

6 June 2023

Dear Shareholder

Notice is hereby given that a General Meeting of Shareholders of Forrestania Resources Limited (**Company**) will be held at Suite 2, 38 Colin Street, West Perth, 6005, on Thursday 6 July 2023, at 10:00am (AWST).

The Board has made the decision that it will hold a physical meeting with appropriate social distancing measure in place. In accordance with Part 1.2AA of the Corporation Act, Notice of General Meeting (**Notice**) including the Explanatory Statement will not be printed and despatched to Shareholders unless an election to this effect has been made.

Instead the Notice of Meeting and accompanying explanatory statement (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the [announcements](#) section of the Company's website,
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at [https://www2.asx.com.au/markets/company/frs\\_](https://www2.asx.com.au/markets/company/frs_) under the Company's ASX code "FRS", and
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

Conversely, shareholders who receive their communications electronically will, as they have on previous occasions, receive an email from the Company's share registry, Automic Group, with links directing them to this notice and the online voting portal <https://investor.automic.com.au/#/loginsah>

The Company further advises that voting on all resolutions will be conducted by a poll and encourages those shareholders who cannot attend the meeting to lodge their proxy forms no later than 48 hours before the meeting, being 10:00am (AWST) on Tuesday, 4 July 2023. Any proxy forms received after that time will not be valid for the meeting.

This ASX announcement has been authorised for release by the Company Secretary of Forrestania Resources Limited.

**CECILIA TYNDALL**  
Company Secretary

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**FORRESTANIA RESOURCES LIMITED**  
**ACN 647 899 698**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00am  
**DATE:** Thursday 6 July 2023  
**PLACE:** Unit 2, 38 Colin Street  
West Perth WA 6005

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

***This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their 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 10.00 am on Tuesday 4 July 2023.***

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## **BUSINESS OF THE MEETING**

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### **AGENDA**

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**1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF DIRECTOR PERFORMANCE RIGHTS – DR MICHAEL ANDERSON**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Director Performance rights to Dr Michael Anderson under Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum.”*

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

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**2. RESOLUTION 2 - APPROVAL OF NEW PLAN**

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

*“That, pursuant to and in accordance with exception 13(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the new employee securities incentive scheme of the Company known as the ‘Forrestania Resources Limited Employee Securities Incentive Plan’ and the issue of up to 15,000,000 Securities under the New Plan, on the terms and conditions in the Explanatory Notes.”*

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

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**3. RESOLUTION 3 – APPROVAL TO ISSUE UNDERWRITER OPTIONS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,000,000 Underwriter Options on the terms and conditions set out in the Explanatory Memorandum.”*

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

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**Dated: 6 June 2023**

**By order of the Board**

**Cecilia Tyndall  
Company Secretary**

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

<b>Resolution 1 – Ratification of prior issue of Rights</b>	Dr Anderson who participated in the issue of the Director Performance Rights, or any of his associates.
<b>Resolution 2 – Approval of New Plan</b>	<p>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:</p> <p>(a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on the Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<b>Resolution 3 – Approval to issue Underwriter Options</b>	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Underwriter Options (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Underwriter), or an associate of that person (or those persons).

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

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

### **Voting by proxy**

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

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

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

Shareholders and their proxies should be aware that:

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

### **Voting in person**

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

You may still attend the Meeting and vote in person even if you have lodged appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form with you, you can still attend the Meeting but representatives from Automic Group will need to verify your identity. You can register from 10.15am on the day of the Meeting.

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 400 596 734.***

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## EXPLANATORY STATEMENT

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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.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF RIGHTS – DR MICHAEL ANDERSON

#### 1.1 Background

As announced on 20 February 2023, current Executive Director, Dr Michael Anderson, has been appointed Managing Director of the Company, effective from 7 March 2023.

The terms upon which Dr Anderson was appointed as Managing Director are as follows.

- (a) **Base salary:** Dr Anderson is entitled to receive a base salary of A\$300,000 per annum.
- (b) **Termination period:** 3 months' notice by either party or immediately by the Company by paying out the notice period.
- (c) **Director Performance Rights:** under the employment agreement, Dr Anderson was entitled to be issued an aggregate of 10,000,000 performance rights which will vest into Shares on a 1:1 basis in five tranches, subject to satisfaction of the terms and conditions set out in Schedule 1 (**Director Performance Rights**).

