

Reward Minerals Ltd  
ACN 009 173 602

## Notice of General Meeting

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Notice is given that a general meeting of the Company will be held at:

**Time** 10:00am (AWST)

**Date** Tuesday, 9 January 2024

**Place** Quest Kings Park, 54 Kings Park Road, West Perth WA 6005

**Important:** This Notice is an important document that should be read in its entirety. If you are in any doubt or have any questions about this document, you should promptly consult your stockbroker, accountant or other professional adviser.

# Notice of General Meeting

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Notice is given that a general meeting (**Meeting**) of Reward Minerals Ltd (ACN 009 173 602) (**Company**) will be held at 10:00am (AWST) on Tuesday, 9 January 2024 at Quest Kings Park, 54 Kings Park Road, West Perth WA 6005. This notice (**Notice**) incorporates the accompanying Explanatory Statement and Proxy Form.

## Resolutions

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The agenda for the Meeting will be to consider the Resolutions set out below.

### 1 Change in nature and scale of activities from the Proposed Transaction

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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 11.1.2 and for all other purposes, Shareholders approve the significant change in the nature and scale of the Company’s activities resulting from the Proposed Transaction, as contemplated in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a counterparty to the Proposed Transaction (including Kalium, the Receivers and the Administrators) that, of itself or together with one or more other transactions, will result in a significant change to the nature or scale of the Company’s activities, and any other person who will obtain a material benefit as a result of the Proposed Transaction (except a benefit solely by reason of being a Shareholder), or an associate of those persons, subject to any applicable exceptions described below.

### 2 Issue of Shares to the Royalty Holders

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

*“That, subject to Shareholders approving Resolution 1, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,000,000 Shares to the Royalty Holders (or their nominees), as described in the Explanatory Statement.”*

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person (including a Royalty Holder) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of those persons, subject to any applicable exceptions described below.

### 3 Issue of New Options to the Lead Manager

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

*“That, subject to Shareholders approving Resolution 1, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to*

10,000,000 New Options to the Lead Manager (or its nominees), as described in the Explanatory Statement.”

**Voting exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person (including the Lead Manager) who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or an associate of those persons, subject to any applicable exceptions described below.

## Voting exclusions

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Where a voting exclusion applies to a Resolution, it is set out below the relevant Resolution. The voting exclusion for the following Resolutions are subject to the exceptions stated in the table below (as applicable).

Resolution	Exceptions
1, 2, 3	<p>The voting exclusions do not apply to a vote cast in favour of this Resolution by:</p> <ul style="list-style-type: none"><li>• a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;</li><li>• 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</li><li>• a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:<ul style="list-style-type: none"><li>– the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and</li><li>– the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.</li></ul></li></ul>

## Voting entitlements

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The Company has determined that, in accordance with section 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered holders at 5:00pm (AWST) on 7 January 2024. Accordingly, share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Proxy voting

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- Votes at the Meeting may be given personally or by proxy, attorney or representative. A proxy does not need to be a Shareholder.
- The Proxy Form accompanying this Notice should be used in accordance with its instructions to vote by proxy at the Meeting.
- Each Shareholder who is entitled to cast 2 or more votes at the Meeting may appoint up to 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes that each proxy may exercise, then each proxy will be entitled to exercise half of that Shareholder's

votes. An additional Proxy Form will be supplied by the Company on request. No Shareholder may appoint more than 2 proxies.

- In the case of a Shareholder who is an individual, a Proxy Form must be executed under the hand of the individual or their attorney duly authorised in writing and, in the case of a member that is a corporation, a Proxy Form must be executed by the corporation under common seal, pursuant to section 127 of the Corporations Act or under the hand of its duly authorised officer or attorney.
- Any Shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or a certified copy of it must be received by the Company in accordance with this Notice.
- Any corporation that is a Shareholder may appoint a representative to attend and vote for that corporation at the Meeting. Appointments of corporate representatives must be received by the Company in accordance with this Notice or handed in at the Meeting when registering as a corporate representative.
- Any directed proxies that are not voted on a poll at the Meeting by a Shareholder's appointed proxy will automatically default to the Chair, who is required to vote proxies as directed on a poll.
- A Proxy Form (including any instrument under which it has been executed) or power of attorney granted by a Shareholder must be lodged with the Company's share registry, Automic, by:
  - post to Automic, GPO Box 5193, Sydney, NSW 2001;
  - online portal at <https://investor.automic.com.au/#/loginsah> (also accessible by scanning the QR code in the Proxy Form);
  - email to [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au);
  - hand at Automic, Level 5, 126 Phillip Street, Sydney NSW 2000; or
  - facsimile to +61 2 8583 3040,

so that it is received no later than 48 hours before the commencement of the Meeting.

- The Chair intends to exercise all available proxies in favour of the Resolutions, unless the Shareholder has expressly indicated a different voting intention.

## Document availability

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In accordance with section 110D of the Corporations Act, this Notice is being made available to Shareholders by electronic means and the Company will not be dispatching physical copies of this Notice, other than to any Shareholder who has elected to receive notices of meeting in hard copy only pursuant to section 110E, or who otherwise requests a hard copy of this Notice at least 48 hours before the Meeting.

This Notice can be viewed online and downloaded via:

- the Company's website at <https://rewardminerals.com/investors/asx-announcements/>;
- the Company's ASX platform at <https://www.asx.com.au/markets/company/RWD>; or
- if the Shareholder has nominated an email address and has elected to receive electronic communications from the Company, the link sent by the Company to the Shareholder's nominated email address.

**Authorisation**

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This Notice is authorised by order of the Board.



**Bianca Taveira**  
Company Secretary

11 December 2023

# Explanatory Statement

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This Explanatory Statement sets out the information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions. The Explanatory Statement forms part of this Notice and should be read in its entirety.

The Explanatory Statement contains the key terms on which the Resolutions will be voted, and includes information to assist Shareholders in deciding how to vote on the Resolutions.

