

Eastern Resources Limited
ACN 126 678 037

Notice of Annual General Meeting

Notice is given that the Meeting will be held at:

Time: 11:00am (Sydney time)

Date: 29 November 2022

Place: Level 40
2 Park Street
Sydney NSW 2000

Due to current COVID-19 restrictions, persons proposing to attend the Meeting in person are requested to contact the Company by email at info@easternresources.com.au at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 27 November 2022.

Business of the Meeting

Agenda

1. Financial Statements and Reports

To table and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2022, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

2. Resolution 1 – Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Annual Report for the financial year ended 30 June 2022."

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

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

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

3. Resolution 2 – Re-election of Director – Myles Fang

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

"That, for the purposes of clause 14.3 of the Constitution, and for all other purposes, Mr Myles Fang, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. Resolution 3 - Ratification of prior issue of Shares – Investor Placement Shares issued under Listing Rule 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 34,862,078 Shares to sophisticated and/or professional investors under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who participated in the issue, or any associates of those persons.

5. Resolution 4 - Ratification of prior issue of Options – Investor Placement Options issued under Listing Rule 7.1

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,972,416 Options to sophisticated and/or professional investors under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who participated in the issue, or any associates of those persons.

6. Resolution 5 – Ratification of issue of Shares and Options to Yahua International Investment and Development Co. Ltd

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 68,965,517 Shares and 13,793,103 Options to Yahua International Investment and Development Co. Ltd (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Yahua International Investment and Development Co. Ltd or its nominee(s), or any associates of those persons.

7. Resolution 6 – Issue of Options to Lead Manager – CPS Capital Group Pty Ltd

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,775,001 Options to CPS Capital Group Pty Ltd (or its nominee(s)) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of CPS Capital Group Pty Ltd (or its nominee(s)), or any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

8. Resolution 7 – Approval for issue of Vendor Shares – Trigg Hill Lithium Tantalum Project – Consideration Securities

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Shares to the value of \$500,000 to Amery Holdings Pty Ltd (or its nominee(s)) under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Amery Holdings Pty Ltd or its nominee(s), or any person will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any associates of those persons.

9. Resolution 8 – Approval to issue Performance Rights to Director – Myles Fang

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 5,000,000 Performance Rights to Myles Fang (or his nominee/s), on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Myles Fang (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. Resolution 9 – Approval to issue Performance Rights to Director - Ariel Edward King

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 5,000,000 Performance Rights to Ariel Edward King (or his nominee/s), on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ariel Edward King (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

11. Resolution 10 – Approval to issue Performance Rights to Director – Jason Hou

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

"That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of 5,000,000 Performance Rights to Jason Hou (or his nominee/s), on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Jason Hou (or his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this Resolution may not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit be given or any of their associates (**Restricted Party**). However, a Restricted Party may cast a vote on the Resolution as a proxy if they are appointed as a proxy by writing that specifies the way the proxy is to vote and the vote is not cast on behalf of any Restricted Party.

In addition, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, provided the Chair is not a Restricted Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. Resolution 11 - Enable the issue of Securities under an Employee Incentive Scheme – Eastern Resources Equity Incentive Plan

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given to enable the Company to issue Equity Securities under the employee incentive scheme titled Eastern Resources Equity Incentive Plan, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any person who is eligible to participate in the Eastern Resources Equity Incentive Plan, or any associates of those persons.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

However, the above prohibition does not apply if:

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

13. Resolution 12 – Approval of 10% Additional Issuance Capacity

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

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX

Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Dated: 27 October 2022
By order of the Board

Heath Roberts
Company Secretary

Voting Exclusion Statements

Each Voting Exclusion Statement that applies to a Resolution as noted in the Agenda, does not apply to a vote cast in favour of that Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) provided the Chair is not a Restricted Party in respect of the relevant Resolution (refer to Resolutions 8,9 and 10), the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (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 in person

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

Due to current COVID-19 restrictions, persons proposing to attend the Meeting in person are requested to contact the Company by email at info@easternresources.com.au at least 3 Business Days prior to the Meeting, so that appropriate arrangements can be made.

Voting by proxy

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

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

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 9906 7551.

Receiving shareholder communications

Receiving your shareholder communications electronically is the best way to stay informed and will assist the Company with its commitment to minimising paper usage.

If you haven't already, we encourage you to make the switch to paperless communications and provide us with your email address.

You can make an election as to how you would like to receive certain documents including Annual Reports and documents related to members' meetings (for example notices of meeting and proxy/voting forms) as follows:

- You can make a standing election to receive the documents in physical or electronic form;
- You can make a one-off request to receive a document in physical or electronic form; or
- You can tell us if you do not want to receive a hard-copy of the Annual Report.

Of course, you will always be able to access and read our Annual Report, Notice of Meeting and other shareholder documents when they are published on our website and the ASX platform.

To tell us your preference, go to <http://www.investorserve.com.au/> and follow the prompts.

Explanatory Statement

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

1. Annual Report

The Corporations Act requires that the reports of the Directors, Auditor and the financial statements of the Company (collectively the **Annual Report**) be laid before shareholders at the Annual General Meeting. The Corporations Act does not require a vote of shareholders on these reports or statements.

The 2022 Annual Report was released to the ASX on 20 September 2022. As a result of legislative changes, the 2022 Annual Report has not been automatically mailed to all shareholders. The 2022 Annual Report can be accessed on the Company's website at www.easternresources.com.au. Alternatively, printed copies can be supplied to shareholders on request.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions of the Board in relation to the Annual Report and the management of the Company. Shareholders will also be given reasonable opportunity to ask the Auditor questions relevant to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of its financial statements and the independence of the Auditor in relation to the conduct of the audit.

2. Resolution 1 – Adoption of Remuneration Report

2.1 General

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

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

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

2.2 Voting consequences

The vote on Resolution 1 is advisory only and does not bind the Company or its Directors. However, the Board will actively consider the outcome of the vote and comments made by Shareholders on the Remuneration Report when reviewing the Company's future remuneration policies and practices.

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

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the

managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. Resolution 2 - Re-election of Director – Myles Fang

3.1 General

ASX Listing Rule 14.4 require that a director (other than a managing director) of a listed company not hold office without re-election for longer than 3 years or the third annual general meeting after their appointment, whichever is longer. ASX Listing Rule 14.5 requires that an election of directors be held at each annual general meeting. Clause 14.3 of the Constitution sets out that where no director is required to retire by rotation and seek re-election because of the term limit imposed by Listing Rule 14.4, and no other person is standing for election, then the director (other than the managing director) who has held office the longest is required to stand for re-election.

Mr Myles Fang, first appointed as a director in March 2018, has been in office the longest since re-election, having last been re-elected at the 2020 Annual General Meeting. Mr Fang accordingly retires by rotation in accordance with the Constitution, and, being eligible, seeks re-election from Shareholders.

3.2 Qualifications and other material directorships

Mr Fang is an engineer with more than 20 years' experience in business development, corporate and project management, project finance and mergers and acquisitions, including 15 years' experience in the mining industry both in Australia and overseas.

3.3 Independence

Mr Fang is an executive director and therefore is not an independent director.

3.4 Board recommendation

The Board supports the election of Mr Fang and recommends that Shareholders vote in favour of Resolution 2.

