Raising Shares has the meaning given in Section 10.1.

Director Options has the meaning given in Section 5.4.

Explanatory Memorandum means this explanatory memorandum.

FCAS means Frequency Control Ancillary Services.

Initial Term has the meaning given in Section 5.5.

Key Management Personnel has the same meaning given by section 9 of the Corporations Act.

Land has the meaning given in Section 5.5.

Landowner means Ranger Loaders Pty Ltd.

Land Option has the meaning given in Section 5.9(b).

Lead Manager Options has the meaning given in Section 5.4.

Lease has the meaning given in Section 5.5.

Listing Rules means the official listing rules of the ASX (as amended from time to time).

Management Options has the meaning given in Section 5.4.

Meeting has the meaning given in the introductory paragraph of the Notice.

Metallum means Metallum Resources Inc.

New Constitution has the meaning given in Section 20.1.

Notice means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Official List means the official list of the ASX.

Option means an option to acquire a Share.

Option Agreement has the meaning given in Section 5.9(b).

Option Fee has the meaning given in Section 5.9(b).

Option Period has the meaning given in Section 5.9(b).

Performance Share has the meaning given in Section 5.4.

PPA means power purchase agreement.

Prospectus has the meaning given in Section 5.4.

Proxy Form means the proxy form attached to the Notice.

Purchase Price has the meaning given in Section 5.9(b).

Recompliance Resolutions means Resolutions 1 to 4 (inclusive).

Resolution means any resolution detailed in the Notice as the context requires.

Restricted Securities has the meaning defined in the Listing Rules.

Sale Agreement has the meaning given in Section 5.4.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Securities means any Shares, Options or Performance Shares issued by the Company.

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

Shareholder means a registered holder of a Share.

SWIS means the South West Interconnected System.

Solar Farm has the meaning given in Section 5.3.

Solar PV has the meaning given in Section 5.1.

Vendors has the meaning given in Section 5.4.

Vendor Securities has the meaning given in Resolution 2.

WEM means wholesale electricity market.

Schedule 2 – Risk Factors

Shareholders should be aware that if the proposed Acquisition is approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors are as follows:

Company Specific Risks

(a) **Re-compliance with Chapters 1 and 2 of the Listing Rules**

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Notice has been issued to assist the Company to re-comply with these requirements. It is anticipated that the Shares will remain suspended until completion of the Acquisition, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that the Shares will consequently remain suspended from trading.

(b) **Contractual and completion risk**

The Company has agreed to undertake the Acquisition subject to the satisfaction of certain conditions precedent. If any of the conditions precedent are not satisfied or waived or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur.

The Company will not be able to meet the requirements of ASX to re-comply with Chapters 1 and 2 of the Listing Rules if completion of the Acquisition does not occur, and the Company's Shares will remain suspended from trading until such time as the Company does re-comply with the Listing Rules.

(c) **Loss of key personnel**

The Company relies heavily on the abilities of key employees and management. The Company's performance is reliant on its ability to both retain and attract skilled individuals and to appropriately incentivise them. Although the Company expects to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so. The Company intends to mitigate these risks by entering into service contracts with any new employees and, where appropriate, may utilise existing and establish new employee incentive plans to encourage employees' loyalty to the Company.

(d) **Future capital requirements**

The future capital requirements of the Company will depend on many factors. Whilst the Company believes its available cash and the net proceeds of the Capital Raising Offer should be adequate to fund the Company's objectives as detailed in this Notice, there can be no guarantees that it will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

The Company may require further financing in addition to amounts raised under the Capital Raising Offer. No assurances can be given that the Company will be able to raise this additional funding, which may be a combination of debt and/or equity financing. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be potentially dilutive to Shareholders depending on their participation in any equity raising. Debt financing, if available, may involve certain restrictions on operating activities or other financings.

The Company's ability to raise further equity or debt, and the terms of such transactions, will vary according to a number of factors, including the results achieved by the Company,

stock market conditions, the overall risk appetite of investors along with access to credit markets and other funding sources.

An inability to obtain the required additional finance as and when required would delay progress on the development of the BSS Project, which would have a material adverse effect on the Company's business, financial performance and prospects.

(e) New assets

The Company is acquiring the BSS Project to establish a new business. The Company's ability to generate revenue will depend on the Company being successful in developing and commercialising the BSS Project. There is a risk that a final investment decision is not reached in respect of the BSS Project.

(f) The Company has no operating revenue

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the BSS Project is successfully developed and commercially exploited.

(g) New projects and acquisitions

Although the current focus is on large scale solar, the Company may make acquisitions in the future as part of future growth plans. The Company's investment strategy is broad and does not restrict its investments in renewable energy to any particular energy type, geographic region, size or cash flow profile. In this regard, the Directors of the Company will use their expertise and experience to assess the value of potential projects that have characteristics that are likely to provide returns to Shareholders.

There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(h) Competition

There is a risk that new entrants in the market may disrupt the Company's business. Existing competitors in the renewable energy industry, as well as new competitors entering the industry, may develop superior and more efficient technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially and adversely impact the Company's ability to conduct its business.

(i) Reliance of third party providers

There is a risk that goods and services that are required for the BSS Project's development, maintenance, repair and operation are difficult to procure, or will not be delivered on time or to the necessary quality or expected cost which may affect the operation of the BSS Project. The Company does not have in place formal written contracts with all of its key suppliers. The deterioration of any such key relationships or a change in the circumstances or requirements of the key suppliers, or market conditions generally, could therefore have significant operational and financial implications for the Company. Moreover, a failure by any one of those suppliers to perform their services, or a disruption to the supply chain, may have an adverse effect on the operations of the Company and its financial performance.

(j) Liquidity risk

The Company intends to hold interests primarily in renewable energy assets that are generally illiquid in nature. The Company intends to be a medium to long-term investor in assets and as such, may hold assets until the end of their useful lives or more years. If it were necessary or desirable for the Company to sell one or more of its assets, it may not

be able to do so in a short period of time or it may not be able to realise an investment for the amount at which the Company has valued it. Any protracted sale process, inability to sell an asset or sale at a price that is less than the Company's valuation may adversely affect the Company's financial performance.

(k) Litigation and dispute risks

The Company may, from time to time, be the subject of complaints, litigation, inquiries or audits initiated by customers, employees, commercial partners, suppliers, landlords, Government agencies, regulators or other third parties alleging or investigating matters such as asset ownership, resource use, product quality and supply issues, injury, health, employment, environmental, safety or operational concerns, nuisance, negligence, failure to comply with applicable laws and regulations or failure to comply with contractual obligations. Any such matter, even if successfully addressed without direct adverse financial effect, could have an adverse effect on the Company's reputation and divert its financial and management resources from more beneficial uses. If the Company were found to be liable under any such claims, this could have a material adverse effect on the Company's future financial performance.

(l) Insurance

Insured or uninsured catastrophic events such as acts of God, fires, floods, earthquakes, widespread health emergencies, pandemics, epidemics, wars and strikes, could affect the value or the availability of the company's assets and the ability of the Company to sustain operations, provide essential products and services or recover operating costs. Should damage be sustained as a result of these risks, the Company's business and financial performance may be adversely affected.

The Company intends to insure its operations in accordance with industry practice. However, it is not always possible to obtain insurance against all such risks and, where it is available, the cost may be high. The Company will have insurance in place considered appropriate for the Company's needs.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(m) COVID-19 risk

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and will likely continue to have, a significant impact on global capital markets, commodity prices and foreign exchange. As at the date of this Notice, the nature and extent of the effect of the outbreak on the performance of the Company remains unknown and the Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the COVID-19 pandemic. In addition, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Company's inability to move people and equipment freely and/or access the BSS Project (including by reason of any restrictions imposed by the Australian Government and/or the Western Australian Government) could have a material adverse effect and/or impact on the activities, program, strategy, funding and objectives of the Company. The Directors are continuing to monitor the situation and will update the market in respect to any material impact regarding COVID-19.

BSS Project and Industry Specific Risks

(a) Solar resource

The Company will be exposed to the volume of generation produced by the BSS Project. Fluctuations in the level of solar resource occur on a short-term basis (hourly, daily, monthly and seasonal variations) and on a longer-term basis or the BSS Project may not perform as expected. Resource fluctuations affect the performance of the BSS Project, and the amount of energy produced by the BSS Project, and therefore, the revenue generated by it. The revenue profile over any given year may be different in following years and may not match the expense profile of a solar farm at the BSS Project.

