

18 October 2023

CHAIR'S ADDRESS TO SCHEME MEETING

Essential Metals Limited (ASX: ESS) ("**Essential**" or the "**Company**") refers to the scheme of arrangement (the "**Scheme**"), under which Develop Global Limited ("**Develop**") proposes to acquire all the shares in Essential for consideration of 1 new Develop share for every 6.18 Essential Metals shares held by Essential Metals shareholders.

Scheme Meeting materials

In accordance with ASX Listing Rule 3.13.3, attached to this announcement is the Chair's address to be made at the meeting for the Scheme ("**Scheme Meeting**") to be held today at 9.00am (AWST).

The voting results of the Scheme Meeting will be communicated to the ASX shortly after the conclusion of the Scheme Meeting.

This ASX release has been approved by the Board of Directors.

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1. Welcome from the Scheme Meeting Chairperson

Good morning everyone.

My name is Nino Odorisio.

I am a partner at law firm HopgoodGanim Lawyers, legal counsel to Essential Metals Limited (**Essential Metals**) for the scheme of arrangement being considered today. For the purposes of good corporate governance, the Essential Metals Board proposed that I act as the Chair of today's Scheme Meeting and I confirm that I have been appointed by the Court as the Chair and am charged with reporting the result of the Scheme Meeting to the Court.

Welcome to the Essential Metals Scheme Meeting, which has been convened pursuant to an order of the Federal Court (sitting in Perth) made on 14 September 2023.

Before proceeding, I would like to acknowledge the traditional owners of the country on which we are all located today, and recognise their continuing connection to land, waters and culture. I pay my respects to their Elders past, present and emerging. Today is a significant day in the 20 year history of Essential Metals. Today, Essential Metals shareholders will be asked to vote on a proposed scheme of arrangement under which Develop Global Limited proposes to acquire all of the issued shares in Essential Metals.

The time is now 9.00am, the appointed time for the holding of the Scheme Meeting and I am advised by the Company Secretary that the necessary quorum is present. I therefore declare the Scheme Meeting open and on behalf of the Board of Essential Metals, formally welcome our shareholders and visitors.

Present at the meeting today are:

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- Craig McGown – Independent non-Executive Chairman
- Timothy Spencer – Managing Director
- Paul Payne – Independent non-Executive Director
- Warren Hallam – Independent non-Executive Director
- Greg Fitzgerald – Company Secretary

Also attending today are representatives of various professional advisers for Essential Metals and Develop Global Limited (who I will refer to during this meeting as Develop), including the Registry of Essential Metals, Automic.

The purpose of the Scheme Meeting is for Essential Metals shareholders to vote on a proposed scheme of arrangement in relation to the acquisition of all of the shares in Essential Metals by Develop.

Before we proceed with the Scheme Meeting, I have a couple of quick housekeeping points. I would appreciate if all mobile phones could be turned to silent mode or switched off. Recording devices and cameras must not be used during the meeting. In the event of an emergency, please follow the emergency exit signs and instructions of the venue staff.

I believe that all of you have already registered for this meeting as you came in. If not, please do so now with the Automic staff present, so that you are able to vote. I would remind everyone that this is a shareholders' meeting and only Essential Metals shareholders, appointed proxies, corporate representatives and attorneys have the right to speak at the meeting.

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2. Procedural Matters

Before commencing the formal business of the Scheme Meeting, I would like to explain the procedures for the meeting.

How to ask a question

If you are a shareholder and you would like to ask a question, please raise your voting card.

Questions must be relevant to the business of today's meeting, being the approval of the Scheme. Please ask one question at a time and keep your questions brief so that as many people as possible have the chance to ask a question. Statements rather than questions will not be addressed.

How to vote

As outlined in the Scheme Booklet dated 15 September 2023, the resolution to be voted on by Essential Metals shareholders at today's meeting will be decided by a poll. The proposed resolution is set out in the notice of meeting contained in Schedule 4 of the Scheme Booklet.

If you are entitled to vote, you will have been issued with a voting card when registering for the meeting.

If you are attending in more than one capacity today, for example as a shareholder and a proxy holder, you will have been issued with as many voting cards as you have separate capacities.

If you require assistance, please raise your hand and an Automic staff member will assist you.

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Filling out your voting card

I will now go through the procedures for filling in the voting cards for this poll. I will first address the procedures for completing a voting card other than as a proxy and I will then address completion of voting cards by appointed proxy holders.

If you wish to record all your votes in favour of the resolution, please place a mark in the 'FOR' box. If you wish to record your votes against the resolution, please place a mark in the 'AGAINST' box.

If you wish to cast a portion of your votes 'FOR' the resolution and a portion of your votes 'AGAINST' the resolution, write in the corresponding box the actual number of votes you are casting for or against the resolution. The sum of the votes cast 'FOR' or 'AGAINST' a resolution must not exceed your voting entitlement. Please note that if you exceed your voting entitlement, your vote will be treated as invalid and will be excluded from the poll.