The employment agreement between the Company and Dr Anderson otherwise contains terms and conditions considered typical for an agreement of its type.

The Director Performance Rights were agreed to be issued to Dr Anderson as part of his appointment. The Company issued them without seeking Shareholder approval under exception 12 under Listing Rule 10.12, which is an exception to Listing Rule 10.11.

#### 1.2 Listing Rules 7.1, 7.1A and 7.4

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 28 November 2022.

The issue of the Director Performance Rights does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12-month period following the issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities

made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 1 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% additional placement capacity set out in Listing Rule 7.1 and the 10% additional placement capacity set out in Listing Rule 7.1A, without the requirement to obtain prior Shareholder approval.

If Resolution 1 is passed, 10,000,000 Director Performance Rights will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, 10,000,000 Director Performance Rights will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 10,000,000 Equity Securities for the 12 month period following the issue of those 10,000,000 Director Performance Rights.

### **1.3 Specific information required by Listing Rule 7.5**

Pursuant to, and in accordance with Listing Rule 7.5, the following information is provided in relation to the issue of the Director Performance Rights:

- (a) the Director Performance Rights were issued to Dr Anderson (or his nominee), in his capacity as Managing Director;
- (b) 10,000,000 Director Performance Rights have been issued to Dr Anderson (or his nominee);
- (c) the terms of the issued Director Performance Rights are as follows:

All Director Performance Rights expire five (5) years from the date of issue.

	Performance Rights	Vesting condition
Tranche A	2,000,000	Delineation of a JORC inferred resource of >10MT @ >1.0% Li2O on any one of the Company's current or future projects ( <b>Projects</b> ) or aggregated across all of the Company's Projects; or 500,000 oz JORC inferred resource of Au @ > 2.0 g/t on any one of the Company's Projects or aggregated across all of the Company's Projects; or the Company entering into a commercial transaction <sup>1</sup> with a net present value (NPV) of greater than \$250m, where the NPV will be calculated using the following formula: $NPV = \frac{R_t}{(1+i)^t}$ Rt = net cash flow at time (t) I = discount rate t = time of the cash flow
Tranche B	2,000,000	Delineation of a JORC inferred resource of >20MT @ >1.0% Li2O on any one of the Company's Projects or aggregated across all of the Company's Projects; or 1,000,000 oz JORC inferred resource of Au @ > 2.0 g/t on any one of the Company's Projects or aggregated across all of the Company's Projects; or the Company entering into a commercial transaction <sup>1</sup> with a NPV of greater than \$500m, where the NPV will be calculated using the following formula: $NPV = \frac{R_t}{(1+i)^t}$ Rt = net cash flow at time (t) I = discount rate t = time of the cash flow
Tranche C	2,000,000	Share price being > \$0.30 for more than 5 consecutive trading days
Tranche D	2,000,000	Share price being > \$0.60 for more than 5 consecutive trading days
Tranche E	2,000,000	Market capitalisation of > \$100m for more than 5 consecutive trading days

<sup>1</sup> this includes offtake agreement, minigate sale, interest in JV, etc

- (d) the Director Performance Rights were issued on 8 March 2023;
- (e) the Director Performance Rights were issued for nil cash consideration as part of the appointment of Dr Anderson to the role of Managing Director of the Company;
- (f) the purpose of the issue of the Director Performance Rights is to motivate and reward Dr Anderson's performance as Managing Director;
- (g) the Director Performance Rights were issued pursuant to Dr Anderson's executive services agreement, set out in Section 1.1 above; and
- (h) pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Anderson (and his nominees), and any other person who will obtain a material benefit as a result of the issue of the Director Performance Rights (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

## 1.4 Additional information

Resolution 1 is an ordinary resolution.

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

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## 2. RESOLUTION 2 – APPROVAL OF NEW PLAN

### 2.1 General

On 1 October 2022, amendments to the Corporations Act commenced, simplifying the process for incentivising participants under employee share schemes (**ESS**). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a separate regime for the making of offers in connection with an ESS (**New Regime**). This regime will replace the current relief afforded by ASIC Class Order 14/1000 (**Class Order**), which commenced on 30 October 2014. Entities may continue to make new offers under the Class Order relief until 1 January 2023.