(b) Long term electricity supply and demand

The BSS Project intends to sell electricity into the WEM either at spot or via PPAs with end users. The price of electricity can be volatile as it is primarily driven by supply and demand factors. These include:

- (i) weather influencing demand and generation availability;
- (ii) operational shut-downs and closures;
- (iii) economic conditions affecting demand;
- (iv) technological advancement;
- (v) use of distributed electricity generation such as Solar PV systems and installation of storage systems;
- (vi) mandatory energy efficiency systems;
- (vii) the tenor and expiry of contracts for fuel and sale of electricity;
- (viii) network constraints;
- (ix) increased competition from the construction of a significant new power generation plant, whether powered from renewable or non-renewable energy sources;
- (x) lower electricity demand in the WEM;
- (xi) lower prices of alternative fuel sources (e.g. fossil fuels);
- (xii) regional oversupply of electricity caused by transmission constraints;
- (xiii) development of new, more efficient, energy technologies (whether renewable or non-renewable);
- (xiv) actions of AEMO, interpretation of the WEM Rules by AEMO and changes to the WEM Rules; and
- (xv) actions of the regulator, including regulatory changes that impact market design and operation.

The economic and technical viability of the BSS Project is dependent on future peak and off-peak electricity prices, the relationship between peak and off-peak electricity prices, the frequency and duration of peak pricing and off-peak pricing events and overall volatility of the WEM.

Lower wholesale electricity prices could impact the ability to recontract with customers on favourable terms upon expiry of any PPAs. In addition, lower wholesale electricity prices may slow the pace of development of solar or other renewable projects in some markets, and limit the number of opportunities for the Company to acquire assets. For these reasons, lower wholesale electricity prices may negatively impact the Company's financial position and performance.

Lower wholesale electricity prices could impact the Company's business and may slow the pace of development of solar or other renewable projects in some markets, and limit the number of opportunities for the Company to acquire assets.

(c) **Approval risks**

The BSS Project will require further approvals from third parties before it can be developed. These include Building Permit, Environmental and Aboriginal Heritage approvals. There can be no assurance that these approvals will be obtained.

Obtaining the necessary licences and approvals, including the execution of an ETAC Agreement with Western Power, can be a time consuming process and there is a risk that the Company will not be able to obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development or operation of a project. Any failure to comply with applicable laws and licences, could result in fines, penalties or other liabilities.

(d) **WEM related risks**

Demand for electricity and related products is dependent on a number of factors, including economic conditions, population, government policy, weather and availability. Given the kinds of factors that affect demand, demand has inherent volatility. This may impact the price of electricity positively or negatively.

The price that the BSS Project is able to achieve in the WEM may fluctuate over time, and where there are decreases in the price of electricity or any related products, this may adversely affect the Company's financial position. While the Company may seek to limit this exposure by entry into PPAs, the same risk applies to the price at the time the PPA is entered into. Similarly, where PPAs are renewed, there is a risk that the Company may not be able to secure the same or more favourable terms than the agreements for which they replace.

From time to time, as a result of down time of the electricity grid or the BSS Project's inability to meet technical specification or other requirements for grid connection, there may be issues with the BSS Project's ability to export power to the electricity grid. Where such issues arise, the BSS Project may be unable to export power to the grid or the amount of power that can be exported may be reduced. As the BSS Project's revenue will be generally related to the level of electricity exported, this may result in lower project revenues and/or breach of contracts. Where the BSS Project does not meet the technical specifications, there may be additional material expenses for the BSS Project in order for the Solar Farm to meet the technical specifications.

(e) **Network access**

The BSS Project will be reliant on access to third party infrastructure, in particular, electricity transmission and distribution infrastructure. The Company also needs to obtain the Access Offer and ETAC Agreement from Western Power. An inability to have access to these assets for any reason, including damage to third party network infrastructure, network constraints, changes to network access or construction of new generation could restrict the ability of the BSS Project to export energy at its full potential. This could adversely affect revenue and future financial performance.

(f) **Energy policy**

Investors in the WEM are reliant on stable policy settings by State and Federal Governments. The Australian renewable energy market is currently in its infancy stage of development. Due to the current low cost of producing electricity via traditional coal fired generation, the commercialisation of renewable energy projects relies heavily, and is dependent upon, obtaining Government subsidies and grants sufficient to achieve a competitive cost per watt of renewable energy produced.

The government policies for Australia's renewable energy industry are uncertain. This may reduce new investment in the renewable energy industry in Australia which could reduce the number of available new business prospects for the Company.

Business performance may be impacted by changes in the design and rules of the existing energy market and the uncertainty that arises from debate in relation to the energy market's future design and rules. These changes may result from orderly rules change processes or in response to political imperatives of the government or agencies of government from time to time.

(g) Potential decline in asset value

The value of power generation assets is closely linked to electricity demand, electricity pricing, PPA terms, regulations, location, asset supply and demand factors and environmental risks. Changes to any of these elements may impact the value of the Company's underlying assets and consequently an investor's investment in the Company.

Investors should note that assets intended to be acquired by the Company have limited useful lives and uncertain values after the expiry of the relevant PPA or other offtake arrangement at this time. These 'residual values' may even be zero. There is also a risk that the PPA extensions or new PPAs will not be at equivalent rates to existing PPAs, or that new PPAs will not be available on favourable terms. The loss of income may result in a reduction in distributions from the Company and a decline in the value of the assets of the Company. A decline in asset value may also impact loan covenants applicable to the Company and the Company may, as a result, be required to reduce borrowings through the sale of assets, additional capital raisings (including discounted capital raisings) or retaining distributions.

(h) Operational

The Company's operational assets are subject to risks that may result in the assets failing to perform in line with expectations. For example, there is a risk that the Company's assets may be damaged or destroyed by hail, wind, flood, cyclone, hurricane, earthquake, fire, war, explosion, terrorism or some other natural or man-made disaster. These risk may impact generation, lead to failure or deterioration of equipment, adversely impact performance and business stability of the Company's suppliers and contractors, and lead to transmission system congestion, curtailment or failure, of the plant, labour issues and strikes, and other operational issues. Some PPAs may contain minimum delivery obligations and, should an asset fail to perform in line with expectations, the Company may not be able to meet such minimum delivery. Should an asset fail to perform beyond minimum thresholds for a prolonged period (or if the Company fails to comply with certain other material obligations) then there is a risk the PPA related to that asset could be terminated, the PPA counterparty may exercise step-in or other rights, or bring a claim for liquidated damages based on the difference between the market price for energy at the time and the PPA price during the period of underperformance.

Curtailment is the limiting of plant output such that less energy is delivered or sold relative to a situation where curtailment has not occurred. Curtailment can be as a result of an economic or physical constraint and, depending on the situation, can be self-imposed by an asset owner because of a price signal (generally a low price), directed by an energy buyer where the buyer receives a price signal, as a result of competitive bidding in wholesale markets, or directed by a system or transmission operator because of a physical constraint. The Company bears a limited amount of non-economic curtailment risk that is defined in the relevant PPA or interconnection agreement and, in certain instances, may receive reduced revenues as a result of curtailment.

(i) Failure of key assets

The Company will rely upon key equipment and technology at the BSS Project. If material items of equipment or technology suffer failures requiring unplanned power station outage

and replacement or repair, the Company's generation production may be reduced and significant capital expenditure may be required to replace or repair such assets.

(j) **Construction**

There is a risk that the BSS Project may not proceed as planned. This could be the result of matters within or outside the Company's control. Examples may include weather events, natural disasters, contractor risk, regulatory intervention or failure to obtain or retain suitably qualified expertise. The occurrence of any such event could result in the BSS Project costing more or not proceeding as planned, including delayed completion, commissioning or failure to perform to technical specifications.

Assets under construction are exposed to risks associated with the BSS Project not being completed on time, on budget, in accordance with specifications, or at all, which could impact the applicable PPAs, including a failure to achieve required milestones under the PPA. Any delays in or failure of construction or increases in costs may adversely affect the yield of the investment and consequently impact the Company's operating and financial performance.