If you are completing a voting card as a proxy holder, you will need to refer to the summary sheet provided to you at registration. The summary sheet confirms the proxy votes that have been given to you. Where you have been directed to cast votes 'FOR' and/or 'AGAINST' the resolution, the sheet indicates the number of votes you have been directed to vote. The summary sheet also confirms the number of 'OPEN' votes which may be cast at your discretion.

If you only have directed votes, you will be casting the votes in the way you have been instructed, in which case you need to do nothing other than submit the voting card. Votes which can be cast at your discretion are shown in the column titled 'discretionary' on your 'proxy summary' sheet. If you wish to cast your discretionary votes 'FOR' or 'AGAINST' the resolution, please place a mark in the corresponding box. If you wish to cast a portion of your discretionary votes 'FOR' or 'AGAINST' the resolution, write in the corresponding box the actual number of votes you are casting for the resolution. Again, the sum of the votes cast must not exceed your voting entitlement.

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I would now like to pass you to Mr Craig McGown, Independent Non-Executive Chairman of Essential Metals, to give a short update on the Scheme.

3. Essential Non-Executive Chairman's address

Background to the Scheme and Conduct of the Meeting

Before Mr Odorisio moves on with the formal business, I would like to provide a brief summary of the proposed Scheme.

On 3 July 2023, Essential Metals announced that it had entered into a Scheme Implementation Deed with Develop under the terms of which Develop proposes to acquire all of the issued shares in Essential Metals by way of a Court approved scheme of arrangement, for consideration of 1 new Develop share for every 6.18 Essential Metals shares held by Essential Metals shareholders (other than Ineligible Foreign Holders and Non-Electing Small Shareholders who will receive their pro rata portion of the sale proceeds as detailed in the Scheme Booklet) on the record date.

The Scheme will only become effective and be implemented if the resolution to be considered by Essential Metals shareholders at today's meeting is approved and the other outstanding conditions precedent under the Scheme Implementation Deed are satisfied or waived.

If the Scheme becomes effective and is implemented, on the implementation date, Essential Metals shareholders will receive consideration of 1 new Develop share for every 6.18 Essential Metals shares held by them as at the record date for the proposed Scheme (which is currently expected to be 5:00pm (AWST) on 30 October 2023). Please note that Ineligible Foreign Holders and Non-Electing Small Shareholders will not receive Develop shares and instead will receive their respective pro rata proportion of sale proceeds as is detailed in section 3.11 of the Scheme Booklet.

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Reasons to vote for or against the Scheme

The Essential Metals Board has identified various reasons why Essential Shareholders may want to vote in favour of the Scheme and various reasons why they may want to vote against the Scheme. These reasons are set out in detail in section 1 of the Scheme Booklet and I would encourage you to review that document in detail.

Independent Expert's Conclusion

BDO, as the Independent Expert, has concluded that, in the absence of a superior offer, the Scheme is not fair but reasonable and in the best interests of Essential Metals shareholders. The Independent Expert's conclusion should be read in context with the Scheme Booklet and the full Independent Expert's Report (included as schedule 1 of the Scheme Booklet).

In BDO's opinion, the Scheme is not fair because the value of a share in the Proposed Merged Entity (on a minority interest and diluted basis) which BDO has assessed to be in the range of \$1.382 to \$2.094 per share (with a preferred value of \$1.732 per share), is lower than the value of 6.18 Essential Metals shares prior to the Scheme (on a controlling interest and diluted basis) which BDO has assessed to be in the range of \$2.157 to \$3.090 per share (with a preferred value of \$2.707 per share), when a comparison is made at each of the respective low, preferred and high valuation points.

However, BDO considers the Scheme to be reasonable because the advantages of the Scheme to Essential Metals shareholders are greater than the disadvantages. In particular, following the Scheme, Essential Metals shareholders would retain exposure to the Pioneer Dome Lithium Project while also benefiting from being part of a larger, more diversified entity led by Mr Beament, with potential synergies realisable from its mining services business.

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Board recommendation

The Essential Metals Board unanimously recommends that Essential Metals shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is not fair but reasonable and in the best interests of Essential Metals shareholders.

In considering the Essential Metals Board's unanimous recommendation, Essential Metals shareholders should have regard to footnote 2 of the Scheme Booklet which details the various interests of the Essential Directors.

Status of Conditions Precedent and Timetable

Implementation of the Scheme remains subject to the following key conditions precedent:

- approval of the Scheme Resolution by Essential Metals shareholders by the requisite majorities at the Scheme Meeting;
- approval of the Scheme by the Federal Court at the second Court hearing; and
- the Independent Expert continuing to conclude that, in the absence of a superior offer, the Scheme is in the best interests of Essential Metals shareholders.