In order to ensure that the Company is afforded the relief provided by the New Regime, the Company considers it necessary to adopt a new ESS that makes reference to the New Regime and includes the changes that came into effect on 1 October 2022.

Resolution 2 seeks Shareholder approval for the adoption of the new ESS titled the 'Forrestania Resources Limited Employee Securities Incentive Plan' (**New Plan**) in accordance with Listing Rule 7.2 exception 13(b), for the sole purpose of ensuring that the Company is afforded the relief provided by the New Regime.

Under the New Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the New Plan. A summary of the key terms and conditions is in Schedule 2. In addition, a copy of the New Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the New Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### 2.2 Key changes between the Class Order and New Regime

The following table summarises the key changes that will be implemented by the New Regime for "Invitations" (within the meaning given in the New Plan) made under the New Plan:

	Previous Class Order	New Regime
Disclosure obligations	<p>The Class Order mandates certain information that must be provided to ESS participants.</p> <p>There is no difference between the disclosure requirements where ESS Interests are offered for monetary consideration or for no monetary consideration.</p>	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There are no prescribed disclosure obligations, other than a statement that the offer is made under Division 1A.</p> <p><b>If the offer of ESS Interests is for monetary consideration:</b></p> <ul style="list-style-type: none"><li>Certain prescribed disclosure requirements apply. These disclosure requirements are similar (although different) to the</li></ul>

	Previous Class Order	New Regime
		<p>current disclosure requirements under the Class Order.</p> <ul style="list-style-type: none"> <li>The participant cannot acquire the ESS Interests until 14 days after receiving the above disclosure. This mandates a waiting period ensuring a participant has time to consider their decision and seek legal financial advice.</li> <li>Any associated trust, contribution plan and loan arrangement will need to comply with specified requirements.</li> </ul>
Eligible participants	<ul style="list-style-type: none"> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Casual employees and contractors, provided they work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the entity.</li> </ul>	<ul style="list-style-type: none"> <li>Directors;</li> <li>Full-time and part-time employees;</li> <li>Any service providers to the entity (with no minimum requirement of hours of service provided);</li> <li>Certain 'related persons' to the above.</li> </ul>
5% limit	The maximum number of ESS Interests that can be issued under the Class Order relief over a three-year period is 5% of the issued share capital.	<p><b>If the offer of ESS Interests is for no monetary consideration:</b> There is no limit on the number of such ESS Interests that may be issued.</p> <p><b>If the offer of ESS Interests is for monetary consideration:</b> The number of ESS Interests issued over a three-year period must not exceed 5% of the issued share capital. Entities may specify a different issue cap in their constitution.</p>
Suspension	For the Class Order relief to be available, the entity's shares must not have been suspended for more than 5 days over the previous 12 months.	The new regime permits an entity to offer ESS Interests regardless of any suspension to the trading of its shares.
ASIC involvement	A 'Notice of Reliance' must be submitted to ASIC to rely on the Class Order relief.	<p>There are no ASIC lodgement requirements.</p> <p>ASIC has the power to require the provision of documents necessary in order to form an opinion about whether the regime has been complied with.</p> <p>ASIC has also been given express enforcement powers including the ability to issue 'stop orders'.</p>
Criminal offences	N/A	New ESS related criminal offences have been introduced regarding

	Previous Class Order	New Regime
		certain misleading or deceptive statements or omissions.

### 2.3 Listing Rules 7.1 and 7.2, exception 13(b)

Broadly speaking, Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period.

Listing Rule 7.2, exception 13(b), provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of three years from the date on which Shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Listing Rule 7.2, exception 13(b), ceases to be available to the Company if there is a material change to the terms of the New Plan from those set out in this Notice in Schedule 2.