(k) **Native Title and Aboriginal Heritage risks**

The Company is not aware of Aboriginal heritage sites that exist on the Land or the land that is subject to additional land acquisition opportunities. However, there remains a risk that future heritage surveys may locate as yet identified Aboriginal sites on the Land or the land that is subject to additional land acquisition opportunities, the existence of which may preclude, limit or delay the Company's proposed activities in certain areas of the BSS Project. In particular, the Company may need to manage any obligations created by the Aboriginal Cultural Heritage Bill 2021 (**ACH Bill**), which was introduced to the WA Legislative Assembly during November 2021 and has been passed by the State Parliament (and is awaiting royal assent). The ACH Bill replaces the current heritage arrangements in Western Australia.

(l) **Contractual disputes**

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(m) **Technology**

The energy industry continues to evolve as technology develops. Changes to technology can change the manner, scale and location in which energy is produced and sold and the extent to which it is consumed.

The Company may face increasing competitive pressures from technologies already being developed, or which the Company's existing or new competitors may develop in the future. The Company's current technologies may prove inefficient, ineffective or obsolete in the future. The development and application of new technologies involves substantial costs and risks. If the Company's current and potential competitors are more effective than the Company at developing or marketing new technologies, or have greater resources available for this purpose and the Company is not able to compete promptly, there could be a material adverse effect on the Company's results of operations or financial condition.

Technological changes in the power industry generally, and the solar industry specifically, may lower wholesale electricity prices. Lower long-term wholesale electricity prices or the technical obsolescence of the solar power plants owned by the Company could negatively impact the Company's ability to recontract its electricity output following the expiry of its existing PPAs.

(n) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The Company's activities are expected to have an impact on the environment. It is the intention of the Company to adhere to its environmental obligations, including compliance with environmental laws.

Further, events such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges to the environment, or non-compliance with environmental laws or regulations.

(o) **Occupational health and safety risk**

There is a risk that an incident could lead to a fatality or serious harm to an employee, a contractor, a joint venture/third party employee or a member of the public. The Company operates in a technically challenging environment with electrical and mechanical assets, and in close proximity to high-voltage electricity. Employees are exposed to hazards and risks when working on operating assets. If such an incident were to occur, this may affect the Company's reputation and may, in turn, lead to losses of customers and revenue. The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(p) **Regulatory risks**

The Company's activities are subject to extensive laws and regulations relating to numerous matters including licences and approvals, environmental compliance and rehabilitation, taxation, health and worker safety, waste disposal, protection of the environment, native title and heritage matters and other matters.

Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing licences, approvals and agreements applicable to the Company or its future projects. This could have a material adverse impact on the Company's future and planned operations in respect to the BSS Project.

General Risks

(a) **Economic risks**

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include, but are not limited to:

- (i) the level of direct and indirect competition against the Company;
- (ii) general economic conditions;
- (iii) changes in government policies, taxation and other laws;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (vi) industrial disputes in Australia and overseas;
- (vii) changes in investor sentiment toward particular market sectors;

- (viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (ix) natural disasters, social upheaval or war.

(b) Market conditions

Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the transactions the subject of this Notice or otherwise.

(c) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(d) Macro-economic risks

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

Prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

Investment Speculative

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities.

Therefore, the Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative.

Schedule 3 – Terms and Conditions of Performance Shares

1 GENERAL

- 1.1 **(Share capital)** Each Performance Share is a share in the capital of Superior Lake Resources Limited (**SUP**).
- 1.2 **(General meetings)** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of SUP that are circulated to SUP's shareholders. A Holder has the right to attend general meetings of SUP.
- 1.3 **(No voting rights)** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of SUP, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- 1.4 **(No dividend rights)** A Performance Share does not entitle the Holder to any dividends.
- 1.5 **(No rights on winding up)** A Performance Share has no right to participate in the surplus profits or assets of SUP upon a winding up of SUP.
- 1.6 **(Transfer of Performance Shares)** The Performance Shares are not transferable.
- 1.7 **(Reorganisation of Capital)** In the event that the issued capital of SUP is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- 1.8 **(Quotation)** The Performance Shares will not be quoted on ASX.
- 1.9 **(No participation in entitlements and bonus issues)** Subject always to the rights under clause 1.7 **(Reorganisation of Capital)**, Holders will not be entitled to participate in new issues of capital offered to holders of fully paid ordinary shares in SUP (**Shareholders**) such as bonus issues and entitlement issues.
- 1.10 **(Amendments required by ASX)** The terms of the Performance Shares may be amended as considered necessary by the board of directors of SUP in order to comply with the Listing Rules or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- 1.11 **(No other rights)** A Performance Share does not give a Holder any 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 MILESTONE

Each Performance Share will convert into fully paid ordinary shares in SUP (**Shares**) and vest in accordance with the following milestones:

| Tranche | Performance Shares | Number of Shares | Vesting Date | Vesting Condition |
|---------|--------------------|------------------|---|--|
| A | 12,750,000 | 12,750,000 | The date the Vesting Condition is satisfied | SUP / BSS having received a binding offer (Access Offer) from Western Power to provide the BSS Project with access to the grid which contains the terms of the |

| | | | | |
|---|------------|------------|---|--|
| | | | | Electricity Transfer Access Control Agreement |
| B | 12,750,000 | 12,750,000 | The date the Vesting Condition is satisfied | All approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project |

3 CHANGE IN CONTROL EVENTS

3.1 All Performance Shares on issue shall automatically convert into Shares (provided that number of Shares does not exceed 10% of SUP's issued Shares (as at the date of any of the following events)) upon the occurrence of any of the following events:

3.1.1 SUP announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (such as a change of domicile, consolidation, sub-division, reduction or return of the issued capital of SUP) and the Court, by order, approves the scheme of arrangement;

3.1.2 a Takeover Bid:

3.1.2.1 is announced;

3.1.2.2 has become unconditional; and

3.1.2.3 the person making the Takeover Bid has a relevant interest in 50% or more of the Shares; or

3.1.3 any person acquires a relevant interest in 50.1% or more of the Shares by any other means.

3.2 SUP must ensure the allocation of Shares issued under clause 3.1 is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares.

3.3 Any Performance Shares not converted pursuant to clause 3.1 (due to exceeding the 10% limit in clause 3.1) will continue to be held by the Holder.

4 EXPIRY DATE

4.1 The expiry date for the Performance Shares is 60 months after the issue of the Performance Shares (**Expiry Date**).

4.2 To the extent that any Performance Shares have not converted into Shares by the applicable Expiry Date, such Performance Shares for each Holder will automatically lapse and consolidate into one Performance Share and will then convert into one Share.

5 CONVERSION OF PERFORMANCE SHARES

5.1 Any conversion of Performance Shares into Shares is on a one for one basis (subject to clause 1.7, if applicable). A Performance Share which converts immediately ceases to exist.

6 TAKEOVER PROVISIONS

- 6.1 If the conversion of Performance Shares (or part thereof) under clause 2 or clause 3 would result in any person being in contravention of section 606(1) of the Corporations Act (including any inability to rely on the exception in item 9 of section 611 of the Corporations Act), then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).
- 6.2 Where clause 6.1 applies, if requested to do so by the affected Holder, SUP must to the extent practicable seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at SUP's next annual general meeting.
- 6.3 A Holder must promptly notify SUP in writing if they consider that the conversion of Performance Shares (or part thereof) under clause 2 or clause 3 may result in the contravention of section 606(1), failing which SUP is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to SUP).
- 6.4 SUP may (but is not obliged to) by written notice request that a Holder confirm to SUP in writing within 7 days if they consider that the conversion of Performance Shares under clause 2 or clause 3 may result in the contravention of section 606(1). If the Holder does not confirm to SUP within 7 days that they consider such conversion may result in the contravention of section 606(1), then SUP is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to SUP).

7 QUOTATION

- 7.1 If SUP is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, SUP must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

8 CONVERSION PROCEDURE

- 8.1 SUP will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.

9 RANKING OF SHARES

- 9.1 The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

Schedule 4 – Terms and Conditions of the Director Options and the Management Options

1 ENTITLEMENT

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for, or to be transferred one (1) Share on payment of the Exercise Price.