4. Resolutions 3 to 4 – Ratification of issue of Investor Placement Securities

4.1 Background

On 27 September 2022, the Company announced a capital raising to raise up to approximately \$3.01 million (**Capital Raising**). The Capital Raising consisted of:

- (a) an agreement for a strategic placement of \$2.00 million to Yahua International Investment and Development Co. Ltd (**Yahua**), subject to shareholder approval (**Yahua Placement**); and
- (b) a placement of shares and options to the value of approximately \$1.01 million to sophisticated and professional investors (**Investor Placement**).

The total number of equity securities that the Company agreed to issue under the Capital Raising was within the Company's placement capacity under ASX Listing Rules 7.1 at the time, as explained further below.

On 5 October 2022, the Company issued 34,862,078 fully paid ordinary shares at \$0.029 per Share (**Investor Placement Shares**), with one (1) option exercisable at \$0.05 each expiring on 30 September 2025 (**Investor Placement Options**) attaching free to every five (5) Investor Placement Shares issued, to raise a total of \$1,011,000 before costs. A total of 6,972,416 Investor Placement Options (after rounding) were issued.

The Yahua Placement Securities were issued on 17 October 2022. Further details regarding Yahua are included at Section 5.

The Company's cash balance as at the end of the June 2022 quarter was approximately \$4.609m. Funds raised under the Capital Raising will be used for:

- Development of the Company's Nowa Nowa iron project;
- Trigg Hill Lithium Tantalum Project exploration;
- Taylor Lookout Lithium Project exploration
- New lithium acquisition
- Expenses of the Capital Raising; and
- Working capital.

4.2 Lead Manager Mandate

CPS Capital Group Pty Ltd (**CPS**) was appointed as Lead Manager to the Placement. Under the agreement with the Lead Manager, total fees amounting to 2% of the amounts raised under the Placement (plus GST) were payable by the Company to CPS as a management fee, and 4% of the amounts raised (plus GST) were payable as a placing fee (**Lead Manager Mandate**).

The Company also agreed to issue the Lead Manager or its nominee(s), subject to obtaining Shareholder approval, 3,755,001 options exercisable at \$0.05 each on or before 30 September 2025 (**Lead Manager Options**) at an issue price of \$0.0001 each. The proposed issue of Lead Manager Options is the subject of Resolution 6.

The Lead Manager Mandate was otherwise on customary terms and conditions for this type of agreement.

4.3 Relevant ASX Listing Rules

The Company issued the Investor Placement Shares and Investor Placement Options without prior shareholder approval using its existing placement capacity under ASX Listing Rule 7.1. The Company now seeks shareholder ratification of the issue of the Investor Placement Shares and Investor Placement Options.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 34,862,078 Placement Shares issued under ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 6,972,416 Placement Options issued under ASX Listing Rule 7.1.

4.4 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period (**Placement Capacity**).

4.5 Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

4.6 Effect of the Resolutions

Resolution 3

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 34,862,078 Shares to the participants in the Investor Placement made using the Company's Placement Capacity under ASX Listing Rule 7.1.

The issue of the 34,862,078 Investor Placement Shares effectively used up some of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of their issue.

If shareholders pass this Resolution, the issue of these 34,862,078 Investor Placement Shares will no longer use up a portion of the Company's Placement Capacity, and the base figure (referred to as variable "A" in the formula in ASX Listing Rule 7.1) from which the Company's 15% and 10% annual placement capacities are calculated, will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If shareholders do not pass this Resolution, the issue of these Placement Shares will continue to use up a portion of the Company's Placement Capacity until that date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue equity securities without seeking Shareholder approval until that time.

Resolution 4

The issue of the 6,972,416 Investor Placement Options effectively used up some of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the date of their issue.

If shareholders pass this Resolution, the issue of the Investor Placement Options will no longer use up a portion of the Company's Placement Capacity, meaning the Company will have an increased ability to issue equity securities without seeking Shareholder approval.

If shareholders do not pass this Resolution, the issue of the Investor Placement Options will continue to use up a portion of the Company's Placement Capacity until that date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue equity securities without seeking Shareholder approval until that time.

4.7 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 3 and 4.

4.8 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Investor Placement Shares and Investor Placement Options were issued to sophisticated and professional investors introduced by CPS, the allottees being determined in consultation with the directors. None of the subscribers were a related party of the Company or an associate of any of them, or a party to whom an issue of equity securities requires Shareholder approval under ASX Listing Rule 10.11. None of the allottees was a person whose identity would be deemed to be material in terms of the criteria in ASX Listing Rules Guidance Note 21 (being members of Key Management Personnel, Company advisers, substantial shareholders, or associates of any of these parties, who were issued a number of shares equal to or greater than 1% of the Company's issued capital at the time.
- (b) the number of Equity Securities was:
 - (i) 34,862,078 Investor Placement Shares issued pursuant to ASX Listing Rule 7.1 (Resolution 3);
 - (ii) 6,972,416 Investor Placement Options issued pursuant to ASX Listing Rule 7.1 (Resolution 4)
- (c) the Investor Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Investor Placement Options issued are exercisable at \$0.05 each on or before 30 September 2025 and otherwise on the terms set out in Schedule 1;
- (e) the Investor Placement Shares and Investor Placement Options were issued on 5 October 2022;
- (f) the Investor Placement Shares were issued at an issue price of \$0.029 each, and the Investor Placement Options were issued for no additional consideration attaching to Investor Placement Shares on the basis of one (1) Option for every five (5) Investor Placement Shares issued;
- (g) the Company received \$1,011,000 (before costs of the offer) from the issue of the Investor Placement Shares, which it is using to provide capital for the purposes described at Section 4.1; and
- (h) the Investor Placement Shares and Investor Placement Options were issued pursuant to the Lead Manager Mandate with CPS, the material terms of which are set out at Section 4.2.

5. Resolution 5 – Ratification of issue Shares and Options – Yahua Placement

5.1 Yahua International

On 6 September 2021, the Company announced the execution of a non-binding memorandum of understanding with Yahua for a strategic partnership to acquire and develop lithium projects (**MOU**). The key terms of the MOU contemplate that the parties will do the following:

- Enter into a strategic partnership agreement within 3 months of the date of execution of the MOU to establish a long-term strategic partnership for the supply of spodumene concentrates and the potential acquisition and development of lithium projects in Australia and countries other than China;
- Enter into a joint venture for the acquisition and development of such lithium projects;

- Upon completion of the Company's acquisition of the Trigg Hill Lithium Tantalum Project (see Section 7) and the definition of an initial exploration target, establish a joint venture for the exploration and development for that project; and
- Yahua will be granted a right of first refusal for product offtake from any of the products of the joint ventures, including the Trigg Hill Lithium Tantalum Project.

Yahua is a wholly owned subsidiary of Sichuan Yahua Industrial Group Co Ltd (**Yahua Group**) an A-share listed company on the Shenzhen Stock Exchange in China, with a market capitalisation at the time of the agreement of approximately RMB 30.1 billion (≈AUD 6.75 billion), and is principally engaged in the manufacture and sales of civil explosives and lithium salt products. Yahua Group is one of China's major lithium hydroxide and lithium carbonate producers with existing operations of 43,000 pa refinery for lithium carbonate, lithium hydroxide and other lithium products.