If Resolution 2 is passed, the Company will be able to issue up to a maximum of 15,000,000 Equity Securities under the New Plan pursuant to Listing Rule 7.2, exception 13(b), to eligible participants over a period of three years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the New Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

If Resolution 2 is not passed, any issue of Equity Securities pursuant to the New Plan will be made either with Shareholder approval or, in default of Shareholder approval, pursuant to the Company's placement capacity under either or both Listing Rules 7.1 and 7.1A.

### 2.4 Specific information required by Listing Rule 7.2, exception 13(b)

Pursuant to and in accordance with Listing Rule 7.2, exception 13(b), the following information is provided in relation to the New Plan:

- (a) a summary of the material terms of the New Plan is in Schedule 2;
- (b) as at the date of this Notice, no Equity Securities have been issued under the New Plan;
- (c) the Company adopted its existing employee securities incentive plan under Listing Rule 7.2, exception 13(a) upon its admission to the Official List of ASX on 13 July 2021 (**Existing Plan**). Since that date, the Company has issued the following Equity Securities under the Existing Plan:

Date	Class of Securities	Number
17/08/2021	Options – Exercise price \$0.30, Expiry Date 17/08/25	500,000
17/02/2022	Options – Exercise price \$0.65, Expiry Date 17/07/25	750,000
17/02/2022	Options - Exercise price \$0.60, Expiry Date 17/07/25	750,000

17/02/2022	Options – Exercise price \$0.65, Expiry Date 17/07/25	375,000
17/02/2022	Options – Exercise price \$0.60, Expiry Date 17/07/25	375,000
17/02/2022	Options – Exercise price \$0.65, Expiry Date 17/07/25	375,000
17/02/2022	Options – Exercise price \$0.60, Expiry Date 17/07/25	375,000
11/04/2022	Options - Exercise price \$0.65, Expiry Date 16/11/25	125,000
11/04/2022	Options - Exercise price \$0.65, Expiry Date 16/11/25	125,000

- (d) the maximum number of Equity Securities proposed to be issued under the New Plan pursuant to Listing Rule 7.2, exception 13(b), following approval of Resolution 2 is 15,000,000 (subject to adjustment in the event of a reorganisation of capital and further subject to applicable laws and the Listing Rules). The maximum number of Equity Securities is not intended to be a prediction of the actual number to be issued under the New Plan but is specified for the purpose of setting a ceiling in accordance with Listing Rule 7.2 exception 13(b). It is not envisaged that the maximum number of Equity Securities for which approval is obtained will be issued immediately; and
- (e) a voting exclusion statement is included in the Notice.

## 2.5 Additional information

Resolution 2 is an ordinary resolution.

The Board declines to make a recommendation in relation to Resolution 2 due to their personal interests in the outcome of the Resolution.

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## 3. BACKGROUND TO RESOLUTION 3

### 3.1 Background

As announced on 29 May 2023, pursuant to a prospectus dated 29 May 2023 (**Prospectus**), the Company is undertaking a pro-rata non-renounceable rights issue of two (2) Shares for every five (5) Shares held by those Shareholders registered at the record date at an issue price of \$0.07 per Share, together with one (1) free attaching Option for every one (1) Share applied for and issued, exercisable at \$0.15 each on or before 30 June 2026, to raise approximately \$1,935,607 (before expenses) (**Rights Issue**).

Further details in respect of the Rights Issue are set out in the announcement and the Company's prospectus dated 29 May 2023.

### 3.2 Underwriter

The Company entered into an agreement with RM Corporate Finance Pty Ltd (ACN 108 084 386) (AFSL 315 235) (**Underwriter**) pursuant to which the Underwriter agreed to fully underwrite the Rights Issue (**Underwriting Agreement**). A summary of the material terms of the Underwriting Agreement is set out below.