2 EXERCISE PRICE AND EXPIRY DATE

| Class | Percentage of Options Granted | Exercise Price | Expiry Date |
|-------|-------------------------------|----------------|----------------------------------|
| A | 50% | \$0.20 | 36 months from the date of issue |
| B | 25% | \$0.25 | 36 months from the date of issue |
| C | 25% | \$0.40 | 36 months from the date of issue |

3 EXERCISE PERIOD

- 3.1 Each Option is exercisable immediately and expires on the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

4 METHOD OF EXERCISE

- 4.1 Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

4.1.1 a signed notice of exercise; and

4.1.2 subject to the cashless exercise option, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

5 NO ISSUE UNLESS CLEARED FUNDS

- 5.1 Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

6 CASHLESS EXERCISE OF OPTIONS

- 6.1 Subject to clause 8.2, a Holder may elect to pay the Exercise Price for each option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.

- 6.2 If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options

O = Number of Options being exercised

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the 5 trading days immediately prior to (and excluding) the date of the notice of exercise

EP = Exercise Price

- 6.3 If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with clause 8.2) is zero or negative, then a Holder will not be entitled to use the Cashless Exercise Facility.

7 MINIMUM EXERCISE

- 7.1 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

8 ACTIONS ON EXERCISE

- 8.1 Following the exercise of Options:

8.1.1 the Options will automatically lapse; and

8.1.2 the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

9 TIMING OF THE ISSUE OF SHARES ON EXERCISE AND QUOTATION

- 9.1 Within twenty (20) business days after the later of the following:

9.1.1 receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

9.1.2 when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in clause 10.1.1 above,

the Company will:

9.1.3 allot and issue the Shares pursuant to the exercise of the Options;

- 9.1.4 as soon as reasonably practicable and 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
- 9.1.5 apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- 9.2 The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
- 9.2.1 the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESSE sponsored holding); and
- 9.2.2 the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.
- 9.3 The Company shall release the holding lock on the Shares on the earlier to occur of:
- 9.3.1 the date that is twelve (12) months from the date of issue of the Share; or
- 9.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
- 9.3.3 the date a transfer of the Shares occurs pursuant to clause 10.1 of these terms and conditions.
- 9.4 Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

10 SHARES ISSUED ON EXERCISE

- 10.1 Shares issued on the exercise of the Options rank equally with all existing Shares.

11 QUOTATION OF THE SHARES ISSUED ON EXERCISE

- 11.1 If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

12 ADJUSTMENT FOR REORGANISATION

- 12.1 If there is any reconstruction of the issued share capital of SUP, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

13 PARTICIPANT IN NEW ISSUES AND OTHER RIGHTS

- 13.1 A Holder who holds Options is not entitled to:
- 13.1.1 notice of, or to vote or attend at, a meeting of the Shareholders;
 - 13.1.2 receive any dividends declared by the Company; or
 - 13.1.3 participate in any new issues of securities offered to Shareholders during the term of the Options,
- unless and until the Options are exercised and the Holder holds Shares.

14 ADJUSTMENT FOR RIGHTS ISSUE

- 14.1 If SUP makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

15 ADJUSTMENT FOR BONUS ISSUE OF SHARES

- 15.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):
- 15.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and
 - 15.1.2 no change will be made to the Exercise Price.

16 CHANGE OF CONTROL

- 16.1 For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:
- 16.1.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
 - 16.1.2 a Takeover Bid:
 - 16.1.2.1 is announced;
 - 16.1.2.2 has become unconditional; and
 - 16.1.2.3 the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
 - 16.1.3 any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or

- 16.1.4 the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- 16.2 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:
 - 16.2.1 a Holder may exercise any or all of their Options, regardless of whether the applicable vesting conditions (if any) have been satisfied, provided that no Option will be capable of exercise later than the Expiry Date; and
 - 16.2.2 if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.

17 QUOTATION

- 17.1 The Company will not seek official quotation of any Options.

18 NO TRANSFER OF OPTIONS

- 18.1 Options are not transferable.

19 OPTIONS TO BE RECORDED

- 19.1 Options will be recorded in the appropriate register of the Company.

Schedule 5 – Terms and Conditions of the CEO Options

1 ENTITLEMENT

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for, or to be transferred one (1) Share on payment of the Exercise Price.

2 EXERCISE PRICE, VESTING DATE AND EXPIRY DATE

| Class | Number of Options | Exercise Price | Vesting Date | Expiry Date |
|-------|-------------------|----------------|---|----------------------------------|
| A | 1,666,667 | \$0.20 | 12 months of continuous service from the date of Shareholder approval | 36 months from the date of issue |
| B | 1,666,666 | \$0.25 | 24 months of continuous service from the date of Shareholder approval | 36 months from the date of issue |
| C | 1,666,666 | \$0.40 | 24 months of continuous service from the date of Shareholder approval | 36 months from the date of issue |

3 EXERCISE PERIOD

- 3.1 Each Option is exercisable following the applicable Vesting Date and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

4 CONDITIONS FOR VESTING AND EXERCISE

- 4.1 Options will only vest and be exercisable following the applicable Vesting Date or if the applicable Vesting Date has been waived by the Board (or in accordance with clause 17.2).

5 METHOD OF EXERCISE

- 5.1 Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

5.1.1 a signed notice of exercise; and

5.1.2 subject to the cashless exercise option, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

6 NO ISSUE UNLESS CLEARED FUNDS

- 6.1 Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

7 MINIMUM EXERCISE

- 7.1 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

8 CASHLESS EXERCISE OF OPTIONS

- 8.1 Subject to clause 8.2, a Holder may elect to pay the Exercise Price for each option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the holder will receive Shares to the value of the surplus after the Exercise Price has been set off.
- 8.2 If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Options

O = Number of Options being exercised

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the 5 trading days immediately prior to (and excluding) the date of the notice of exercise

EP = Exercise Price

- 8.3 If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with clause 8.2) is zero or negative, then a Holder will not be entitled to use the Cashless Exercise Facility.

9 ACTIONS ON EXERCISE

- 9.1 Following the exercise of Options:

9.1.1 the Options will automatically lapse; and

9.1.2 the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

10 TIMING OF THE ISSUE OF SHARES ON EXERCISE AND QUOTATION

- 10.1 Within twenty (20) business days after the later of the following:

10.1.1 receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

10.1.2 when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in clause 10.1.1 above,

the Company will:

- 10.1.3 allot and issue the Shares pursuant to the exercise of the Options;
 - 10.1.4 as soon as reasonably practicable and 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
 - 10.1.5 apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- 10.2 The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:
- 10.2.1 the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESSE sponsored holding); and
 - 10.2.2 the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.
- 10.3 The Company shall release the holding lock on the Shares on the earlier to occur of:
- 10.3.1 the date that is twelve (12) months from the date of issue of the Share; or
 - 10.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or
 - 10.3.3 the date a transfer of the Shares occurs pursuant to clause 11.1 of these terms and conditions.
- 10.4 Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

11 SHARES ISSUED ON EXERCISE

- 11.1 Shares issued on the exercise of the Options rank equally with all existing Shares.

12 QUOTATION OF THE SHARES ISSUED ON EXERCISE

- 12.1 If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

13 ADJUSTMENT FOR REORGANISATION

- 13.1 If there is any reconstruction of the issued share capital of SUP, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

14 PARTICIPANT IN NEW ISSUES AND OTHER RIGHTS

14.1 A Holder who holds Options is not entitled to:

14.1.1 notice of, or to vote or attend at, a meeting of the Shareholders;

14.1.2 receive any dividends declared by the Company; or

14.1.3 participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

15 ADJUSTMENT FOR RIGHTS ISSUE

15.1 If SUP makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

16 ADJUSTMENT FOR BONUS ISSUE OF SHARES

16.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):

16.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and

16.1.2 no change will be made to the Exercise Price.

17 CHANGE OF CONTROL

17.1 For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

17.1.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

17.1.2 a Takeover Bid:

17.1.2.1 is announced;

17.1.2.2 has become unconditional; and

17.1.2.3 the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

17.1.3 any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or

- 17.1.4 the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- 17.2 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:
 - 17.2.1 a Holder may exercise any or all of their Options, regardless of whether the Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and
 - 17.2.2 if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.

18 QUOTATION

- 18.1 The Company will not seek official quotation of any Options.

19 NO TRANSFER OF OPTIONS

- 19.1 Options are not transferable.

20 OPTIONS TO BE RECORDED

- 20.1 Options will be recorded in the appropriate register of the Company.