5.2 Yahua Placement

On 27 September 2022, the Company announced, as part of the Capital Raising, its entry into a Subscription Agreement with Yahua (**Yahua Subscription Agreement**), pursuant to which the Company would issue, subject to receiving any relevant government regulatory approval, 68,965,517 Shares (**Yahua Placement Shares**) and 13,793,103 free attaching Options to Yahua (the **Yahua Placement Options**) (together the **Yahua Placement Securities**.) The Yahua Subscription Agreement was subject to various terms and conditions, including the Company obtaining any necessary government regulatory approvals. The Yahua Subscription Agreement was otherwise on customary commercial terms and conditions for such an agreement.

The Yahua Placement Securities were issued on 17 October 2022, on the same terms and at the same price as the Investor Placement Securities.

Resolution 5 seeks Shareholder ratification of the agreement to issue the Yahua Placement Securities. Resolution 5 is an ordinary resolution.

5.3 Listing Rules 7.1 and 7.4

A summary of Listing Rule 7.1 is set out in Section 4.4. A summary of Listing Rule 7.4 is set out in Section 4.5.

5.4 Effect of the Resolution.

The Yahua Placement was made using Placement Capacity under ASX Listing Rule 7.1.

If Shareholders approve this Resolution, the issue of the Yahua Placement Securities will no longer use up a portion of the Company's Placement Capacity, and the Yahua Placement Shares will be included base figure (i.e., variable "A" in the formula in ASX Listing Rule 7.1) from which the Company's 15% and 10% annual placement capacities are calculated. Accordingly, this will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Shareholders do not approve this Resolution, the issue of the Yahua Placement Securities will continue to use up a portion of the Company's Placement Capacity until that date that is 12 months from their date of issue, and the Company will therefore have a reduced ability to issue equity securities without seeking Shareholder approval until that time .

5.5 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

5.6 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of the Yahua Placement Securities:

- (a) the Yahua Placement Shares and Yahua Placement Options were issued to Yahua;
- (b) the number of equity securities issued was:
 - (i) 68,965,517 Shares; and
 - (ii) 13,793,103 Options;
- (c) The Yahua Placement Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Yahua Placement Options are in the same class as the Investor Placement Options and otherwise on the terms set out in Schedule 1;
- (e) the Yahua Placement Securities were issued on 17 October 2022.
- (f) the Yahua Placement Shares were issued at an issue price of \$0.029 each, and the Yahua Placement Options were issued for no additional consideration attaching to Yahua Placement Shares on the basis of one (1) Option for every five (5) Shares issued;
- (g) the Company received \$2,000,000 from the issue of the Yahua Placement Shares, which will be used for the same purposes as the funds raised under the Investor Placement component of the Capital Raising set at Section 4.1; and
- (h) the Yahua Placement Shares and Yahua Placement Options were issued pursuant to the Yahua Subscription Agreement, the material terms of which are summarised at Section 5.2. The Lead Manager will not be paid any fees in respect of the Yahua Placement Securities

6. Resolution 6 – Issue of Options to Lead Manager

6.1 General

The Company entered into the Lead Manager Mandate with CPS, as described at Section 4.2, to manage the Capital Raising. The Company agreed to seek Shareholder approval for the issue of 3,755,001 Options exercisable at \$0.05 each on or before 30 September 2025 to the Lead Manager (or its nominee(s)) (**Lead Manager Options**) as part of its fees under the Lead Manager Mandate.

Resolution 6 seeks Shareholder approval for the issue of these Options to the Lead Manager.

Resolution 6 is an ordinary resolution.

6.2 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 5.4.

6.3 Effect of the Resolutions

The issue of the Lead Manager Options does not come within any exceptions from ASX Listing Rule 7.1. The Company used its Placement Capacity by the agreement to issue the Capital Raising Securities. The issue of the Lead Manager Options requires Shareholder approval under and for the purposes of ASX Listing Rule 7.1.

If Resolution 6 is passed, then the Company will be able to proceed with the issue of Options to the Lead Manager during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using up any part of the Company's Placement Capacity under ASX Listing Rule 7.1.

If Resolution 6 is not passed, the Company will need to agree alternative form of compensation to the Lead Manager.

6.4 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

6.5 Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Lead Manager Options:

- (a) The Lead Manager Options will be issued to CPS (or its nominee(s));
- (b) the maximum number of Lead Manager Options to be issued is 3,755,001;
- (c) the Lead Manager Options will be exercisable at \$0.05 each on or before 30 September 2025 and will be on the terms and conditions set out in Schedule 1;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at an issue price of \$0.0001 per Option;
- (f) a total of \$375.50 will be raised by the issue of the Lead Manager Options;
- (g) funds raised from the issue of the Lead Manager Option will be used for working capital;
- (h) the purpose of the issue of the Lead Manager Options is as part of the compensation payable to the Lead Manager for managing the Capital Raising; and
- (i) the Lead Manager Options are being issued pursuant to the Lead Manager Mandate which is summarised at Section 4.2.

7. Resolution 7 – Issue of Shares to Trigg Hill Lithium Tantalum Project Vendor

7.1 General

The Company on 2 August 2021 executed a binding conditional Heads of Agreement with Amery Holdings Pty Ltd (**Vendor**) to acquire the Trigg Hill Lithium Tantalum Project (**HOA**). The Trigg Hill Project is located in the Shaw River district of the East Pilbara in Western Australia, about 225 km by road from Port Hedland.

The Vendor is the registered holder of a mining tenement covering 5 blocks of the relevant project area, being Exploration Licence E45/5728 (**Tenement**). At the time of entering into the HOA, the Tenement had not yet been granted by the Western Australian Department of Mines, Industry Safety and Resources (**Department**), but it was subsequently granted in February 2022.

Pursuant to the HOA, the Vendor granted the Company an exclusive licence to access and conduct exploration on the Tenement, and an option to acquire all of the Vendor's interest in the Exploration Licence application, and, upon grant of that application, a 100% legal and beneficial interest in the Tenement (the **Trigg Option**).

The Trigg Option can be exercised up to 12 months after the date of grant of the Tenement (**Option Period**) by the Company or a wholly-owned subsidiary of the Company. The Company announced on 19 September 2022 that the Trigg Option had been exercised.

Pursuant to the HOA, the Company agreed to pay the following consideration to the Vendor:

- (a) An Option Fee consisting of:
 - (i) a cash option fee of \$10,000 (**Cash Option Fee**);
 - (ii) an issue to the Vendor or its nominee(s) of number of Shares equal to \$20,000 based on a deemed issue price per Share equal to the volume weighted average price of Shares in the 20 trading days on which sales were recorded immediately prior to the date of execution of the HOA (**Option Fee Shares**);within seven (7) days of the date of the Tenement being granted (**Grant Date**).
- (b) Upon exercise of the Trigg Option:
 - (i) \$250,000 cash consideration to the Vendor or its nominee(s); and
 - (ii) \$500,000 in cash, or, at the Company's election, an issue of Shares to the value of \$500,000 based on a deemed issue price equal to the volume-weighted average price of Shares in the 20 trading days on which sales were recorded immediately prior the exercise of the Trigg Option (**Consideration Shares**)to acquire a 100% interest in the Tenement.