<b>Term</b>	The Underwriting Agreement commenced on 27 May 2023 and will continue until terminated in accordance with the terms and continues of the Underwriting Agreement.
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<b>Fees</b>	<p>In consideration for underwriting the Entitlement Offer, the Company agreed to pay/issue the Underwriter:</p> <ul style="list-style-type: none"> <li>(a) an underwriting fee of 5% of the gross proceeds of the Rights Issue; and</li> <li>(b) 2,000,000 options exercisable at \$0.15 each on or before 30 June 2026 (<b>Underwriter Options</b>). The Company is seeking Shareholder approval pursuant to Resolution 3 for the issue of the Underwriter Options.</li> </ul>
<b>Reimbursement of expenses</b>	<p>The Company will reimburse the Underwriter of all reasonable costs and expenses incurred in relation to the engagement of the Underwriter under the Underwriting Agreement, with aggregate expenses exceeding \$5,000 requiring prior written approval from the Company.</p>
<b>Termination</b>	<p>The Underwriter may terminate the Underwriting Agreement if:</p> <ul style="list-style-type: none"> <li>(a) <b>Hostilities:</b> there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, the United Kingdom, the United States of America, Canada, India, Pakistan, or the Peoples Republic of China or any member of the European Union and the Underwriter believes (on reasonable grounds) that the outbreak or escalation is likely to result in the S&amp;P ASX 200 Index falling by 10% or more;</li> <li>(b) <b>Default:</b> default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;</li> <li>(c) <b>Incorrect or untrue representation:</b> any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;</li> <li>(d) <b>Contravention of constitution or Act:</b> a material contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;</li> <li>(e) <b>Adverse change:</b> an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;</li> <li>(f) <b>Significant change:</b> a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;</li> <li>(g) <b>Public statements:</b> without the prior approval of the Underwriter a public statement is made by the Company in relation to the Rights Issue or the Prospectus other than a statement the Company is required to make in order to</li> </ul>

comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;

- (h) **Misleading information:** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (i) **Official Quotation qualified:** the official quotation is qualified or conditional other than as set out in the Underwriting Agreement;
- (j) **Change in Act or policy:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of the Underwriting Agreement;
- (k) **Prescribed Occurrence:** a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (l) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (m) **Event of Insolvency:** an event of insolvency occurs in respect of the Company;
- (n) **Judgment against the Company:** a judgment in an amount exceeding \$100,000.00 is obtained against the Company and is not set aside or satisfied within 7 days;
- (o) **Litigation:** litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against the Company except as disclosed in the Prospectus;
- (p) **Board and senior management composition:** there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the Securities under the Rights Issue without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (q) **Change in shareholdings:** there is a material change in the major or controlling shareholdings of the Company (other than as a result of the Rights Issue or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company;
- (r) **Timetable:** there is a delay in any specified date in the timetable which is greater than 2 Business Days;
- (s) **Force Majeure:** a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (t) **Certain resolutions passed:** the Company passes or takes any steps to pass a resolution under Section 254N, Section

257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

- (u) **Capital Structure:** the Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon exercise of Options, such Options having been disclosed to the ASX as at the date of the Underwriting Agreement;
- (v) **Breach of Material Contracts:** any of the contracts is terminated or substantially modified; or
- (w) **Market Conditions:** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement otherwise contains terms and conditions considered standard for an agreement of this kind.

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## 4. RESOLUTION 3 – APPROVAL TO ISSUE UNDERWRITER OPTIONS

### 4.1 General

Refer to Section 3.1 above for the background to the Rights Issue.

Resolution 3 seeks the approval of Shareholders pursuant to and in accordance with Listing rule 7.1 to issue the Underwriter Options.

As summarised in Section 1.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Underwriter Options does not fit within any of the exceptions to Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

### 4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company can proceed to issue the Underwriter Options. In addition, the issue of the Underwriter Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Underwriter Options and will have to consider alternative commercial means to pay the Underwriter for its services, which may include issuing the Underwriter Options using any available 15% placement capacity permitted under Listing Rule 7.1.

### 4.3 Specific information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Underwriter Options will be issued to the Underwriter (or its nominees);
- (b) a maximum of 2,000,000 Underwriter Options will be issued to the Underwriter (or its nominees);
- (c) the Underwriter are exercisable at \$0.15 each and expire on 30 June 2026 and are otherwise subject to the terms and conditions set out in Schedule 3;
- (d) the Underwriter 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 Listing Rules) and it is intended that issue of the Underwriter Options will occur on the same date;
- (e) the Underwriter Options will be issued at a nil issue price, in consideration for underwriter services provided by the Underwriter;
- (f) the purpose of the issue of the Underwriter Options is to satisfy the Company's obligations under the Underwriting Agreement;
- (g) the Underwriter Options are being issued under the Underwriting Agreement. A summary of the material terms of the Underwriting Agreement is set out in Section 3.2 above; and
- (h) the Underwriter Options are not being issued under, or to fund, a reverse takeover.