Schedule 6 – Terms and Conditions of the Lead Manager Options and the Adviser Options

1 ENTITLEMENT

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for, or be transferred, one (1) Share on payment of the Exercise Price.

2 EXERCISE PRICE, VESTING DATE AND EXPIRY DATE

| Class | Number of Options | Exercise Price | Vesting Date | Expiry Date |
|-------|-------------------|----------------|---|----------------------------------|
| A | 3,000,000 | \$0.25 | 12 months from the date of Shareholder approval | 36 months from the date of issue |
| B | 3,000,000 | \$0.40 | 18 months from the date of Shareholder approval | 36 months from the date of issue |

3 EXERCISE PERIOD

- 3.1 Each Option is exercisable following the applicable Vesting Date and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

4 CONDITIONS FOR VESTING AND EXERCISE

- 4.1 Options will only vest and be exercisable following the applicable Vesting Date or if the applicable Vesting Date has been waived by the Board (or in accordance with clause 16.2).

5 METHOD OF EXERCISE

- 5.1 Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

5.1.1 a signed notice of exercise; and

5.1.2 a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any).

6 NO ISSUE UNLESS CLEARED FUNDS

- 6.1 Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

7 MINIMUM EXERCISE

- 7.1 Options must be exercised in multiples of one thousand (1,000) unless fewer than one thousand (1,000) Options are held by a Holder or the Board otherwise agrees.

8 ACTIONS ON EXERCISE

8.1 Following the exercise of Options:

8.1.1 the Options will automatically lapse; and

8.1.2 the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

9 TIMING OF THE ISSUE OF SHARES ON EXERCISE AND QUOTATION

9.1 Within twenty (20) business days after the later of the following:

9.1.1 receipt of a notice of exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

9.1.2 when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a notice of exercise as detailed in clause 9.1.1 above,

the Company will:

9.1.3 allot and issue the Shares pursuant to the exercise of the Options;

9.1.4 as soon as reasonably practicable and 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

9.1.5 apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

9.2 The Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a notice of exercise and payment of the Exercise Price for each Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

9.2.1 the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding); and

9.2.2 the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock.

9.3 The Company shall release the holding lock on the Shares on the earlier to occur of:

9.3.1 the date that is twelve (12) months from the date of issue of the Share; or

9.3.2 the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or

9.3.3 the date a transfer of the Shares occurs pursuant to clause 10.1 of these terms and conditions.

9.4 Shares shall be transferable by such Holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period.

10 SHARES ISSUED ON EXERCISE

10.1 Shares issued on the exercise of the Options rank equally with all existing Shares.

11 QUOTATION OF THE SHARES ISSUED ON EXERCISE

11.1 If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

12 ADJUSTMENT FOR REORGANISATION

12.1 If there is any reconstruction of the issued share capital of SUP, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

13 PARTICIPANT IN NEW ISSUES AND OTHER RIGHTS

13.1 A Holder who holds Options is not entitled to:

13.1.1 notice of, or to vote or attend at, a meeting of the Shareholders;

13.1.2 receive any dividends declared by the Company; or

13.1.3 participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

14 ADJUSTMENT FOR RIGHTS ISSUE

14.1 If SUP makes an issue of Shares pro rata to existing shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) there will be no adjustment to the Exercise Price of an Option.

15 ADJUSTMENT FOR BONUS ISSUE OF SHARES

15.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of or in satisfaction, of dividends or by way of dividend reinvestment):

15.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Option before the record date for the bonus issue; and

15.1.2 no change will be made to the Exercise Price.

16 CHANGE OF CONTROL

16.1 For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

16.1.1 the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

16.1.2 a Takeover Bid:

16.1.2.1 is announced;

16.1.2.2 has become unconditional; and

16.1.2.3 the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

16.1.3 any person acquires a Relevant Interest in fifty and one-tenth percent (50.1%) or more of the issued Shares by any other means; or

16.1.4 the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

16.2 Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur:

16.2.1 a Holder may exercise any or all of their Options, regardless of whether the Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and

16.2.2 if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change in Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the holder has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.

17 QUOTATION

17.1 The Company will not seek official quotation of any Options.

18 NO TRANSFER OF OPTIONS

18.1 Options are not transferable.

19 OPTIONS TO BE RECORDED

19.1 Options will be recorded in the appropriate register of the Company.

Schedule 7 – Terms and Conditions of the Zero Exercise Price Options

1 ENTITLEMENT

- 1.1 Each Option entitles the holder of the Option (**Holder**) to subscribe for one (1) Share on payment of the Exercise Price.

2 EXERCISE PRICE, VESTING CONDITIONS AND EXPIRY DATE

| Percentage of Options Granted | Exercise Price | Vesting Conditions | Vesting Date | Expiry Date |
|-------------------------------|----------------|---|--------------|-------------|
| 30% | Nil | Decision to mine the Superior Zinc Lake Project has been made | 15 July 2022 | 1 July 2024 |
| 35% | Nil | Material extension of the Zinc Lake Project mine life beyond that included in the Bankable Feasibility Study | 15 July 2022 | 1 July 2024 |
| 35% | Nil | Share price performance Less than 4.0 cents: Nil Between 4.0 cents and 5.0 cents: 50% of Options Between 5.0 cents and 6.0 cents: 75% of Options Above 6.0 cents: 100% of Options | 15 July 2022 | 1 July 2024 |

All Vesting Conditions must be satisfied for the Options to Vest.

3 EXERCISE PERIOD

- 3.1 Each Option is exercisable following the satisfaction of the Vesting Conditions and prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Options will automatically lapse.

4 CONDITIONS FOR VESTING AND EXERCISE

- 4.1 Options will only vest and be exercisable following the satisfaction of the Vesting Conditions.

5 METHOD OF EXERCISE

- 5.1 Following the issuing of a vesting notification to the Holder, the Options are exercisable by the Holder within the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board of:

- 5.1.1 the certificate for the Options;

- 5.1.2 a signed notice of exercise; and
- 5.1.3 payment to the Company in cleared funds for an amount equal to the Option Exercise Price multiplied by the number of Options that are being exercised.

6 MINIMUM EXERCISE

- 6.1 Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a marketable parcel.

7 ACTIONS ON EXERCISE

- 7.1 Following the exercise of Options:
 - 7.1.1 the Options will automatically lapse; and
 - 7.1.2 the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Options.

8 TIMING OF THE ISSUE OF SHARES ON EXERCISE AND QUOTATION

- 8.1 If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options within the later of 10 Business Days after:
 - 8.1.1 the date the Shares are issued; and
 - 8.1.2 the date any restriction period (being a period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with) that applies to the Shares ends.
- 8.2 There will be no transfer restrictions on Shares issued unless the sale, transfer or disposal by the Holder of the Shares issued to them on exercise of the Options would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- 8.3 If a disclosure document is required, the Holder agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
- 8.4 The Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any restriction period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any restriction period).
- 8.5 The Company may implement any procedure it considers appropriate to restrict a Holder from dealing with any shares subject to a restriction period for as long as those shares are subject to that restriction period.
- 8.6 The Holder agrees to the application of a holding Lock over its Shares until any restriction period applying to those Shares has expired (at which time the Company shall arrange for the holding lock to be removed).

9 SHARES ISSUED ON EXERCISE

9.1 Shares issued on the exercise of the Options rank equally with all existing Shares.

10 QUOTATION OF THE SHARES ISSUED ON EXERCISE

10.1 If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

11 ADJUSTMENT FOR REORGANISATION

11.1 If there is any reconstruction of the issued share capital of SUP, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

12 PARTICIPANT IN NEW ISSUES AND OTHER RIGHTS

12.1 A Holder who holds Options is not entitled to:

12.1.1 notice of, or to vote or attend at, a meeting of the Shareholders;

12.1.2 receive any dividends declared by the Company; or

12.1.3 participate in any new issues of securities offered to Shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

13 OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

13.1 Notwithstanding the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued if to do so:

13.1.1 would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or

13.1.2 would contravene the local laws or customs of a Holder's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

14 CHANGE OF CONTROL

14.1 For the purposes of these terms and conditions, a "**Change of Control Event**" occurs if:

14.1.1 a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;

14.1.2 a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme

for the reconstruction of the Company or its amalgamation with any other company or companies; or

14.1.3 in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

14.2 Where a Change of Control Event has occurred:

14.2.1 the Board may in its absolute discretion, by written notice to a Holder, resolve to waive any of the Vesting Conditions applying to the Options, and a Holder may exercise any or all of their Options regardless of whether the Options have vested, provided that no Option will be capable of exercise later than the Expiry Date; and

14.2.2 if the Company and the acquiring company agree, a Holder may, in respect of any vested Options that are exercised, be provided with shares of the acquiring company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.