The Company will also pay a royalty to the Vendor of 1.5% of net smelter return on all minerals produced from the Tenement.

The remaining conditions to payment of the consideration pursuant to exercise of the Trigg Option are as follows:

- (a) the Company obtaining all necessary regulatory and Shareholder approvals, including Shareholder approval pursuant to Listing Rule 7.1; and
- (b) the parties obtaining all other necessary third party consents and approvals, including any necessary Ministerial consents pursuant to the Mining Act 1978 (WA).

The conditions are for the benefit of the Company and may be waived by it (in the case of the condition of Ministerial consent, subject to that consent not being required under the Mining Act). Ministerial consent has since been obtained.

The HOA is otherwise on customary commercial terms and conditions for this kind of agreement.

As at the date of this Notice, the Company has paid the Option Fee and issued the Option Fee Shares, and the Trigg Option has been exercised. The Tenement has been granted, and Ministerial consent for the transfer under the Mining Act has been obtained. The Company is seeking Shareholder approval for the issue of the Consideration Shares so that, if the remaining conditions are satisfied or waived and the Company is able to complete payment of the consideration, within the period of 3 months after the Meeting it will be able to issue the Consideration Shares.

Resolution 7 seeks Shareholder approval for the issue of the Consideration Shares.

Resolution 7 is an ordinary resolution.

7.2 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.4.

7.3 Effect of the Resolutions

The issue of the Consideration Shares does not come within any exceptions from ASX Listing Rule 7.1.

If Resolution 7 is passed, and the final conditions to the Company completing the payment of consideration following exercise of the Trigg Option are satisfied, and it elects to pay the consideration by way of issuing the Consideration Shares (rather than paying \$500,000 in cash), then the Company will be able to issue the Consideration Shares during the period of 3 months after the meeting (or a longer period if allowed by ASX) without using up any part of the Company's Placement Capacity under ASX Listing Rule 7.1 .

If Resolution 7 is not passed, and the final conditions to the Company completing the payment of consideration following exercise of the Trigg Option were satisfied, such that the Company wished to exercise the Trigg Option during the period of three months after the date of the Meeting, the Company would have to pay the Vendor \$500,000 in cash in lieu of the issue of the Consideration Shares. This would have the effect of reducing the cash available to the Company for other purposes.

7.4 Board Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

7.5 Technical information required by ASX Listing Rule 7.3

- (a) The Consideration Shares will be issued to Amery Holdings Pty Ltd (or its nominee(s)) who is not a related party of the Company or an associate;
- (b) the maximum number of Consideration Shares to be issued is 16,129,032 the number of Shares obtained by dividing \$500,000 by the VWAP over the 20 trading days on which trades were recorded in the period prior to the date of exercise of the Trigg Option (19 September 2022);
- (c) the Consideration Shares to be issued will be fully paid ordinary shares on the same terms and conditions as the Company's existing Shares;
- (d) the Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) the securities will be issued for non-cash consideration at a deemed issue price of the 20 day VWAP over the 20 trading days on which sales were recorded immediately prior to the date of exercise of the Trigg Option, which was \$0.031;
- (f) no cash will be raised by the issue of either the Consideration Shares;
- (g) the purpose of the issue of the Consideration Shares is to provide the consideration agreed to the Vendor under the HOA for the acquisition of the Tenement; and
- (h) the securities are being issued pursuant to the HOA which is summarised at Section 7.1.

8. Resolutions 8 to 10 – Issue of Performance Rights to Directors

8.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 15,000,000 Performance Rights to the Directors Messrs Fang, King and Hou (or their respective nominees) on the terms and conditions set out below (**Performance Rights**).

The terms of the Performance Rights are set out in Schedule 2. The vesting hurdle for the Performance Rights will be the Company's Share price achieving a 20 day volume weighted average price (**20 day VWAP**) of \$0.06. The terms of the Performance Rights conform to the requirements for such securities in ASX Listing Rules Guidance Note 19.

Resolutions 8 to 10 seek Shareholder approval for the issue of these equity incentives to the Directors or their respective nominees.

Resolutions 8 to 10 are ordinary resolutions.

8.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval

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

The issue of the Performance Rights constitutes giving a financial benefit. Each of Messrs Fang, King and Hou is a related party of the Company by reason of being a Director.

Section 211 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the related party is remuneration as an officer or employee of the company and to give remuneration would be reasonable given the circumstances of the company giving the remuneration and the related party's circumstances (including responsibilities involved in the office or employment).

Section 195 of the Corporations Act provides that a director of a public company must 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 do not have a material personal interest in these Resolutions other than the Resolution to issue Performance Rights to himself or herself. However, in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may have a conflict of interest) the Directors have not considered whether an exception set out in sections 210 to 216 of the Corporations Act applies to these Resolutions. Therefore, the Board has determined in accordance with section 195(4) of the Corporations Act to seek Shareholder approval for the issue of the Performance Rights.

8.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, an entity must not issue, or agree to issue, equity securities to:

- (a) a related party;

- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holding in the entity and who has nominated a director to the board pursuant to a relevant agreement which gives them the right or expectation to do so;
- (d) an associate of a person referred to in paragraphs (a), (b), or (c) above; or
- (e) a person whose relationship with the entity or a person referred to in any of paragraphs (a) to (d) above is such that, in ASX's opinion the issue or agreement should be approved by securityholders,

unless it obtains the approval of its ordinary security holders.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Company therefore seeks the required Shareholder approval for the issue of the Performance Rights, under and for the purposes of Listing Rule 10.11.

There is a separate Resolution in respect of the issue of Performance Rights to each individual Director.

8.4 ASX Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 4.4. Under Listing Rule 7.2 exception 14 an issue of equity securities with approval under Listing Rule 10.11 is an exception from Listing Rule 7.1.

8.5 Effect of the Resolutions

If any or all of Resolutions 8, 9 and 10 are passed, then the Company will be able to proceed with the issue of Performance Rights to the Director the subject of each of the Resolutions that is passed.

If any or all of those Resolutions is not passed, then the Company will not be able to proceed with the issue of Performance Rights to the Director the subject of each Resolution that is not passed. The Company may have to consider alternative methods of providing incentivisation or remuneration to the relevant Director(s) to whom Performance Rights cannot be granted, which may take the form of cash-based payments, which would potentially reduce the Company's cash reserves.

Resolutions 8 to 10 inclusive are ordinary resolutions. The Resolutions are not inter-conditional.

8.6 Board Recommendation

Given the material personal interest of a Director in the Resolution expressly relevant to them, and in the interests of good corporate practice consistent with ASIC Regulatory Guide 76 (Table 2) for directors to avoid making a recommendation for resolutions about each other's remuneration as they may have a conflict of interest, the Directors do not consider it appropriate to give a recommendation on any of Resolutions 8 to 10.