The Scheme is also subject to other customary conditions precedent which are described in detail in section 3.5 of the Scheme Booklet.

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As noted in the Scheme Booklet, the Condition Precedent in clause 3.1(d) of the Scheme Implementation Deed relating to the Option Cancellation Deeds has been satisfied.

If the Scheme is approved by Essential Metals shareholders today and the other conditions precedent satisfied or waived, the key events and the expected timing in relation to the approval and implementation of the Scheme are set out in Section 3.6 of the Scheme Booklet.

Relevantly, the Second Court hearing to approve the Scheme is scheduled for 10:15am (AWST) on Tuesday, 24 October 2023. If the Court approves the Scheme, lodgement of the Court orders with ASIC and suspension from trading on the ASX for Essential Shares is expected to occur on Thursday, 26 October 2023. Implementation of the Scheme is then scheduled for Monday, 6 November 2023.

These dates are subject to the satisfaction of the outstanding conditions precedent. Any changes to these dates or times will be announced to the ASX and notified on Essential's website at <https://www.essscheme.com.au/>.

I will now pass back to Mr Odorisio as Chair of today's meeting.

4. Notice of Scheme Meeting

The Scheme Booklet was despatched to all registered members on 18 September 2023. We have additional copies of the Scheme Booklet here, should you wish to refer to it during the course of this meeting.

If there are no objections, I will take the Notice of Scheme Meeting as read.

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5. Scheme Resolution

The sole item of business is the Scheme Resolution, which is set out in the notice of this meeting that is included in Schedule 4 of the Scheme Booklet. The purpose of the Scheme Meeting is to consider and, if thought fit, pass the Scheme Resolution agreeing to a scheme of arrangement (with or without modification) proposed to be made between Essential Metals and its shareholders.

The Scheme Resolution is as follows:

*“THAT, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement (**Scheme**) proposed to be entered into between Essential and the holders of its fully paid ordinary shares, as contained in and more particularly described in the booklet of which the notice convening this meeting forms part, is agreed to (with or without modification as approved by the Federal Court of Australia (**Court**) to which Essential and Develop agree) and FURTHER that, the directors of Essential are authorised to agree to such alterations or conditions as are thought fit by the Court and, subject to approval of the Scheme by the Court, the directors of Essential are authorised to implement the Scheme with any such alterations or conditions”.*

To pass at this Scheme Meeting, the Scheme Resolution must be agreed to by:

- a majority in number of Essential Metals shareholders present and voting (either in person or by proxy, attorney, or in the case of bodies corporate, body corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the resolution by shareholders entitled to vote on the Scheme Resolution.

6. Proxies and Questions

Proxies

I will now advise the meeting on the number of proxy votes received in respect of the Scheme Resolution. As indicated in the Scheme Booklet, the deadline for lodgement of proxy forms was 9:00am (AWST) on Monday, 16 October 2023.

Proxies for the Scheme Resolution can be seen on the slide in front of you. We have received proxies from 255 shareholders together holding 117,388,743 shares representing 43.66% of the total shares on issue.

I advise the number of proxy votes as follows:

The Scheme Resolution has received:

109,321,110 votes FOR the Resolution.

7,769,174 votes AGAINST the Resolution.

298,459 votes at the DISCRETION of the Chair.

318,440 votes ABSTAINED.

5,000 votes EXCLUDED.

As advised in the Scheme Booklet, all open proxies directed to me as Chair are being voted in favour of the Scheme Resolution.

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Questions

Before I formally commence the poll, I now ask those persons entitled to vote whether they have any questions regarding the Scheme Resolution? I will endeavour to answer your question straight away through the relevant member of the Board and Management of Essential Metals, however I may take a question on notice if necessary.

7. Poll

As there are no further questions, I now put the Scheme Resolution to poll and ask you to complete your poll paper with respect to the Scheme Resolution and remain seated while the papers are collected.

I believe that everyone who wished to vote in the poll on the Scheme Resolution has had the opportunity. If there is anyone present who has not had their poll paper collected could you please raise your hand?

That completes the formal business of the Scheme Meeting.

I now declare the poll closed and adjourn the meeting. After the votes for the poll have been counted by Automic, I will reconvene the meeting once the poll results are known which is expected to be approximately 15 minutes.

8. Results of Poll

I now declare the meeting re-convened.

I declare that the Scheme Resolution [has been passed by the requisite majorities / not passed by the requisite majorities] and I declare the Scheme Resolution [carried / not carried].

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The formal results of the poll will be notified to the ASX.

9. Closure

This completes the business of the meeting and I now declare that the meeting is closed.

It remains for me to thank you for joining us today. We very much appreciate your interest and involvement.