15 QUOTATION

15.1 The Company will not seek official quotation of any Options.

16 NO TRANSFER OF OPTIONS

16.1 Options are only transferable in special circumstances (i.e. death or permanent disability, severe financial hardship) and with the consent of the Board.

17 OPTIONS TO BE RECORDED

17.1 Options will be recorded in the appropriate register of the Company.

Schedule 8 – Summary of New Constitution

1. Shares

The issue of Shares by the Company is under the control of the Directors, subject to the Corporations Act, Listing Rules and any rights attached to any special class of Shares.

2. Preference Shares

The Corporations Act requires certain rights of preference shares to be either set out in the constitution or approved in general meeting by special resolution before preference shares are issued.

The New Constitution sets out a framework of rights for preference share issues from which the Board can determine to issue preference shares, without the need to obtain further Shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the New Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

3. Reductions of Capital

The New Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

4. Liens

If the Company issues partly paid Shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares. The powers of the Company in relation to calls, company payments, forfeiture and liens are set out in schedule 2 to the New Constitution.

5. Transfer of Shares

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (**ASTC**) Operating Rules. Transfers through ASTC are effected electronically in ASTC's Clearing House Electronic Sub register System (**CHESS**). For the purposes of the Company's participation in the CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and Listing Rules.

6. Proportional Takeovers

A proportional takeover bid is one in which the offeror offers only to buy a specified proportion of each Shareholders' shares.

The New Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. The proportional takeover provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

At the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The perceived advantages of including proportional takeover provisions in a constitution are that such provisions may:

- (i) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (ii) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (iii) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (iv) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in a constitution include the following:

- (i) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (ii) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and
- (iii) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

While the proportional takeover provisions were in effect under the existing Constitution, there were no proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the Shareholders, respectively, during this period.

The proportional takeover provisions are contained in schedule 5 to the New Constitution.

7. Alterations of share capital

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the Listing Rules.

If a reduction of capital occurs by way of a distribution of shares or other securities in another body corporate, Shareholders (i) are deemed to have agreed to be members of and bound by the constitution of that body corporate, (ii) appoint the Company and its directors to execute any transfers to give effect to the distribution of shares or other securities and (iii) any binding instructions or notification given to the Company are deemed to be binding instructions or notifications to the other body corporate. The Company also has the discretion to not distribute the shares or other securities in the other body corporate and instead make a cash payment if the distribution would be illegal, give rise to unmarketable parcels or be unreasonable having regard to the number, value and/or the legal requirements of distributions to Shareholders in particular overseas jurisdictions.

8. Buy Backs

The Company may buy back shares in itself on terms and at such times determined by the Directors.

9. Disposal of less than a Marketable Parcel

For the sake of avoiding excessive administration costs, the New Constitution contains provisions enabling the Company to procure the disposal of Shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a

parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The provisions relating to unmarketable parcel are contained in schedule 4 to the New Constitution.

10. Variation of class rights

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

11. Meetings of Shareholders

The Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The New Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

12. Voting of Shareholders

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

13. Direct Voting

The Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the directors, the notice of meeting will include information on the application of direct voting.

14. Proxies

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The New Constitution contains provisions specifying the manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

15. Directors

Unless changed by the Company in general meeting, the minimum number of directors is 3 and no maximum number is specified. The Directors and the Company may at any time appoint any person as a Director. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for re-election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

16. Powers of Directors

The business of the Company is to be managed by or under the direction of the Directors.

17. Remuneration of Directors

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

18. Execution of documents

In accordance with the Corporations Act, the Constitution provides for execution of documents by the Company without the use of the Company's company seal.

19. Dividends

The Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to shares (such as preference shares), dividends will be paid proportionately.

The Company is not required to pay any interest on dividends.

20. Indemnities and insurance

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or secretary. A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

21. Restricted Securities

The Company's constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form Appendix 9A. Those with less significant holdings (such as non-related parties and non-promoters), the Company will issue restriction notices to holders of restricted securities in the form Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Schedule 9 – Pro Forma Statement of Financial Position

| Notes | Superior Lake Resources Ltd 30 June 2021 (Reviewed) \$ | Bristol Springs Solar Pty Ltd 30 June 2021 (Audited) \$ | Subsequent Events \$ | Pro forma Adjustments \$ | Pro forma balance \$ | |
|---|---|--|-------------------------|-----------------------------|-------------------------|-------------------|
| Current assets | | | | | | |
| Cash and cash equivalents | 2 | 1,725,957 | 8,427 | (542,550) | 5,768,370 | 6,960,204 |
| Trade and other receivables | | 138,867 | 5,096 | - | - | 143,963 |
| Prepayments | | 51,212 | - | - | - | 51,212 |
| Total current assets | | 1,916,036 | 13,523 | (542,550) | 5,768,370 | 7,155,379 |
| Non-current assets | | | | | | |
| Other financial assets | | 95,605 | - | - | - | 95,605 |
| Exploration and evaluation | | 1,796,157 | - | - | - | 1,796,157 |
| Right of use assets | 3 | - | - | - | 257,710 | 257,710 |
| Property, plant & Equipment | 4 | 3,684 | 301,957 | - | 6,768,687 | 7,074,328 |
| Other non-current assets | 5 | - | - | - | 1,500,000 | 1,500,000 |
| Total non-current assets | | 1,895,446 | 301,957 | - | 8,526,397 | 10,723,800 |
| TOTAL ASSETS | | 3,811,482 | 315,480 | (542,550) | 14,294,767 | 17,879,179 |
| Current liabilities | | | | | | |
| Trade and other payables | 6 | 490,917 | 10,000 | (133,522) | - | 367,395 |
| Lease Liabilities | 7 | - | 0 | - | 100,000 | 100,000 |
| Total current liabilities | | 490,917 | 10,000 | (133,522) | 100,000 | 467,395 |
| Non-current liabilities | | | | | | |
| Other payables | | 306,951 | - | - | - | 306,951 |
| Shareholder loans | 8 | - | 373,366 | (373,366) | - | - |
| Lease liabilities | 7 | - | - | - | 157,710 | 157,710 |
| Total non-current liabilities | | 306,951 | 373,366 | (373,366) | 157,710 | 464,661 |
| TOTAL LIABILITIES | | 797,868 | 383,366 | (506,888) | 257,710 | 932,056 |
| NET ASSETS | | 3,013,614 | (67,886) | (35,662) | 14,037,057 | 16,947,123 |
| EQUITY | | | | | | |
| Contributed Equity | 9a | 27,730,498 | 100 | 213,750 | 12,900,949 | 40,845,297 |
| Share based payments reserve | 9b | 1,556,056 | - | (213,750) | 2,2341,345 | 3,683,651 |
| Investment revaluation reserve | | (249,000) | - | - | - | (249,000) |
| Foreign currency translation reserve | | (43,933) | - | - | - | (43,933) |
| Transactions with minority shareholders | | (1,512,813) | - | - | - | (1,512,813) |
| Non-controlling interests | 9d | 4,719,753 | - | 302,500 | - | 5,022,253 |
| Accumulated losses | 9c | (29,186,947) | (67,986) | (338,162) | (1,205,237) | (30,798,332) |
| TOTAL EQUITY | | 3,013,614 | (67,886) | (35,662) | 14,037,057 | 16,947,123 |

Notes to and Forming Part of the Historical Financial Information

Note 1: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the Statement of Financial Position of the Company as at 30 June 2021 to reflect the financial effects of the following subsequent event which have occurred since 30 June 2021:

- (a) On 15 July 2021, Metallum (a 67% owned subsidiary of the Company) completed a private placement, raising \$C302,500;
- (b) In November 2021 the Company issued 1,500,000 Ordinary Shares for the conversion of Zero Priced Options that had a fair value of \$213,750;
- (c) On 2 December 2021, BSS entered into a debt forgiveness agreement whereby the \$373,366 BSS shareholder loan will be forgiven 3 days following Shareholder approval at a general meeting of the Company for the approval of the Acquisition; and
- (d) Operating expenses incurred between 1 July 2021 and the date of the Notice of \$711,528, excluding payment of June 2021 creditors of \$133,522.