8.7 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Performance Rights the subject of Resolutions 8 to 10:

- (a) the Performance Rights will be issued to each of the following Directors:
 - (i) Myles Fang (or his nominee(s)) (Resolution 8) ;

- (ii) Ariel Edward King (or his nominee(s)) (Resolution 9); and
 - (iii) Jason Hou (or his nominee(s)) (Resolution 10);;
- (b) each of Myles Fang, Ariel Edward King and Jason Hou is a Director of the Company and as a result a Related Party who falls within ASX Listing Rule 10.11.1;
- (c) the maximum number of Performance Rights to be issued to be issued to each Director (or his nominee(s)) is as follows:
- (i) Myles Fang (or his nominee(s)): 5,000,000 Performance Rights (Resolution 8);
 - (ii) Ariel Edward King (or his nominee(s)): 5,000,000 Performance Rights (Resolution 9); and
 - (iii) Jason Hou (or his nominee(s)): 5,000,000 Performance Rights (Resolution 10);
- (d) the Performance Rights will be convertible into one (1) Share each upon the 20 day volume weighted average price of the Company's Shares being at least \$0.06 within three (3) years after the date of their issue, and will expire five (5) years after the date of their issue, and will be issued on the terms and conditions set out in Schedule 3;
- (e) the Performance Rights will be issued as soon as practicable after the date of the Meeting, and in any case no later than one (1) month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that the Performance Rights will all be granted on the same date;
- (f) the Performance Rights will be issued for nil cash consideration. Accordingly, no funds will be raised from the issue of the Performance Rights as the purpose of the issue is to provide an equity incentive as part of the remuneration package for each of the Directors;
- (g) the current total annual remuneration package of each of the Directors (before the issue of the Performance Rights the subject of Resolutions 8 to 10) is as follows:
- (i) Myles Fang

Salary and Fees	
Salary	\$210,000 per annum
Total	\$210,000
Performance Rights	
<i>(issued with shareholder approval at 2021 AGM held on 7 December 2021)</i>	<p>7,000,000 Performance Rights</p> <p><i>Valued at \$0.058 each for total value of \$406,000; refer to Remuneration Report and note 12 to consolidated financial statements in Annual Report for year ended 30 June 2022</i></p> <p><i>The Performance Rights had a vesting hurdle of a 20 day VWAP of \$0.05. These Performance Rights vested and were exercised into Shares on 24 January 2022</i></p>
<i>(subject to Shareholder approval of Resolution 8)</i>	<p>5,000,000 Performance Rights</p> <p><i>Refer to the valuation of these Performance Rights at Section 8.8(d) below</i></p>

(ii) Ariel Edward King

Salary and Fees	
Salary	\$72,000 per annum
Consulting Fees	\$24,000 per annum
Total	\$96,000 per annum
Performance Rights	
<i>(issued with shareholder approval at 2021 AGM held on 7 December 2021)</i>	<p>7,000,000 Performance Rights</p> <p><i>Valued at \$0.058 each for total value of \$406,000; refer to Remuneration Report and note 12 to consolidated financial statements in Annual Report for year ended 30 June 2022</i></p> <p><i>The Performance Rights had a vesting hurdle of a 20 day VWAP of \$0.05. These Performance Rights vested and were exercised into Shares on 24 January 2022</i></p>
<i>(subject to Shareholder approval of Resolution 9)</i>	<p>5,000,000 Performance Rights</p> <p><i>Refer to the valuation of these Performance Rights at Section 8.8(d) below</i></p>

(iii) Jason Hou

Salary and Fees	
Salary	\$72,000 per annum
Consulting Fees	Nil
Total	\$72,000
Performance Rights	
<i>(issued with shareholder approval at 2021 AGM held on 7 December 2021)</i>	<p>7,000,000 Performance Rights</p> <p><i>Valued at \$0.058 each for total value of \$406,000; refer to Remuneration Report and note 12 to consolidated financial statements in Annual Report for year ended 30 June 2022</i></p> <p><i>The Performance Rights had a vesting hurdle of a 20 day VWAP of \$0.05. These Performance Rights vested and were exercised into Shares on 24 January 2022</i></p>
<i>(subject to Shareholder approval of Resolution 10)</i>	<p>5,000,000 Performance Rights</p> <p><i>Refer to the valuation of these Performance Rights at Section 8.8(d) below</i></p>

8.8 Technical information required by Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information (in addition to the information provided in Section 8.7) is provided in relation to the issue of the Performance Rights the subject of Resolutions 8 to 10

- (a) the Performance Rights will be issued to each of the Directors specified in Section 8.7(a);
- (b) the nature of the financial benefit being provided is the Performance Rights. The quantity

and terms of the Performance Rights are set out in Sections 8.7(c) and 8.7(d);

- (c) each Director's interests in the Resolutions and the reasons for not giving a recommendation on these Resolutions is set out in Section 8.6;
- (d) the value of the Performance Rights is set out in the table below. The valuation has been completed by an internal management using a Black-Scholes model valuation and based on the assumptions set out below

Assumption	
Valuation Date	20 October 2022
Underlying security spot price	\$0.038
Exercise price	Nil
Term (Years)	5
Risk free interest rate	2.6%
Dividend yield:	Nil
Volatility (expected)	100%
Indicative Value (\$) (per Performance Right)	\$0.038
Quantity	15,000,000
Value (\$) (Total)	\$570,000
Value (\$) (per Director)	\$190,000
Myles Fang	\$190,000
Ariel Edward King	\$190,000
Jason Hou	\$190,000

- (e) the relevant interests in securities of the Company of the Directors are set out below:

Director	Shares	Options	Performance Rights
Myles Fang ¹	13,754,166	7,008,750	0
Ariel Edward King ²	6,300,000	7,000,000	0
Jason Hou ³	7,000,000	1,000,000	0

1. Securities held by Myles Fang:

- 87,500 Shares registered holder Myles Fang; 6,666,666 Shares: registered holder, Fundmax Pty Ltd, an entity which Mr Fang controls
- 7,000,000 unquoted Director Options exercisable at \$0.0142 each on or before 12 May 2023
- 8,750 quoted Options exercisable at \$0.012 each on or before 31 January 2023; registered holder Myles Fang

2. Securities held by Ariel Edward King:

- 2,100,000 Shares: registered holder La Paz Resources Pty Ltd; 4,200,000 Shares: registered holder King Corporate Pty Ltd, both being entities which Mr King controls
- 7,000,000 unquoted Director Options exercisable at \$0.0142 each on or before 12 May 2023

3. Securities held by Jason Hou:

- 7,000,000 Shares: registered holder Next Street Pty Ltd <ATF Jism Family Trust>
- 1,000,000 unquoted Employee Options exercisable at \$0.0142 each on or before 12 May 2023

- (f) the current total annual remuneration from the Company to the Directors the subject of Resolutions 8 to 10 is set out in Section 8.7(g);
- (g) if the Performance Rights are granted and then exercised, a total of 15,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,116,140,971 (being the number of Shares on issue at the date of this Notice) to 1,131,140,971 (assuming that no Options are exercised or other convertible securities converted, and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 1.344%, comprising approximately 0.447% by Myles Fang, 0.447% by Ariel Edward King, and 0.447% by Jason Hou;
- (h) If, at any time any of the Performance Rights vest and are exercised there may be a perceived cost to the Company as the Shares are trading on ASX at a price that is higher than the price of the Director Performance Rights (being nil).