## 1 Proposed Transaction

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### 1.1 Overview

As announced to ASX on 5 December 2023, the Company has entered into a binding share sale agreement (**Share Sale Agreement**)<sup>1</sup> with Kalium Lakes Ltd (Receivers and Managers Appointed) (Administrators Appointed) (**Kalium**) (ASX:KLL) for the acquisition of 100% of the issued share capital of Kalium Lakes Infrastructure Pty Ltd (**KLI**) and Kalium Lakes Potash Pty Ltd (**KLP**), both of which also currently have Receivers and Managers Appointed and Administrators Appointed (**Proposed Transaction**).

KLI and KLP collectively comprise the key operating and asset holding entities of the Beyondie sulphate of potash (**SOP**) project in Western Australia (**Beyondie Project**)<sup>2</sup>, which has had over \$450 million invested into its development, construction and operations, and became a producing SOP mine in October 2021. Kalium has been suspended from trading on the ASX since 6 June 2023 and went into administration and receivership on 3 August 2023, and the Beyondie Project has been in transition to care and maintenance status since September 2023.

The aggregate purchase price payable by the Company for KLI and KLP (and therefore the Beyondie Project) is \$20 million in cash, which is comprised of the \$250,000 already paid under the Exclusivity Deed, \$14.75 million to be paid at completion of the Share Sale Agreement (**Completion**), and a deferred amount of \$5 million which is not payable until 30 June 2025.

As part of the Proposed Transaction, the Company proposes to, among other things:

- enter into deeds of company arrangement (**DOCAs**) on terms broadly consistent with the proposal attached to the Share Sale Agreement (as amended) (**DOCA Proposal**)<sup>3</sup> so that the Company acquires unencumbered title to the shares of KLI and KLP at Completion; and
- undertake a fully underwritten, renounceable entitlement offer to Shareholders of 2 new Shares at a price of \$0.05 each for every Share held at the record date to raise \$22.785 million (before costs), together with one free attaching New Option for every 2 Shares subscribed for (**Capital Raising**),<sup>4</sup> which will finance the \$14.75 million payable by the Company to Kalium at Completion as well as other costs and expenditure plans related to the Proposed Transaction and the Beyondie Project.<sup>5</sup>

Accordingly, if Completion occurs, the Proposed Transaction is anticipated to have an immediate and significant impact on the scale of the Company, including with respect to its financial position<sup>6</sup> and capital structure<sup>7</sup>. Whilst the Company intends to keep the Beyondie Project in care and maintenance for the near term, the acquisition of the Beyondie Project and its assets, as well as its

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<sup>1</sup> See section 2.3(a) for a summary of the Share Sale Agreement.

<sup>2</sup> See section 1.3 for further information on the Beyondie Project.

<sup>3</sup> See section 2.3(b) for a summary of the DOCA Proposal.

<sup>4</sup> See section 2.3(e) for further information on the Capital Raising.

<sup>5</sup> See section 2.3(f) for the proposed use of funds from the Capital Raising.

<sup>6</sup> See section 2.3(g) for further information on the financial position impact.

<sup>7</sup> See section 2.3(h) for further information on the capital structure impact.

ongoing expenses and liabilities (to the extent they're not already extinguished by the DOCAs), will naturally impact the day to day operations and resourcing requirements of the Company.

The Company considers, however, that the Proposed Transaction and its potentially transformative changes present a unique and significant opportunity for the Company to fast-track the development of its proprietary process for recovering SOP directly from concentrated seawater and other high-sulphate brines (**Reward Process**) by using the mining infrastructure and facilities at the Beyondie Project, and ultimately accelerate the Company's path towards mining operations.

In addition to this section 1, further important details and information about or relevant to the Proposed Transaction can be found throughout this Notice generally and, therefore, this Notice should be read by Shareholders in its entirety for the purposes of understanding the Proposed Transaction (including its merits and implications), and ultimately deciding on how to vote on the Resolutions.

## 1.2 Reward Minerals

### (a) Overview

The Company is an advanced-stage SOP exploration and development company, which holds 100% interest in the Kumpupintil Lake potash project (**KP Project**) and the Carnarvon potash project (**CP Project**). In conjunction with this, the Company has developed the Reward Process, which is a new process for recovering SOP directly from concentrated seawater and other high-sulphate brines.

### (b) KP Project

The Company's flagship KP Project is located 300 km east of Newman in Western Australia, and comprises over 1,400 km<sup>2</sup> of granted Mining Tenements including one Mining Lease, one Miscellaneous Licence and seven Exploration Licences. The KP Project currently hosts the largest brine SOP resource in Australia with a Potassium grade of approximately 6 g/l K (13.4 g/l SOP). The KP Project's location and brine composition are ideal for production of SOP by solar evaporation techniques with low rainfall and extremely high evaporation rates in the project area.

The Company completed a pre-feasibility study (**PFS**) on the KP Project in 2018 based on information available at the time (see ASX announcements on 1 May 2018 and 13 July 2018). The PFS conducted by Perth-based engineering consultants, CPC Project Design, demonstrated that the project was technically sound and financially robust based on an SOP price of US\$500 per tonne prevailing at the time.

### (c) CP Project

On 23 November 2022, the Company (via its wholly owned subsidiary, Holocene Pty Ltd) lodged a first-in-time application for a single new exploration licence (E09/2763) and has been working through standard objections to grant. If granted, the tenement will be known as the CP Project. The 219 km<sup>2</sup> tenement is ideally located on the coast, approximately 33 km north of the regional town of Carnarvon in Western Australia and immediately adjacent to the Lake Macleod solar salt operations owned by Dampier Salt Limited. The CP Project has the potential to contain concentrated seawater derived brines containing SOP at shallow depths below surface.