and following pro forma transactions which are yet to occur, but are proposed to occur following completion of the Capital Raising Offer:

- (e) The Company completing the Acquisition. The consideration for the Acquisition is:
 - a. the Consideration Shares; and
 - b. the Performance Shares.
- (f) The Company entering into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 from the Landowner for 3 years commencing from the Completion Date at an annual fee of \$100,000 plus GST per annum.
- (g) The Company and the Landowner entering into an option to purchase agreement in which the Company will pay the Landowner an option fee of \$1,500,000 (exclusive of GST) to secure a five-year option from the Completion Date to acquire the Land at a fixed value of \$5,000,000 (exclusive of GST).
- (h) The Company offering 61,538,462 new Shares at an issue price of \$0.13 per Share to raise \$8 million before costs;
- (i) The costs of the Capital Raising Offer, including capital raising fees to BW Equities are estimated to be \$713,360 on the Capital Raising Offer of which \$515,617 was offset against the contributed equity and \$216,013 was recognised in Profit or Loss and Other Comprehensive Income. The costs of the offer include Capital Raising Fees to Lead Manager totalling \$400,000 pertaining to 5% of all funds raised under the Capital Raising Offer; and
- (j) The issue of 24,500,000 Options under the CEO Offer, Director Offer, Management Offer, Lead Manager Offer and Adviser Offer:

| Options | Number of options | Exercise price | Vesting period | Fair value per option |
|----------------------------------|-------------------|----------------|----------------|-----------------------|
| CEO Options | 1,666,667 | \$0.20 | 12 months | \$0.05740 |
| | 1,666,667 | \$0.25 | 24 months | \$0.05064 |
| | 1,666,666 | \$0.40 | 24 months | \$0.03718 |
| Director and Management Options | 6,750,000 | \$0.20 | Immediately | \$0.05740 |
| | 3,375,000 | \$0.25 | Immediately | \$0.05064 |
| | 3,375,000 | \$0.40 | Immediately | \$0.03718 |
| Lead Manager and Adviser Options | 3,000,000 | \$0.25 | 12 months | \$0.05064 |
| | 3,000,000 | \$0.40 | 18 months | \$0.03718 |

| | | | | |
|--------------|-------------------|--|--|--|
| Total | 24,500,000 | | | |
|--------------|-------------------|--|--|--|

Note 2: Cash & Cash equivalents

| | |
|---|-------------------------|
| | \$ |
| Cash and cash equivalents | <u>6,960,204</u> |
| Audited balance as at 30 June 2021 | 1,725,957 |
| <i>Subsequent events:</i> | |
| Capital raising by Metallum of C\$302,500 | 302,500 |
| Operating expenses incurred since 1 July 2021 | (711,528) |
| Payment of creditors | <u>(133,522)</u> |
| Total | <u>(542,550)</u> |
| <i>Pro-forma adjustments:</i> | |
| Payment of 5 year option to Landowner | (1,500,000) |
| Cash acquired from the acquisition of BSS | 8,427 |
| Capital Raising Offer | 8,000,000 |
| Costs of the Capital Raising Offer | <u>(731,630)</u> |
| Total | <u>5,776,797</u> |
| Pro-forma Balance | <u>6,960,204</u> |

Note 3: Right of use assets

| | |
|--|-----------------------|
| | \$ |
| Right of use assets | <u>257,710</u> |
| Audited balance as at 30 June 2021 | - |
| <i>Pro-forma adjustments:</i> | |
| Lease agreement entered into as part of acquisition of BSS | <u>257,710</u> |
| Total | <u>257,710</u> |
| Pro-forma Balance | <u>257,710</u> |

Note 4: Property, Plant & Equipment

| | |
|----------------------------|------------------|
| | \$ |
| Property plant & Equipment | <u>7,074,328</u> |

| | |
|--|---------|
| Audited balance as at 30 June 2021 (Company) | 3,684 |
| Audited balance as at 30 June 2021 (BSS) | 301,957 |

Pro-forma adjustments:

| | |
|--------------------------------------|-----------|
| Asset acquisition (refer to Note 11) | 6,768,687 |
| Total | 6,768,687 |

| | |
|--------------------------|------------------|
| Pro-forma Balance | 7,074,328 |
|--------------------------|------------------|

Note 5: Other non-current assets

| | |
|--------------------------|-----------|
| | \$ |
| Other non-current assets | 1,500,000 |

| | |
|------------------------------------|---|
| Audited balance as at 30 June 2021 | - |
|------------------------------------|---|

Pro-forma adjustments:

| | |
|---------------------------------------|-----------|
| Payment of 5 year option to Landowner | 1,500,000 |
| Total | 1,500,000 |

| | |
|--------------------------|------------------|
| Pro-forma Balance | 1,500,000 |
|--------------------------|------------------|

Note 6: Trade and other payables

| | |
|--------------------------|---------|
| | \$ |
| Trade and other payables | 367,395 |

| | |
|------------------------------------|---------|
| Audited balance as at 30 June 2021 | 490,917 |
|------------------------------------|---------|

Subsequent events:

| | |
|--|-----------|
| Payment of creditors since 1 July 2021 | (133,522) |
| Total | (133,522) |

Pro-forma adjustments:

| | |
|-------------------------|--------|
| Trade payables acquired | 10,000 |
| Total | 10,000 |

| | |
|--------------------------|----------------|
| Pro-forma Balance | 367,395 |
|--------------------------|----------------|

Note 7: Lease liabilities

| | |
|--|----------------|
| | \$ |
| Lease liabilities | 257,710 |
| | <hr/> |
| Audited balance as at 30 June 2021 | - |
| | <hr/> |
| <i>Pro-forma adjustments:</i> | |
| Lease agreement entered into as part of acquisition of BSS | 257,710 |
| | <hr/> |
| Total | 257,710 |
| | <hr/> |
| Pro-forma Balance | 257,710 |
| | <hr/> |

Note 8: Shareholder loan

| | |
|------------------------------------|-----------|
| | \$ |
| BSS – Shareholder loan | - |
| | <hr/> |
| Audited balance as at 30 June 2021 | 373,366 |
| | <hr/> |
| <i>Subsequent events</i> | |
| Forgiveness of debt | (373,366) |
| | <hr/> |
| Total | (373,366) |
| | <hr/> |
| Pro-forma Balance | - |
| | <hr/> |

Note 9: Equity

| | Number of shares | \$ |
|---|--|-------------------|
| a) Contributed Equity | 268,266,284 | 40,845,297 |
| Fully paid ordinary share capital as at 30 June 2021 (Company) | 165,061,155 | 27,730,498 |
| Fully paid ordinary share capital as at 30 June 2021 (BSS) | 100 | 100 |
| <i>Subsequent events</i> | | |
| Exercise of zero priced options | 1,500,000 | 213,750 |
| | 1,500,000 | 213,750 |
| <i>Pro-forma adjustments:</i> | | |
| Elimination of BSS Issued Capital on acquisition | (100) | (100) |
| Shares issued for acquisition of BSS (refer to note 10) | 41,666,667 | 5,416,666 |
| Shares issued under the Capital Raising Offer | 61,538,462 | 8,000,000 |
| Capital raising costs – cash settled | | (515,617) |
| Total | 103,205,129 | 12,900,949 |
| Pro-forma Balance | 269,766,284 | 40,845,297 |
| | Number of Options After Capital Raising Offer | \$ |
| b) Share based payments reserve | 59,156,112 | 3,683,651 |
| Option Reserve as at 30 June 2021 | 10,656,112 | 1,556,056 |
| <i>Subsequent events:</i> | | |
| Exercise of zero priced options | (1,500,000) | (213,750) |
| | (1,500,000) | (213,750) |
| <i>Pro-forma adjustments:</i> | | |
| Issuance of options to managing director with service conditions (Share based payment) | 5,000,000 | - |
| Issuance of options to management (share based payment) | 13,500,000 | 683,845 |
| Issuance of options to lead manager with service conditions (Lead Manager and Adviser Options) | 6,000,000 | - |
| Total | 24,500,000 | 683,845 |

| | | | |
|----|---|--|------------------|
| b) | | Number of Options After Capital Raising Offer | \$ |
| | Performance Share Reserve at 30 June 2021 | - | - |
| | <i>Pro-forma adjustments:</i> | | |
| | Tranche A Performance Shares issued as consideration for Acquisition (refer to Note 11) | 12,750,000 | 1,657,500 |
| | Tranche B Performance Shares issued as consideration for Acquisition (refer to Note 11) | 12,750,000 | - |
| | Total | 25,500,000 | 1,657,500 |
| | Pro-forma Balance | 59,156,112 | 3,683,651 |