The highest and lowest closing prices of Shares on ASX during the 12 months preceding the date of this Notice, and the closing price on the trading day before the date of this Notice, are set out below:

	Price	Date
Highest	\$0.097	16 November 2021
Lowest	\$0.021	4 July 2022
Last	\$0.039	20 October 2022

- (i) the Board acknowledges the grant of the Performance Rights to each of Messrs King and Hou (who are Non-Executive Directors) is contrary to Recommendation 8.2 of The Corporate Governance Principles and Recommendations (4th Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of the Performance Rights is reasonable in the circumstances for the reasons set out in paragraph (k);
- (j) the primary purpose of the grant of the Performance Rights is to provide a performance-linked incentive component in their remuneration package to motivate and reward their performance in their respective roles as Directors;
- (k) the Directors consider the grant of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as:

- (i) the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given;
- (ii) the grant of the Performance Rights will align the interests of the Directors with those of Shareholders; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights upon the terms proposed.

In forming their reasoning and determining the quantity of Performance Rights to be granted each Director considered:

- (i) the experience and role of each other Director,
 - (ii) the cash remuneration of each other Director. The Company considers the Directors' emoluments are at comparable levels for base remuneration for directors at mineral exploration companies at a similar stage of development;
 - (iii) the market price of Shares and the current market practices when determining the number of Performance Rights to be granted;
 - (iv) the vesting condition price (which is to be set at a premium to the market price of Shares as at the date of the Company agreeing to seek Shareholder approval for the issue of the Performance Right), and the expiry date of the Performance Rights;
 - (v) the performance milestone is based on the Company's share price achieving a 20 day VWAP target of \$0.06, which represent a substantial increase above the Company's recent trading price, and which is required to be sustained over a reasonable period. The Company considers that a sustained increase in the Company's Share price serves as an appropriate indicator of the Company's successful performance to which vesting of the performance securities is to be linked;
 - (vi) all Directors who are proposed to receive Performance Rights will be involved according to their respective responsibilities in setting the Company's strategy and overseeing the implementation of the Company's exploration and development activities in relation to its projects; and
 - (vii) the Company considers it is appropriate that the Directors should have an incentive component to their remuneration that will vest only if the Company's value increases.
- (l) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8 to 10.

9. Resolution 11 - Enable the issue of Equity Incentives under an Employee Incentive Scheme – Eastern Resources Equity Incentive Plan

9.1 General

Following amendments to the Corporations Act effective 1 October 2022, the Company has decided to implement a new employee incentive scheme titled 'Eastern Resources Equity Incentive Plan' (**Plan**)

which has been updated for consistency with the amendments to the Corporations Act and provides for the issue of Performance Rights and Options.

The Company has previously adopted employee incentive schemes titled 'Eastern Resources Option Plan' (**Option Plan**) and 'Eastern Resources Performance Rights Plan' (**Performance Rights Plan**). The Company's Shareholders approved the issue of securities under each of these Plans for the purposes of the exception 13(b) in Listing Rule 7.2 at the 2021 AGM. Prior issues under those plans will continue to be governed by their rules, however, the Company has decided to discontinue the use of the Option Plan and Performance Rights Plan, and instead future issues will be made under the Plan.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Company that the implementation of the Plan and future issue of Equity Incentives under the Plan will provide selected directors and employees with the opportunity to participate in the future growth of the Company.

The Plan will permit the Company to issue both options and performance rights (**Equity Incentives**). The Company is seeking Shareholder approval under Listing Rule 7.2 exception 13(b) to enable the issue of Equity Incentives under the Plan for a period of 3 years from the date of the Meeting to be an exception from Listing Rule 7.1.

Resolution 11 is an ordinary resolution.

9.2 ASX Listing Rules 7.1 and 7.2 Exception 13

A summary of ASX Listing Rule 7.1 is set out at Section 4.4.

Certain issues of equity securities are exempt from the restrictions of ASX Listing Rule 7.1, and are effectively disregarded for the purposes of determining the number of equity securities that a listed company has issued within a 12 month period.

ASX Listing Rule 7.2 Exception 13 creates an exception from ASX Listing Rule 7.1 for the issue of equity securities pursuant to an employee incentive scheme for a period of 3 years after either:

- (a) the listing of the company, provided that the terms of the employee incentive scheme and the maximum number that may be issued under the scheme were summarised in the company's listing prospectus; or
- (b) shareholders have approved the issue of securities under the employee incentive scheme being an exception from ASX Listing Rule 7.1, provided that the notice of meeting included a summary of the employee incentive scheme and certain required disclosures about the number of securities previously issued under the scheme and the maximum number that may be issued under the scheme.

The exemption is only available for the issue of equity securities under the employee incentive scheme up to the maximum number stated in the prospectus or notice of meeting, as applicable. The exemption also ceases to be available if there is a material change to the terms of the employee incentive scheme after shareholder approval has been obtained.

9.3 Effect of the Resolution

Resolution 11 seeks Shareholder approval for the issue of Equity Incentives under the Plan to be an exception from ASX Listing Rule 7.1 for a period of 3 years from the date of the Meeting.

If Shareholders approve this Resolution, any issue of Equity Incentives under the Plan over the 3 years after the date of the Meeting (up to the maximum number calculated as set out in Section 9.6.3 will not use up a portion of the Company's Placement Capacity when that issue is made. This means that

the Company will preserve its flexibility to issue equity securities without seeking Shareholder approval if and when it grants Options or Performance Rights under the Plan.

It should be noted that if this Resolution is passed, the Company will only be able to issue Equity Incentives under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Equity Incentives to a Director or related party, or any of their associates, under the Plan will require prior Shareholder approval under ASX Listing Rule 10.14.

If Shareholders do not approve this Resolution, the Company may still decide in future to grant Equity Incentives to eligible employees and consultants who are unrelated parties under the Plan, but each such issue will not be exempt from ASX Listing Rule 7.1 and will therefore use up a portion of the Company's Placement Capacity at the relevant time the issue is made (unless another exemption from ASX Listing Rule 7.1 is applicable to such issue of equity securities). The issue of Equity Incentives under the Plan in those circumstances would therefore reduce the number of equity securities that the Company is able to issue using its Placement Capacity without seeking shareholder approval.

9.4 Key terms and conditions of the Equity Incentive Plan

A summary of the key terms and conditions of the Plan is set out in Schedule 3.

9.5 Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

9.6 Technical information required by ASX Listing Rule 7.2 Exception 13

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

- (a) A summary of the Plan is set out at Schedule 3;
- (b) the Company has not yet issued any Equity Securities under the Plan. The Company issued a total of 1,500,000 Options, exercisable at \$.08 each on or before 23 December 2023, under the Option Plan, and 3,500,000 performance rights under the Performance Rights Plan (not including the 21,000,000 Performance Rights issued to directors or their nominees with shareholder approval under Listing Rule 10.14 at the 2021 AGM), to employees and contractors since the last approval of the Option Plan and Performance Rights Plan by Shareholders under Listing Rule 7.2 exception 13 at the 2021 General Meeting; and
- (c) the maximum number of Equity Incentives to be issued under the Plan (other than issues approved by Shareholders under ASX Listing Rule 10.14) following approval under this Resolution at any given time, unless otherwise approved by Shareholders, will be 55,807,048 (being 5% of the number of the Company's fully paid ordinary shares on issue as at the date of this Notice – 1,116,140,971 Shares).