### (d) Reward Process

The Company has dedicated considerable effort and expense on R&D activities aimed at developing alternative lower cost methods for extraction of SOP from KP Project brine, other lake derived brines in WA and bitterns available from solar salt operations based on sea water. This work resulted in the development of the Reward Process. Recognising its potential significance, the Company filed an Australian patent application as well as an

international patent application under the Patent Cooperation Treaty to protect its intellectual property rights in the Reward Process.

The key benefits of the Reward Process over existing methods are that mechanical harvesting of mixed salts is not required, no flotation upgrade of mixed salts is required and it utilises conventional fixed plant components. An engineering scoping study utilising the Reward Process to recover high-purity SOP from seawater was completed in September 2023 (**ESS**) (see ASX announcement on 28 September 2023) by an independent global engineering firm using its own and the Company's development data.

### 1.3 **Beyondie Project**

#### (a) **Overview**

Kalium (ASX:KLL) was registered as a company with ASIC on 14 July 2016 and, in conjunction with an initial public offering of its shares at \$0.20 each to raise \$6 million, Kalium was admitted to the official list of ASX on 21 December 2016. In aggregate, Kalium and its subsidiaries raised over \$450 million in debt and equity funding to acquire and develop the SOP operation at the Beyondie Project, and first SOP production at the Beyondie Project commenced in October 2021.

The material assets and operations of the Beyondie Project are held and conducted by Kalium via its wholly owned subsidiaries, KLP and KLI. The Beyondie Project is located approximately 160 km south-east of Newman in Western Australia, as shown in the map included in Schedule 1. The tenure comprising the Beyondie Project includes the various mining leases, exploration licences and miscellaneous licences listed in Schedule 2, covering an area of approximately 1,800 km<sup>2</sup>. Importantly, the Beyondie Project also includes various key mining and processing infrastructure and equipment used in connection with its recent SOP operations. The site plan for the Beyondie Project is included in Schedule 3.

#### (b) **Historical challenges**

Numerous operational obstacles appeared in evaporation pond management, brine chemistry, salts harvesting and flotation upgrade of crude Potash salts. These obstacles resulted in substantial cost overruns and an eventual shut down of operations. By August 2022, a debt restructure of the Beyondie Project was required. On 3 August 2023, Martin Jones, Matthew Woods and Clint Joseph of KPMG were appointed as Voluntary Administrators of Kalium and its subsidiaries (including KLP and KLI) (**Administrators**), immediately following which the Secured Creditors appointed Rob Brauer, Jason Preston and Rob Kirman of McGrath Nicol as their Receivers and Managers (**Receivers**).

Ultimately, the Company considers that a number of factors contributed to the failure of the Beyondie Project development. Primarily, the Beyondie Project was developed in haste prior to establishment of ideal project logistics, brine supply arrangements and evaporation pond design and layout. Additionally, delays in the implementation of these measures prolonged the period required to train a workforce capable of commissioning such a complicated technical development. Further, site flooding and COVID-19 outbreak presented further challenges during the early development phase.

#### (c) **Unique opportunity**

The Company has followed Kalium's story closely over the years given their common focus on SOP development and geographical proximity. Upon learning of Kalium appointing Administrators, the Company has acted swiftly to determine whether or not this posed a unique and significant opportunity for the Company to potentially fast-track and supplement its operations by acquiring key assets from Kalium in distressed circumstances, and ultimately create value for its Shareholders.

In addition to the ASX announcements platform for Kalium, which essentially charts the course of the Beyondie Project since its origins, the Company has had access to various

materials shared by the Receivers for the purposes of its assessment of the Proposed Transaction. Over the past 3 months, the Company has undertaken due diligence in relation to the Beyondie Project and the commercial merits of acquiring it from Kalium, including with respect to geological and technical information, financial records, existing contracts to exclude from the DOCAs, native title and other stakeholder relationships, creditor claims, future liabilities and outgoings, care and maintenance costs, R&D rebates, tax matters, title searches, existing private and government royalties, plant and equipment registers, SOP suitability for the Reward Process, and other matters.

Further, representatives of the Company visited the Beyondie Project in late August 2023 and have obtained a comprehensive overview of the Beyondie Project from detailed presentations and technical discussions with previous senior management of Kalium. This has been followed up off site with receipt of additional technical data from Kalium.

(d) **Strategic rationale**

The Company considers that the Beyondie Project hosts a significant SOP resource base, and has the potential to serve as an excellent R&D facility for the Company to establish the technical and operational cost parameters of the Reward Process at a much lower cost than would be required for a new pilot facility at the KP or CP Projects. Initial test work already undertaken by the Company suggests that feed brine at the Beyondie Project is similar in composition to that of the KP Project, and responds well to the Reward Process. Further, the evaporation pond system and many of the high-cost items of plant, power generation and product handling equipment listed in the KP Project PFS and the CP Project ESS cost schedules already exist within the Beyondie Project.

A key investment criterion in the proposed acquisition of the Beyondie Project lies in the value of the process plant. The recent ESS for the CP Project indicated that capital costs involved in the installation of a 100,000 tpa SOP plant could be in the vicinity of \$130 million. As a previously operating mine, the Company believes that acquiring the Beyondie Project for a purchase price of \$20 million represents excellent value even if the plant is moved to an alternative site.

The Company ultimately considers that the Proposed Transaction is complementary to its current business operations as an advanced-stage SOP development and exploration company (with Kalium having developed its own SOP production facility), and believes it represents an opportunity for the Company to both utilise the Reward Process on an analogous project located in the same East Pilbara region as the KP Project and, pending the outcome of testing the Reward Process in connection with the infrastructure available at the Beyondie Project, to fast-track the KP Project towards production. Further, the ability to further test the Reward Process using the infrastructure at the Beyondie Project could potentially increase the value of Reward's intellectual property and open up opportunities for agreements with third parties, should the integration of the Reward Process at the Beyondie Project lead to defining an alternative, lower cost, route for SOP recovery.