CEO Options

| | Class A | Class B | Class C |
|---------------------|--------------------------------|--------------------------------|--------------------------------|
| Number | 1,666,667 | 1,666,667 | 1,666,666 |
| Spot price | \$0.13 | \$0.13 | \$0.13 |
| Exercise price | \$0.20 | \$0.25 | \$0.40 |
| Expiry period | 3 years | 3 years | 3 years |
| Expected volatility | 84.5% | 84.5% | 84.5% |
| Risk free rate | 0.98% | 0.98% | 0.98% |
| Fair value | \$0.05740 | \$0.05064 | \$0.03718 |
| Fair value (\$) | \$95,665 | \$84,404 | \$61,967 |
| Model | Black-scholes Option Valuation | Black-scholes Option Valuation | Black-scholes Option Valuation |
| Vesting conditions | 12 month service condition | 24 month service condition | 24 month service condition |

Director and Management Options

| | Class A | Class B | Class C |
|---------------------|-----------|-----------|-----------|
| Number | 6,750,000 | 3,375,000 | 3,375,000 |
| Spot price | \$0.13 | \$0.13 | \$0.13 |
| Exercise price | \$0.20 | \$0.25 | \$0.40 |
| Expiry period | 3 years | 3 years | 3 years |
| Expected volatility | 84.5% | 84.5% | 84.5% |

| | | | |
|--------------------|--------------------------------|--------------------------------|--------------------------------|
| Risk free rate | 0.98% | 0.98% | 0.98% |
| Fair value | \$0.05740 | \$0.05064 | \$0.03718 |
| Fair value (\$) | \$387,445 | \$170,918 | \$125,482 |
| Model | Black-scholes Option Valuation | Black-scholes Option Valuation | Black-scholes Option Valuation |
| Vesting conditions | Immediately | Immediately | Immediately |

Lead Manager and Adviser Options

| | Class A | Class B |
|---------------------|--------------------------------|--------------------------------|
| Number | 3,000,000 | 3,000,000 |
| Spot price | \$0.13 | \$0.13 |
| Exercise price | \$0.25 | \$0.40 |
| Expiry period | 3 years | 3 years |
| Expected volatility | 84.5% | 84.5% |
| Risk free rate | 0.98% | 0.98% |
| Fair value | \$0.05064 | \$0.03718 |
| Fair value (\$) | \$150,832 | \$110,554 |
| Model | Black-scholes Option Valuation | Black-scholes Option Valuation |
| Vesting conditions | 12 month service condition | 18 month service condition |

| | |
|---|-------------------------------|
| | \$ |
| c) Accumulated losses | (30,798,332) |
| | <hr/> |
| Accumulated losses as at 30 June 2021 (Company) | (29,186,947) |
| Accumulated losses as at 30 June 2021 (BSS) | (67,986) |
| <i>Subsequent events:</i> | |
| Operating expenses incurred since 1 July 2021 | (711,528) |
| Forgiveness of BSS shareholder loan | 373,366 |
| Total | <hr/> (338,162) <hr/> |
| <i>Pro-forma adjustments:</i> | |
| Issuance of options to management (Share based payment) | (683,844) |
| Elimination of BSS Retained earnings on acquisition | (305,380) |
| Expense portion of capital raising costs | (216,013) |
| Total | <hr/> (1,205,237) <hr/> <hr/> |

| | |
|--|---------------------|
| Pro-forma Balance | (30,798,332) |
| | \$ |
| d) Non-controlling interests | 5,022,253 |
| Non-controlling interests as at 30 June 2021 | 4,719,753 |
| <i>Subsequent events:</i> | |
| Metallum capital raise | 302,500 |
| Total | 302,500 |
| Pro-forma Balance | 5,022,253 |

Note 10: Contingent Liabilities

BSS has entered into an agreement to lease Lot 3 on Plan 9454 being the whole of the land comprised in Certificate of Title Volume 1353 Folio 900 from the Landowner for 3 years commencing from the Completion Date at an annual fee of \$100,000 plus GST per annum. This has been recognised as a right of use asset as a pro-forma adjustment.

The Company and the Landowner have entered into an option to purchase agreement. The Company will pay the Landowner an option fee of \$1,500,000 (exclusive of GST) to secure a 5 year option from the Completion Date to acquire the Land at a fixed value of \$5,000,000 (exclusive of GST).

The following option fees are payable by BSS to the Landowner:

- (A) First Option Fee: \$1,500,000 exclusive of GST, payable on entry into the Option Agreement;
 - (B) Second Option Fee: \$1,500,000 exclusive of GST, payable on the third anniversary of the Completion Date;
 - (C) Third Option Fee: \$1,500,000 exclusive of GST, payable on the fourth anniversary of the Completion Date; and
 - (D) Fourth Option Fee: \$2,000,000 exclusive of GST, payable on the fifth anniversary of the Completion Date,
- (together, Option Fees);

If BSS exercises the Land Option, any Option Fees paid (other than the First Option Fee) will be credited towards the Purchase Price. If BSS does not exercise the Land Option, any instalment of the Option Fee paid by BSS to the Landowner shall be non-refundable.

Note 11: Asset Acquisition

The acquisition of BSS has been treated as an asset acquisition via the issue of equity under AASB 2 Share Based Payments. The below outlines the consideration and identifiable assets and liabilities acquired:

\$

Consideration

| | |
|--|-----------|
| 41,666,667 Consideration Shares with a fair value of \$0.13 | 5,416,667 |
| 12,750,000 Tranche A Performance Shares ¹ with a fair value of \$0.13 | 1,657,000 |
| 12,750,000 Tranche B Performance Shares ² with a fair value of \$0.13 | - |
| | <hr/> |
| | 7,074,167 |

Assets and Liabilities

| | |
|--|----------------|
| Cash | 8,427 |
| Trade and Other Receivables | 5,096 |
| Property, Plant & Equipment | 301,957 |
| Trade and Other Payables | (10,000) |
| Shareholder Loan (Forgiven subsequent to year end) | - |
| | <hr/> |
| Net assets/(liabilities) acquired | 305,480 |

Property Plant & Equipment Acquired **6,768,687**

1. 12,750,000 Tranche A Performance Shares will be issued on the Completion Date and convert into Shares on the date that the Company or BSS having received a binding offer (Access Offer) from Western Power to provide the BSS Project with access to the grid which contains the terms of the Electricity Transfer Access Control Agreement.
2. 12,750,000 Tranche B Performance Shares will be issued on the Completion Date and convert into Shares on the date that all approvals have been received, all studies have been completed and a final investment decision is taken in respect of the BSS Project. We have assumed the Performance Shares have a 100% probability of vesting.
3. The probability of the above non-market vesting conditions being met has been assessed as 100% and nil respectively given the current progress and status of the BSS Project.

Note 12: Related Parties

Refer to Section 9 of the Prospectus for the interests of the Board.

Note 13: Subsequent Events

Subsequent to 30 June 2021, the following events have occurred which have been reflected in the pro-forma adjustments:

- (a) On 15 July 2021, Metallum (a 67% owned subsidiary of the Company) completed a private placement, raising \$C302,500;
- (b) In November 2021 the Company issued 1,500,000 Ordinary Shares for the conversion of Zero Priced Options that had a fair value of \$213,750;
- (c) On 2 December 2021, BSS entered into a debt forgiveness agreement whereby the \$373,366 BSS shareholder loan will be forgiven 3 days following Shareholder approval at a general meeting of the Company for the approval of the Acquisition; and
- (d) Operating expenses incurred between 1 July 2021 and the date of the Notice of \$711,528, excluding payment of June 2021 creditors of \$133,522.