#### **4.4 Additional information**

Resolution 3 is an ordinary resolution.

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

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Rights & Investments Commission.

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

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Forrester Resources Limited (ACN 647 899 698).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Director Performance Rights** has the meaning given to it in Section 1.8

**Equity Rights** 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.

**ESS** means employee share scheme.

**ESS Interest** has the meaning given in section 1100M of the Corporations Act.

**Existing Plan** has the meaning given in Section 2.4(c).

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or

if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Managing Director** means the managing director of the Company who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected to the office.

**Meeting** means the meeting convened by the Notice.

**New Plan** means the 'Forrestania Resources Limited Employee Securities Incentive Plan', the subject of Resolution 2.

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

**Plan Securities** has the meaning given in Section 3.1.

**Proxy Form** means the proxy form accompanying the Notice.

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

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Voting Exclusion** means the exclusion of particular Shareholders from voting on a particular Resolution.

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

## SCHEDULE 1 – TERMS AND CONDITIONS OF DIRECTOR PERFORMANCE RIGHTS

The terms and conditions of the Director Performance Rights (**Performance Rights**) are as follows:

1. (**Entitlement**): Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one fully paid ordinary share in the capital of the Company (**Share**).
2. (**Issue Price**): The Performance Rights are issued for nil cash consideration.
3. (**Vesting Conditions**): Subject to the terms and conditions set out below, the Performance Rights will have the vesting conditions (**Vesting Condition**) specified below:

	Performance Rights	Vesting condition
Tranche A	2,000,000	<p>Delineation of a JORC inferred resource of &gt;10MT @ &gt;1.0% Li2O on any one of the Company's current or future projects (<b>Projects</b>) or aggregated across all of the Company's Projects; or 500,000 oz JORC inferred resource of Au @ &gt; 2.0 g/t on any one of the Company's Projects or aggregated across all of the Company's Projects; or the Company entering into a commercial transaction<sup>1</sup> with a net present value (NPV) of greater than \$250m, where the NPV will be calculated using the following formula:</p> $NPV = \frac{R_t}{(1+i)^t}$ <p>R<sub>t</sub> = net cash flow at time (t)                      I = discount rate                      t = time of the cash flow</p>
Tranche B	2,000,000	<p>Delineation of a JORC inferred resource of &gt;20MT @ &gt;1.0% Li2O on any one of the Company's Projects or aggregated across all of the Company's Projects; or 1,000,000 oz JORC inferred resource of Au @ &gt; 2.0 g/t on any one of the Company's Projects or aggregated across all of the Company's Projects; or the Company entering into a commercial transaction<sup>1</sup> with a NPV of greater than \$500m, where the NPV will be calculated using the following formula:</p> $NPV = \frac{R_t}{(1+i)^t}$ <p>R<sub>t</sub> = net cash flow at time (t)                      I = discount rate                      t = time of the cash flow</p>
Tranche C	2,000,000	Share price being > \$0.30 for more than 5 consecutive trading days
Tranche D	2,000,000	Share price being > \$0.60 for more than 5 consecutive trading days
Tranche E	2,000,000	Market capitalisation of > \$100m for more than 5 consecutive trading days