(e) **Assets and inventory**

The various assets that comprise the Beyondie Project (which are included in the acquisition of KLI and KLP) include:

- (i) the Tenements;
- (ii) the SOP plant, commissioned in August 2021, Together with related infrastructure such as run of mine (**ROM**) Crushing Plant, Schoenite Conversion, Schoenite Flotation, Schonite Crystalliation, Compaction Plant, Storage & Packaging, Reagents Flotation);
- (iii) 80km gas pipeline and related infrastructure;
- (iv) bore pump stations;

- (v) various heavy vehicles (such as excavators, forklifts, milling machines, mobile cranes, etc.);
- (vi) various light vehicles and trailers
- (vii) generator assets;
- (viii) fuel tanks;
- (ix) site office buildings;
- (x) site laboratory;
- (xi) accommodation camp; and
- (xii) various items of stock/inventory.

#### **1.4 Key advantages**

The Company considers that there are various advantages to the Proposed Transaction, some of which have been set out below.

- (a) The Company will obtain ownership of the Beyondie Project, on which a significant amount of capital has already been expended. Kalium is estimated to have spent more than \$450 million on Mineral Resource / Reserve definition, development, construction and operations on the only SOP producing mine in Australia (prior to the appointment of Administrators on 3 August 2023).
- (b) The Company has structured the Capital Raising as a pro rata offer to provide an opportunity for Shareholder participation and to minimise the potential dilution effects of the entitlement offer to eligible Shareholders.
- (c) The Company considers that the Beyondie Project will serve as an excellent R&D facility for establishing the technical and operational cost parameters of the Reward Process at a much lower cost than would be required for a new pilot facility at the KP Project and provides the opportunity to fast track the KP Project to production.
- (d) The change in nature and scale of the Company's activities could attract new investors and therefore more liquidity in its Shares, which may allow the Company to more readily raise additional working capital if and when required. As such, the Company may improve its ability to develop further projects.
- (e) The Company may be able to access to further debt, equity and project opportunities that the Company did not have prior to the Proposed Transaction.

#### **1.5 Potential disadvantages**

The Company notes that there may be disadvantages from the Proposed Transaction, including the potential examples set out below.

- (a) The Company will be changing the nature and scale of its activities which may not be consistent with the objectives of all Shareholders.
- (b) The Capital Raising to be undertaken to fund the Proposed Transaction will result in a significant number of Shares being issued which may have a dilutive effect on existing Shareholders to the extent they do not take up their entitlements and otherwise from any issues of Shares to the Lead Manager, Underwriter and Royalty Holders.
- (c) The Proposed Transaction is subject to the completion of the Share Sale Agreement. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Share Sale Agreement. If the Company is unable to

satisfy its obligations under the Share Sale Agreement and defaults on its obligations, the Company's interest in the Proposed Transaction may be jeopardised. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

- (d) As noted at section 2.3(a)(vii), the Share Sale Agreement contains very limited warranties and no indemnities have been given by the Receivers in relation to the acquisition of KLI and KLP. Accordingly, the Company will have very limited rights of recourse in the event that the Share Sale Agreement is breached by Kalium or the Receivers, or if it otherwise becomes apparent that the assets (and liabilities) being acquired by the Company fail to represent the value of the purchase price paid by the Company (whether following Completion or at all).
- (e) Future outlays of funds from the Company may be required for its proposed business and operations.
- (f) The Company's additional 10% placement capacity under Listing Rule 7.1A that was approved by Shareholders at its annual general meeting on 31 May 2023 will expire upon Shareholders approving Resolution 1, however this additional placement capacity can be refreshed at the Company's next annual general meeting in 2024.

## **1.6 Shareholder approval**

For the purposes of the Proposed Transaction, the Company is seeking approval from its Shareholders for the Resolutions at the Meeting, as proposed and further described in this Notice.

It is noted that Resolutions 2 and 3 are subject to Resolution 1 being passed by Shareholders and, therefore, if Resolution 1 is not passed then Resolutions 2 and 3 will be withdrawn from consideration at the Meeting and the Proposed Transaction will not proceed. However, if Resolution 2 or 3 fails but Resolution 1 is approved then the Proposed Transaction may still proceed provided that the Company can make any necessary alternate arrangements that don't, on balance, materially and adversely impact the Proposed Transaction from the perspective of the Company and its Shareholders.

## **2 Resolution 1 – Change in nature and scale of activities from the Proposed Transaction**

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### **2.1 General**

As described in section 1 and elsewhere in this Notice, the Proposed Transaction includes or is otherwise linked to various transactions and arrangements to be undertaken and performed by the Company, which will or may significantly impact the nature and scale of its activities, as those concepts are described in ASX Guidance Note 12 and applied by ASX for the purposes of any restrictions under Listing Rule 11.1.

In light of this, the Company has sought confirmation from ASX regarding its application of Listing Rule 11.1 to the Proposed Transaction and ASX has determined that Listing Rule 11.1.2 applies. However, has not exercised its discretion under Listing Rule 11.1.3 to require the Company to re-comply with Chapters 1 and 2 of the Listing Rules to complete the Proposed Transaction.

Accordingly, the Company is seeking approval from its Shareholders of Resolution 1 for the purposes of Listing Rule 11.1.2, being a significant change in the nature and scale of the Company's activities resulting from the Proposed Transaction.

Resolution 1 is an ordinary resolution and is subject to the voting exclusions described in this Notice.

## 2.2 Listing Rule 11.1

Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and/or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- provide to ASX information regarding the change and its effect on future potential Earnings, and any information that ASX asks for;
- if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- if ASX requires, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised that it:

- requires the Company to obtain the approval of its Shareholders for the proposed change of activities pursuant to Listing Rule 11.1.2; and
- does not require the Company to re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3.

If Resolution 1 is passed, this Condition to the Proposed Transaction will be satisfied and the Company will be able to proceed with the Proposed Transaction, subject to the other Conditions being satisfied.

If Resolution 1 is not passed, this Condition to the Proposed Transaction will be incapable of being satisfied and the Company will make an announcement that the Proposed Transaction will not be able to proceed.