10. Resolution 12 – Approval of 10% Issuance Capacity

10.1 General

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

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

An "eligible entity" means an entity which is not included in the S&P/ASX300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes (based on the closing price and quantity of its Shares on 20 October 2022, being \$0.039 multiplied by 1,116,140,971 = \$43,529,497)

Resolution 12 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval (**Additional Issuance Capacity**).

If Resolution 12 is not passed, the Company will not be able to access the Additional Issuance Capacity and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

The Board considers it is in the Company's best interests to have the opportunity to take advantage of the flexibility to issue additional securities provided under ASX Listing Rule 7.1A. As at the date of this Notice, no decision has been made by the Board to undertake any issue of securities under the Additional Issuance Capacity if Shareholders approve Resolution 12.

Resolution 12 is a special resolution. A special resolution is one of which notice must be given in accordance with section 249L(1)(c) of the Corporations Act, which requires the setting out of the intention to propose a special resolution) and which has to be passed by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution.

The Board unanimously recommend that Shareholders vote in favour of Resolution 12.

The information below provides more background on ASX Listing Rule 7.1A and the disclosure required by ASX Listing Rule 7.3A.

10.2 Technical information required by Listing Rule 7.3A

(a) Securities which may be issued under the Additional Issuance Capacity

Under the Additional Issuance Capacity, the Company can only issue Equity Securities belonging to an existing quoted class of the Company's Equity Securities. As at the date of this Notice, the Company has on issue two classes of quoted Equity Securities, being fully paid ordinary shares (ASX Code: EFE) and Options exercisable at \$0.012 each on or before 31 January 2023 (ASX:EFEOA).

(b) Minimum issue price

Equity Securities issued under the Additional Issuance Capacity must be issued for cash consideration per security which is not less than 75% of the volume weighted average market price for the securities in that class, calculated over the 15 ASX trading days on which trades of securities in that class were recorded immediately before:

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

The Company will disclose this information when Equity Securities are issued under the Additional Issuance Capacity.

(c) **Period for which approval will be valid**

Shareholder approval of the Additional Issuance Capacity will be valid for the period commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) if the Company receives Shareholder approval for a proposed transaction under ASX Listing Rule 11.1.2 (significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking), the time and date of that approval,

(Additional Issuance Period).

(d) **Dilution risks**

If Equity Securities are issued under the Additional Issuance Capacity, there is a risk of economic and voting dilution of existing Shareholders, including the following risks:

- (i) the market price for Equity Securities in the class of securities issued under the Additional Issuance Capacity may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A (that is, the date of the Meeting, if Resolution 12 is approved); and
- (ii) the Equity Securities may be issued under the Additional Issuance Capacity at a discount to the market price for those Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the potential dilution of existing Shareholders on the basis of the market price of Shares and the number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2, both as at 20 October 2022.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at 17 October 2022. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlement offer or securities issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future general meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the market price as at 20 October 2022.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.0195 50% decrease in Issue Price	\$0.039 Issue Price	\$0.0585 50% increase in Issue Price
1,116,140,971 (Current Variable A)	Shares issued - 10% voting dilution	111,614,097	111,614,097	111,614,097
	Funds Raised	\$2,176,475	\$4,352,950	\$6,529,425

1,674,211,457 (50% increase in Variable A)	Shares issued – 10% voting dilution	167,421,145	167,421,145	167,421,145
	Funds Raised	\$3,264,712	\$6,529,425	\$9,794,137
2,232,281,942 (100% increase in Variable A)	Shares issued – 10% voting dilution	223,228,194	223,228,194	223,228,194
	Funds Raised	\$4,352,950	\$8,705,900	\$13,058,849

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

The table above uses the following assumptions:

1. There are currently 1,116,140,971 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 20 October 2022.
3. The Company issues the maximum possible number of Equity Securities under the Additional Issuance Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the Additional Issuance Capacity consists only of Shares and the consideration provided for those Shares is cash. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(e) **Purpose of issues under Additional Issuance Capacity**

The Company may issue Equity Securities under the Additional Issuance Capacity to raise cash to fund the following:

- (i) general working capital expenses;
- (ii) activities associated with its current business;
- (iii) repayment of debt; or
- (iv) the acquisition of new assets and investments (including any expenses associated with such an acquisition).

The Company will comply with the disclosure requirements of ASX Listing Rule 7.1A.4 on issue of any Equity Securities pursuant to the approval sought by Resolution 17.

(f) **Allocation policy under Additional Issuance Capacity**

The Company's allocation policy and the identity of the recipients of Equity Securities issued under the Additional Issuance Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion.

No decision has been made in relation to an issue of Equity Securities under the Additional Issuance Capacity, including whether the Company will engage with new investors or existing Shareholders, and if so the identities of any such persons.

However, when determining the allocation policy and the identity of the recipients, the Company will have regard to the following considerations:

- (i) prevailing market conditions;

- (ii) the purpose for the issue of the Equity Securities;
- (iii) the financial situation and solvency of the Company;
- (iv) impacts of the placement on control;
- (v) other methods of raising capital; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Recipients may include existing Shareholders or new investors, but not persons who are related parties or associates of related parties of the Company. If the issue is made in connection with the acquisition of assets, the recipients may be the sellers of those assets.

(g) **Previous issues under the Additional Issuance Capacity**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 7 December 2021 (**Previous Approval**).

The Company has not issued or agreed to issue the following Equity Securities under a previous Additional Issuance Capacity in the 12 months prior to the date of the Meeting.

10.3 Voting exclusion

At the time of dispatching this Notice, the Company is not proposing to make an issue of Equity Securities under the Additional Issuance Capacity, and a voting exclusion statement is therefore not included in this Notice

Glossary

\$ means Australian dollars.

Additional Issuance Capacity has the meaning given in Section 10.1

AEDT means **Australian Eastern Daylight Time** as observed in Sydney, NSW.

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

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2022.

ASIC means the Australian Securities & Investments Commission.

ASX means **ASX Limited** (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Capital Raising means the issues of securities consisting of the Investor Placement Securities and the Yahua Placement Securities.

Capital Raising Securities means the Investor Placement Securities and the Yahua Placement Securities.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Eastern Resources Limited ACN 126 678 037.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

CPS means CPS Capital Group Pty Ltd (ACN 088 055 636 / AFSL 294848).

Directors means the current directors of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Investor Placement Option means an option to acquire a Share on the terms and conditions set out in Schedule 1, the subject of Resolution 4.

Investor Placement Shares means the Shares the subject of Resolution 3.

Investor Placement Securities means the Investor Placement Shares and Investor Placement Options.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means CPS.

Lead Manager Mandate means the agreement to manage the Capital Raising between the Company and CPS summarised in the ASX announcement dated 27 September 2022.

Lead Manager Options means the Options the subject of Resolution 6.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Rights means a Performance Right on the terms and conditions set out in Schedule 2.

Plan means the employee incentive scheme titled "Eastern Resources Equity Incentive Plan" the subject of Resolution 11.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's Report.