<sup>1</sup> this includes offtake agreement, minegate sale, interest in JV, etc

4. **(Vesting):** Subject to the satisfaction of the Vesting Condition, the Company will notify the Holder in writing (**Vesting Notice**) within 3 Business Days of becoming aware that the relevant Vesting Condition has been satisfied.
  5. **(Expiry Date):** The Performance Rights will expire and lapse on the first to occur of the following:
    - (a) the Vesting Condition becoming incapable of satisfaction due to the cessation of employment of the holder with the Company (or any of its subsidiary entities) (subject to the exercise of the Board's discretion under the Plan); and
    - (b) 5.00pm (AWST) on the date which is 5 years after the date of issue of the Performance Rights,
  6. **(Exercise):** At any time between receipt of a Vesting Notice and the Expiry Date (as defined in clause 5 above), the holder may apply to exercise Performance Rights by delivering a signed notice of exercise to the Company Secretary. The holder is not required to pay a fee to exercise the Performance Rights.
  7. **(Issue of Shares):** As soon as practicable after the valid exercise of a vested Performance Right, the Company will:
    - (a) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled;
    - (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the holder;
    - (c) if required, and subject to clause 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
    - (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.
  8. **(Restrictions on transfer of Shares):** If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. The Company is authorised by the holder to apply a holding lock on the relevant Shares during the period of such restriction from trading.
  9. **(Ranking):** All Shares issued upon the conversion of Performance Rights will upon issue rank equally in all respects with other Shares.
  10. **(Transferability of the Performance Rights):** The Performance Rights are not transferable, except with the prior written approval of the Company at its sole discretion and subject to compliance with the Corporations Act and Listing Rules.
  11. **(Dividend rights):** A Performance Right does not entitle the holder to any dividends.
  12. **(Voting rights):** A Performance Right does not entitle the holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such
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13. **(Quotation of the Performance Rights)** The Company will not apply for quotation of the Performance Rights on any securities exchange.
14. **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Performance Rights holder will be varied in accordance with the Listing Rules.
15. **(Entitlements and bonus issues):** Subject to the rights under clause 16, holders will not be entitled to participate in new issues of capital offered to shareholders such as bonus issues and entitlement issues.
16. **(Bonus issues):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which must be issued on the exercise of a vested Performance Right will be increased by the number of Shares which the holder would have received if the holder had exercised the Performance Right before the record date for the bonus issue.
17. **(Return of capital rights):** The Performance Rights do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
18. **(Rights on winding up):** The Performance Rights have no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
19. **(Takeovers prohibition):**
  - (a) the issue of Shares on exercise of the Performance Rights is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
  - (b) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Performance Rights.
20. **(No other rights)** A Performance Right does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
21. **(Amendments required by ASX)** The terms of the Performance Rights may be amended as considered necessary by the Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
22. **(Plan)** The Performance Rights are issued pursuant to and are subject to the New Plan. In the event of conflict between a provision of these terms and conditions and the New Plan, these terms and conditions prevail to the extent of that conflict.
23. **(Constitution)** Upon the issue of the Shares on exercise of the Performance Rights, the holder will be bound by the Company's Constitution.

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## SCHEDULE 2 – SUMMARY OF MATERIAL TERMS OF THE NEW PLAN

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The following is a summary of the material terms and conditions of the New Plan (**Plan**):

- (a) **(Eligible Participant)**: Eligible Participant means a person that has been determined by the Board to be eligible to participate in the Plan from time to time and is an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company. This relevantly includes, amongst others:
- (i) an employee or director of the Company or an individual who provides services to the Company;
  - (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
  - (iii) a prospective person to whom paragraphs (i) or (ii) apply;
  - (iv) a person prescribed by the relevant regulations for such purposes; or
  - (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).
- (b) **(Maximum allocation)** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:
- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
  - (ii) the total number of Plan Shares issued or that may be issued as a result of offers made under the Plan at any time during the previous 3 year period,
- would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company's Constitution from time to time.
- The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.
- The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director's associate is such that, in ASX's opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.
- (c) **(Purpose)**: The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
  - (ii) link the reward of Eligible Participants to Shareholder value creation; and

- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.
- (d) **(Plan administration)**: The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(Eligibility, invitation and application)**: The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities)**: The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities)**: Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities)**: Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.
- (i) **(Exercise of Convertible Securities and cashless exercise)**: To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the

exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

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

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
  - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
  - (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A

Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.
- (o) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

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

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

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

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

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

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## SCHEDULE 3 – SUMMARY OF MATERIAL TERMS OF THE UNDERWRITER OPTIONS

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The terms and conditions of the Underwriter Options (**Options**) are as follows:

(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 \$0.15 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2026 (**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**

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

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

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

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option 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**

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.



# Proxy Voting Form

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

Your proxy voting instruction must be received by **10:00am (WST) on Tuesday, 4 July 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

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

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
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