## 2.3 Information under ASX Guidance Note 12

The information below is provided for the purposes of ASX Guidance Note 12.

### (a) Share Sale Agreement

As announced to ASX on 5 December 2023, the Company has entered into a share sale agreement with Kalium and the Receivers in relation to the Proposed Transaction (**Share Sale Agreement**). The material terms of the Share Sale Agreement are set out below.

- (i) **(Sale and purchase)**: Subject to the Conditions, the Company will acquire 100% of the issued share capital of KLI and KLP free from encumbrances.
- (ii) **(Purchase price)**: In addition to the \$250,000 in cash already paid under the Exclusivity Deed, the purchase price payable by the Company to Kalium is:
  - (A) \$14.75 million in cash at Completion; and
  - (B) \$5 million in cash deferred until 30 June 2025.
- (iii) **(Conditions)**: Completion is subject to various conditions (**Conditions**) being satisfied (or waived) by 30 January 2024 (or any later date agreed by the parties), including:
  - (A) approval and execution of deeds of company arrangement (**DOCAs**) between each of KLI and KLP (as applicable) and their Administrators and Receivers, and all conditions to effectuating the DOCAs (other than Completion under the Share Sale Agreement) being satisfied (or waived);

- (B) the Company obtaining approval from its Shareholders to the Proposed Transaction for the purposes of Listing Rule 11.1.2 (i.e. Resolution 1 in this Notice); and
  - (C) the Company raising at least \$16 million (i.e. completion of the Capital Raising).
- (iv) **(Completion):** Completion will occur once the Conditions are satisfied (or waived), and so that it occurs contemporaneously with effectuation of the DOCAs. At Completion, the parties will exchange various documents and payments, including:
- (A) payment of \$14.75 million in cash from the Company to Kalium (or as it directs);
  - (B) transfer forms for the transfers of the KLI and KLP shares from Kalium to the Company; and
  - (C) various releases from the Secured Creditors for their security interests.
- (v) **(Care and maintenance):** From 1 January 2024, the Company will be required to contribute up to \$75,000 per week towards care and maintenance costs for the Beyondie Project until Completion occurs or the Share Sale Agreement is otherwise terminated.
- (vi) **(R&D refund):** Kalium intends to seek R&D refunds with respect to activities of the Kalium tax consolidated group (including KLI and KLP) for FY22 and FY23. The Company has agreed that all rights and entitlements of KLI and KLP to such R&D refunds and the proceeds of such R&D refunds are to be retained by the Receivers.
- (vii) **(Warranties):** Customary for sale agreements in an insolvency context like the Proposed Transaction, the Share Sale Agreement does not afford the Company comprehensive warranties, indemnities and other post-Completion protections that would or might be expected from a transacting seller where neither party is subject to external administration or similar distress. This therefore significantly shifts the balance of risk under the Share Sale Agreement onto the Company given its very limited rights of recourse in the event that the Share Sale Agreement is breached by Kalium or the Receivers, or if it otherwise becomes apparent that the assets (and liabilities) being acquired by the Company fail to represent the value of the purchase price paid by the Company (whether following Completion or at all).
- (viii) **(Termination):** The Share Sale Agreement contains termination rights, including that:
- (A) either party may terminate the Share Sale Agreement due to a failure of the Conditions; and
  - (B) Kalium may terminate the Share Sale Agreement at any time before Completion in certain circumstances where actual or threatened litigation arises in connection with the Existing Royalty Deed or the Royalty Subordination Deed.<sup>8</sup>

The Share Sale Agreement otherwise contains customary terms for such agreements in an insolvency context (and is therefore very limited in its risk protections and rights of recourse for the Company), including with respect to conduct and obligations of the parties before, at and after Completion.

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<sup>8</sup> The Company proposes to enter into the Facilitation Deed with the Royalty Holders which, among other things, will provide for or otherwise require the termination and release of the Existing Royalty Deed and the Royalty Subordination Deed from Completion. See section 2.3(c) for a summary of the proposed Facilitation Deed.

(b) **DOCA Proposal**

The Share Sale Agreement attaches a non-binding term sheet setting out certain key matters that the Company proposes to be reflected in the deeds of company arrangement for each of KLI and KLP (**DOCAs**). This proposal (as amended) (**DOCA Proposal**) was approved by Creditors on 6 December 2023, and the Company is now in the process of entering into the DOCAs with the Administrators and the Receivers on terms consistent with the DOCA Proposal. A summary of the DOCA Proposal is set out below.

- (i) (**Commencement**): Each of the DOCAs will commence on their respective execution dates.
- (ii) (**Creditors' Trusts**): At Completion under the Share Sale Agreement, the Company will pay a portion of the Purchase Price to the Administrators (as directed by the Receivers), in 2 separate instalments (each a **Contribution**), upon which the Administrators will establish and transfer such funds into separate creditors' trusts for each of KLP and KLI (**Creditors' Trusts**). The Administrators will act as trustees of the Creditors' Trusts. The purpose of each Creditors' Trust is to enable the Administrators to distribute the DOCA funds for each relevant DOCA to the creditors of KLP and KLI.
- (iii) (**Contributions**): The amount of each Contribution is expected to be distributed to enable priority creditors of KLP and KLI to be paid in full and to enable other non-priority creditors to be paid on a pro-rata basis (estimated to be equivalent to approximately 5% of all such claims against KLP and KLI).
- (iv) (**Receivers' costs**): The Receivers will retain a portion of each Contribution for the purposes of paying outstanding, costs, expenses and liabilities in relation to the receivership of KLP and KLI; and
- (v) (**Administrators' costs**): The Administrators will be remunerated out of each Contribution (and to the extent necessary, out of each Creditor's Trust).
- (vi) (**Royalty**): The Royalty Holders will have their Existing Royalty reduced from 1.9% to 0.75% (in aggregate), subject to the Company issuing 5,000,000 Shares to the Royalty Holders (in aggregate), the granting of a mining mortgage in favour of the Royalty Holders in respect of the tenements comprising the Beyondie Project, and any other agreed terms.<sup>9</sup>
- (vii) (**Termination**): The DOCAs will continue in operation until it's terminated as follows:
  - (A) upon its effectuation (in accordance with the terms of the DOCA Proposal);
  - (B) by an order of the Court under section 445D of the Corporations Act;
  - (C) by a resolution of Creditors; or
  - (D) if the Share Sale Agreement is terminated in accordance with its terms.
- (viii) (**Interdependence**): Each DOCA will be interdependent of the other DOCA and with Completion under the Share Sale Agreement. In addition, as the DOCAs operate interdependently, in the event that one DOCA is terminated the remaining DOCAs will be deemed terminated at the same time and in the same manner.
- (ix) (**Excluded contracts**) There are a number of pre administration contracts in the DOCA Proposal that the Company has included as "excluded contracts" which will remain on foot following effectuation of each DOCA. These excluded contracts relate to access agreements and native title agreements with respect to the Tenements