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

Schedule means a schedule to this Notice.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

Yahua Placement Options means an Option on the terms and conditions set out in Schedule 1, the subject of Resolution 5.

Yahua Placement Shares means the Shares the subject of Resolution 5.

Yahua Placement Securities means the Yahua Placement Shares and Yahua Placement Options.

Schedule 1 Terms and Conditions of Investor Placement Options, Yahua Placement Options and Lead Manager Options

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on or before 30 September 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

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

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

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in exercise price or number of underlying securities**

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

(l) **Transferability**

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

Schedule 2 Terms and Conditions of Performance Rights

(a) **Entitlement**

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

(b) **Grant and exercise price**

No cash consideration is payable on the issue of or exercise of a Performance Right.

(c) **Expiry Date**

Unless otherwise determined by the rules of the Plan, each Performance Right will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue. (**Expiry Date**). A Performance Right not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

The Performance Rights will vest upon satisfaction of the following condition:

- (i) The volume weighted average price over a period of 20 consecutive Trading Days on which trades in the Shares are recorded on ASX being at least \$0.06, within three (3) years from the date of issue

(**Vesting Condition**).

(e) **Exercise Period**

The Performance Rights are exercisable at any time on and from the date upon which the relevant Vesting Conditions have been satisfied (or waived in accordance with the rules of the Plan), until the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

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

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

Following the date of receipt of a validly issued Notice of Exercise and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the Notice of Exercise; and
- (ii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

Also, if required, the Company will give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (**Cleansing Notice**), or, if the Company is unable to issue a Cleansing 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. If a Cleansing Notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

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

(j) **Participation in new issues**

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

(k) **Change in number of underlying securities**

A Performance Right does not confer a change in the number of underlying securities over which the Performance Right can be exercised.

(l) **No voting or dividend rights**

A Performance Right does not carry any voting rights or entitle the holder to any dividends.

(m) **Rights on winding up**

A Performance Right does not confer any right to participate in the surplus profits or assets of the Company upon winding up of the Company. The Performance Rights do not confer any right to a return of capital, whether in winding up, upon reduction of capital or otherwise.

(n) **Transferability**

A Performance Right is not transferable other than a manner consistent with the ASX Listing Rules.

Schedule 3 – Key terms of Eastern Resources Equity Incentive Plan

The key terms of the Eastern Resources Equity Incentive Plan are summarised below:

- (a) **Eligibility:** Participants in the Plan may be:
- (i) an employee or Director (whether executive or non-executive) of, or any individual who provides services to, the Company and any Associated Body Corporate of the Company (each a **Group Company**);
 - (ii) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under subparagraph (i); or,
 - (iii) a person prescribed by the Corporations Regulations for the purposes of section 1100L(1)(a)(iv) of the Corporations Act,
- who is declared by the Board to be eligible to receive grants of Equity Incentives under the Plan (**Eligible Participants**).
- (b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Equity Incentives, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.
- (c) **Limit on Offers:** The Company must have reasonable grounds to believe, when making an Offer to which the limit on Offers as set out in section 1100V of the Corporations Act applies, that the number of Shares to be received on exercise of Equity Incentives offered under such an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made as covered by section 1100V(1)(b) of the Corporations Act at any time during the 3 year period ending on the day the Offer is made, will not exceed, if the Constitution specifies an issue cap percentage, that percentage, otherwise, the greater of:
- (i) 5% of the total number of Shares on issue at the start of the day the Offer is made; or
 - (ii) such other percentage prescribed by the Corporations Regulations for the purposes of section 1100V(2)(b)(iii).
- (d) **Issue price:** Unless the Equity Incentives are Options quoted on the ASX, Equity Incentives issued under the Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** An Equity Incentive may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Equity Incentive.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Equity Incentives have been granted under the Plan or their nominee where the Equity Incentives have been granted to the nominee of the Eligible Participant), resolve to waive any of the Vesting Conditions applying to Equity Incentives due to:
- (i) Special Circumstances arising in relation to a Relevant Person in respect of those Equity Incentives; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

- (g) **Lapse:** An Equity Incentive will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Equity Incentive;
 - (ii) a Vesting Condition in relation to the Equity Incentive is not satisfied by its due date, or becomes incapable of satisfaction as determined by the Board in its sole discretion, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Equity Incentive only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Equity Incentive in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Equity Incentives to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Equity Incentives only, a relevant person ceases to be an Eligible Participant and the Equity Incentive granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that an Equity Incentive lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) in respect of unvested Equity Incentive only, the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Equity Incentive;
 - (vii) the expiry date of the Equity Incentive.
- (h) **Not transferrable:** Equity Incentives are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Cashless exercise:** Subject to the terms of the Offer, a Participant may elect to exercise vested Options by way of a 'cashless exercise'. Where a Participant makes such an election, rather than the Participant being required to pay the Option Exercise Price for each Option to be exercised, the Company will issue the Participant with a smaller number of Shares on the exercise of the Options representing the difference between the value of the Shares to be issued and the Option Exercise Price as determined by the following formula (rounded down to a whole number of Shares):
- $$\text{Number of Options exercised} \times \frac{(\text{Closing Share Price} - \text{Option Exercise Price})}{\text{Closing Share Price}}$$
- Where **Closing Share Price** means the closing Share price on the date of receipt by the Company of the exercise notice for the Options.
- (j) **Shares:** Shares resulting from the exercise of the Equity Incentives shall, subject to any Sale Restrictions (refer paragraph (l) from the date of issue, rank on equal terms with all other Shares on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.
- (k) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Equity Incentives issued under the Plan are quoted on the ASX, the Company will, subject to the Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the

Shares are issued and the date any restriction period applying to the disposal of Shares ends.

- (l) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Equity Incentives, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Equity Incentives up to a maximum of seven (7) years from the grant date of the Equity Incentives. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (m) **No Participation Rights:** There are no participating rights or entitlements inherent in the Equity Incentives and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Equity Incentives.
- (n) **Change in exercise price or number of underlying securities:** Unless specified in the offer of the Equity Incentives and subject to compliance with the Listing Rules, an Equity Incentive does not confer the right to a change in exercise price (if any) or the number of underlying Shares over which the Equity Incentive can be exercised.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Equity Incentive are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.
- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Equity Incentive granted under the Plan including giving any amendment retrospective effect.
- (q) **Trust:** The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Equity Incentives, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.
- (r) **Definitions:** Capitalised terms used in the above summary are as defined in the Equity Incentive Plan, including:
 - (i) **Associated Body Corporate** means:
 - (A) a related body corporate (as defined in the Corporations Act) of the Company;
 - (B) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
 - (C) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.
 - (ii) **Change of Control** means:
 - (A) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in more than 50% of the Company's issued Shares;
 - (B) 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

- (C) 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.
- (iii) **Relevant Person** means:
 - (A) in respect of an Eligible Participant, that person; and
 - (B) in respect of a nominee of an Eligible Participant, that Eligible Participant.
- (iv) **Special Circumstances** means:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - i. death or Total or Permanent Disability of a Relevant Person; or
 - ii. Retirement or Redundancy of a Relevant Person;
 - (B) a Relevant Person suffering Severe Financial Hardship;
 - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.