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<sup>9</sup> The Company proposes to enter the Facilitation Deed in connection with this step. See section 2.3(c) for further information.

and various agreements related to gas supply to the Beyondie Project. Notwithstanding that these agreements will remain on foot following effectuation of each DOCA, all claims under these excluded contracts which arise out of facts, matters, circumstances or events occurring prior to the date of administration will be released and extinguished by each DOCA.

- (x) **(Release of claims):** Other than as noted in section 2.3(b)(ix) above, each DOCA will contain a release and extinguishment from all claims made against KLI and KLP, including in relation to pre-administration debts and pre-administration contracts, unless excluded by law or agreement.

The DOCA Proposal otherwise contains terms and conditions that are customary for a document of its nature.

(c) **Facilitation Deed**

The Company proposes to enter a facilitation deed with KLP, KLI and the Royalty Holders (**Facilitation Deed**), which includes the key terms summarised below.

- (i) **(DOCA support):** The Royalty Holders will generally refrain from taking any steps that compromise effectuation of the DOCAs (and therefore the Proposed Transaction).
- (ii) **(Existing Royalty):** From Completion, the parties agree to terminate the Existing Royalty Deed (and therefore the Existing Royalty), and fully release each other from any claims or liabilities in connection with the Existing Royalty Deed or the Royalty Subordination Deed.
- (iii) **(New Royalty):** From Completion, the Royalty Holders will be granted a new royalty of 0.75% (in aggregate) of gross revenue from all products extracted from the relevant mining tenements that comprise the Beyondie Project (**New Royalty**) under a new royalty deed to be entered into with each Royalty Holder on substantially the same terms as the Existing Royalty Deed, except that the New Royalty will also be secured by a mining mortgage over the tenements in favour of each Royalty Holder on customary terms.
- (iv) **(Release of Security Trustee):** The Royalty Holders are required to enter into a deed of release and termination with KLP, KLI, the Receivers, the Security Trustee and the Secured Creditors in relation to the Royalty Subordination Deed.
- (v) **(Share issue):** Subject to any required Shareholder approval, the Company will issue 5,000,000 Shares to the Royalty Holders (in aggregate) for nil cash consideration, as further described in section 2.3(b)(vi).

The primary reason for the Company entering into the proposed Facilitation Deed is to mitigate any potential termination right described in section 2.3(a)(viii)(B) that Kalium might otherwise have under the Share Sale Agreement and, therefore, to help facilitate completion of the Proposed Transaction.

(d) **Tyson Loan**

Tyson Resources Pty Ltd (**Tyson Resources**), an entity associated with Executive Director, Dr Michael Ruane, has provided \$8.75 million in loan funding to Kalium (**Tyson Loan**) towards payment of a post-administration secured debt outstanding from Kalium to a third party financier.

The Tyson Loan is secured over the present and after acquired property of Kalium, KLP and KLI (but ranking behind the third party financier's debt), and Tyson Resources will only receive interest on \$8 million of the Tyson Loan (at a rate of 12.5% per annum from 1 January 2024) if Completion under the Share Sale Agreement does not occur due to the DOCAs not being approved or breach by Kalium or the Receivers.

The Tyson Loan (including attaching interest and security interests) will be repaid and discharged upon Completion under the Share Sale Agreement. There is no recourse against the Company in relation to the Tyson Loan.

In the event that the Share Sale Agreement is terminated, Tyson Resources will receive an option exercisable within 5 business days of such termination to acquire KLI and KLP on substantially the same terms as the Company under the Share Sale Agreement (with the purchase price to be satisfied in part by setting off the Tyson Loan with applicable interest).

(e) **Capital Raising**

(i) **Entitlement offer**

To fund the Proposed Transaction, the Company intends to undertake a fully underwritten, renounceable entitlement offer of Shares to eligible Shareholders at an issue price of \$0.05 each to raise up to \$22.785 million (before costs), whereby each eligible Shareholder will be entitled to subscribe for 2 new Shares for each Share held at the record date and will also receive one free attaching New Option (exercisable at \$0.10 each and expiring 3 years from issue) for every 2 new Shares successfully subscribed for (**Capital Raising**).

Subject to satisfying ASX's criteria, the Company intends to seek quotation of the New Options. The Company anticipates lodging a prospectus with ASIC for the Capital Raising in January 2024 (**Prospectus**).

Completion of the Proposed Transaction is conditional on the Capital Raising successfully completing (given the relevant Condition in the Share Sale Agreement), and the funds raised will enable the Company to finance the purchase price payment to Kalium at Completion of \$14.75 million, as well as other costs and expenditure plans linked to the Proposed Transaction.<sup>10</sup> The minimum amount required to be raised under the Capital Raising will be the full subscription target of \$22.785 million.

As a renounceable entitlement offer, Shareholders who don't wish to take up all or part of their entitlement may still trade those rights on the ASX during the permitted period specified in the timetable for the Capital Raising. The Company is required to structure the Capital Raising as renounceable (rather than non-renounceable) under Listing Rule 7.11.3 as the ratio of Shares being offered to Shareholders for each Share they hold is greater than 1 (specifically, it will be 2 for 1 here).

The Company has decided to structure the Capital Raising as an entitlement offer so that all Shareholders can participate according to their existing voting power in the Company if they wish to, and therefore mitigate their risk of dilution.

(ii) **Lead Manager**

The Company has entered into a mandate with RM Corporate Finance Pty Ltd for its role to act as lead manager (**Lead Manager**) in relation to the Capital Raising (**Lead Manager Mandate**). The material terms of the Lead Manager Mandate are set out below.

(A) (**Term**): The term of the Lead Manager Mandate commenced on 8 November 2023 and will continue for 6 months on an exclusive basis.

(B) (**Fees**): In consideration for the lead manager services, the Company has agreed to pay or issue to the Lead Manager:

(I) a corporate retainer fee of \$10,000 (excluding GST) per month for a period of 6 months (which the Lead Manager may fully or partially

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<sup>10</sup> See section 2.3(f) for the proposed use of funds raised under the Capital Raising.

accept in Shares (with free attaching New Options) on the same terms as the Capital Raising); and

(II) 10,000,000 New Options.

(C) **(Termination)**: Either party may terminate the Lead Manager Mandate for cause with 14 days' written notice. All accrued fees and expenses must be paid to the Lead Manager within 14 days of termination.

(iii) **Underwriting**

Under the Lead Manager Mandate, the parties propose to enter into an underwriting agreement pursuant to which the target amount of \$22.785 million under the Capital Raising will be fully underwritten (**Underwriting Agreement**). It is currently proposed that the underwriter for the Capital Raising (**Underwriter**) will be the Lead Manager or, if the parties don't enter into the Underwriting Agreement, then another suitable AFSL holder identified by the Company who enters into the Underwriting Agreement.

For information purposes only and subject to negotiations between the Company and the Underwriter, key terms of the Underwriting Agreement may include those set out below.

(A) **(Fees)**: In consideration for underwriting the Capital Raising, the Company will pay or issue to the Underwriter a fee equal to 6% of the underwritten amount (which it may accept fully or partially in Shares (with free attaching New Options) on the same terms as the Capital Raising).

(B) **(Condition)**: The Underwriting Agreement will be subject to the Underwriter securing any sub-underwriters by a certain date.

(C) **(Termination events)**: The Underwriter may terminate its obligations under the Underwriting Agreement if:

(I) **(Indices fall)**: the S&P ASX 300 Index is at any time after the date of the Underwriting Agreement 10% or more or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;

(II) **(Prospectus)**: the Company does not lodge the Prospectus on the agreed lodgement date or the Prospectus or Capital Raising is withdrawn by the Company;

(III) **(Supplementary disclosure)**: the Underwriter forms the view on reasonable grounds that a supplementary prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary prospectus in such form and content and within such time as the Underwriter may reasonably require, or the Company lodges a supplementary prospectus without the prior written agreement of the Underwriter;

(IV) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by the Corporations Act;

(V) **(Misleading disclosure)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue

of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;

- (VI) **(Error in due diligence results)**: it transpires that any of the due diligence results or any part of the verification material was materially false, misleading or deceptive or that there was a material omission from them;
  - (VII) **(Proceedings)**: ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Capital Raising or the Prospectus, or publicly foreshadows that it may do so;
  - (VIII) **(Unable to issue)**: the Company is prevented from issuing the underwritten Shares and New Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
  - (IX) **(Future matters)**: any statement or estimate in the Prospectus which relates to a future matter is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
  - (X) **(Withdrawal of consent)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
  - (XI) **(No quotation approval)**: the Company fails to lodge an Appendix 3B in relation to the underwritten Shares and New Options with ASX within 7 days of the lodgement date;
  - (XII) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
  - (XIII) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
  - (XIV) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter acting reasonably; or
  - (XV) **(Indictable offence)**: a director or senior manager of the Company is charged with an indictable offence.
- (D) **(Qualified termination events)**: In addition, the Underwriter may terminate the Underwriting Agreement in any of the following circumstances provided that, in the reasonable opinion of the Underwriter, the circumstances have or could reasonably have, a material adverse effect on the Capital Raising or the Company, or could give rise to a liability of the Underwriter under the Corporations Act:

- (I) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act;
- (II) **(Hostilities)**: 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, Russia, 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 that the outbreak or escalation results in the S&P ASX 200 Index falling by 10%;
- (III) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- (IV) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect in a material respect;
- (V) **(Contravention of constitution or law)**: 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;
- (VI) **(Adverse change)**: 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;
- (VII) **(Significant change)**: 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;
- (VIII) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the entitlement offer or the prospectus other than a statement the Company is required to make in order to comply with its disclosure obligations under the Listing Rules and/or the Corporations Act;
- (IX) **(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 entitlement offer or the affairs of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (X) **(Official quotation qualified)**: the official quotation is qualified or conditional other than as set out in the Underwriting Agreement;
- (XI) **(Change in law 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;

- (XII) **(Prescribed occurrence)**: a prescribed occurrence occurs, other than as disclosed in the Prospectus;
- (XIII) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (XIV) **(Insolvency)**: an event of insolvency occurs in respect of the Company;
- (XV) **(Judgments)**: a judgment in an amount exceeding \$100,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- (XVI) **(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;
- (XVII) **(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 underwritten securities without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (XVIII) **Change in shareholdings**: there is a material change in the major or controlling shareholdings of the Company (other than as a result of the entitlement offer 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;
- (XIX) **(Timetable)**: there is a delay in any specified date in the timetable due to the neglect or default of the Company which is greater than 5 business days (unless consented to or requested by the Underwriter, such consent not to be unreasonably withheld);
- (XX) **(Force majeure)**: a force majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (XXI) **(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;
- (XXII) **(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;
- (XXIII) **(Breach of material contracts)**: any material contracts disclosed in the Prospectus are terminated or substantially modified; or
- (XXIV) **(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 would otherwise contain provisions considered standard for an agreement of its nature (including representations, warranties and confidentiality restrictions).

(iv) **Sub-underwriting**

It is intended that the Underwriter will enter into sub-underwriting agreements with various parties in the performance of its underwriting obligations. Fees associated with such arrangements or any third party broker support of the Capital Raising will be the responsibility of the Underwriter. To the extent required, the Company will disclose details of any material sub-underwriting arrangements in the Prospectus to be issued for the Capital Raising.

It is noted that, at the date of this Notice, Dr Michael Ruane, who is an Executive Director and therefore a related party of the Company, intends to sub-underwrite a portion of the Capital Raising up to \$9,235,591, being the amount of his anticipated full entitlement as a Shareholder under the Capital Raising. Essentially, it is intended that Dr Ruane would only be obligated to take up any shortfall to the extent that he does not take up his full entitlement under the Capital Raising and, therefore, Dr Ruane would not be obligated to subscribe for any shortfall Shares (and New Options) beyond his full entitlement.

The primary purpose of this proposed sub-underwriting arrangement then is to give the Underwriter comfort around the potential number of Shares (and New Options) it may need to subscribe for under the Capital Raising pursuant to its obligations under the Underwriting Agreement and, therefore, help the Underwriter manage its potential risk and exposure.

Dr Ruane would not receive any fees for his proposed sub-underwriting role (whether from the Company or the Underwriter). The Company will ensure that any sub-underwriting arrangements with Dr Ruane are appropriately disclosed in the Prospectus.

Despite being a related party of the Company, any such sub-underwriting by Dr Ruane would not require the approval of Shareholders given it would be on arm's length terms under section 210 of the Corporations Act (to the extent Chapter 2E even applies given that, arguably, no financial benefit is being given to Dr Ruane by the Company through the arrangement), and the exception for such arrangements under Listing 10.12(2) means that prior Shareholder approval for the purposes of Listing Rule 10.11 wouldn't apply, provided certain details are disclosed in the Prospectus.

For clarity, the maximum voting power of Dr Ruane upon completion of the Proposed Transaction (assuming Dr Ruane accepts his entitlement under the Capital Raising in full) is set out below.

Director	Existing relevant interest	Existing voting power	Entitlement and sub-underwriting commitment	Completion relevant interest	Completion voting power
Michael Ruane	92,355,909	40.5%	184,711,818	277,067,727	40.2%

(v) **Control implications**

The Company is mindful of the potential impact that the Capital Raising could have on control and voting power within the Company, particularly given the 2 for 1 ratio of the entitlement offer to Shareholders. Therefore, allocations of any shortfall by the Underwriter will be restricted accordingly by the proposed Underwriting Agreement, so that control implications are mitigated and managed in accordance with

applicable takeovers laws and policy, including *Takeovers Panel Guidance Note 17: Rights Issues, ASIC Regulatory Guide 6 Takeovers: Exceptions to the general prohibition* and Chapter 6 of the Corporations Act.

It is noted, however, that in entitlement offers (or rights issues) like the Capital Raising, section 611(10) of the Corporations Act provides an exemption for a Shareholder, the Underwriter or a sub-underwriter who might otherwise breach the takeover prohibition in section 606 as a result of the Capital Raising by increasing its voting power in the Company above 20%, or otherwise from a position above 20%. Further, section 611(13) also provides an exemption from the takeover prohibition for the Underwriter or a sub-underwriter to a fundraising prospectus like the Prospectus to be issued by the Company for the Capital Raising.

To the extent a section 611 exemption may be required for a Shareholder, the Underwriter or a sub-underwriter as a result of the Capital Raising, the Company will ensure appropriate disclosures are included in the Prospectus, and will consider any structuring or other steps that are necessary or prudent (and having regard to applicable takeovers laws and policy) to help ensure that the takeover prohibition is not contravened by anyone. Further, in accordance with section 615 of the Corporations Act, the Company intends to apply to ASIC for approval to appoint a foreign nominee (likely the Underwriter) to sell entitlements to which ineligible Shareholders would otherwise be entitled.

(f) **Use of funds**

The proposed use of funds raised under the Capital Raising is set out below.

Item	Amount
Completion purchase price payment <sup>1</sup>	\$14,750,000
Lead Manager and Underwriter fees <sup>2</sup>	\$1,362,000
Other costs related to the Proposed Transaction (e.g. legal, accounting, finance, other advisers and consultants)	\$250,000
Corporate overheads	\$600,000
Development and tenement expenditure	\$1,500,000
Beyondie Project care and maintenance activities	\$2,000,000
KP Project expenditure	\$650,000
General working capital <sup>3</sup>	\$1,673,314
<b>Total</b>	<b>\$22,785,314</b>

**Notes:**

- 1 To avoid doubt, this does not include the \$5 million deferred payment that is not due until 30 June 2025. See section 2.3(a) for further information.
- 2 This assumes that the Lead Manager and the Underwriter do not elect to receive Shares (with free attaching New Options) on the same terms as the Capital Raising in lieu of any cash fees they may be entitled to. See sections 2.3(e)(ii) and 2.3(e)(iii)(A) for further information.
- 3 Working capital may include wages, accounts payable, director fees, contractor fees, rent and outgoings, insurance, accounting, audit, legal, listing and registry fees, and other items of a general administrative nature. These funds may also be used for corporate expenditure items or in connection with any project, investment or acquisition, as determined by the Company at the relevant time.
- 4 The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a

number of factors including, but not limited to, the success of exploration, development of new acquisition opportunities or market conditions. In light of this, the Company reserves the right to alter the way the funds are applied.

(g) **Financial position**

The Company's current cash position is approximately \$1,400,000 and anticipates having a cash position of approximately \$7,823,000 upon completion of the Proposed Transaction.

A pro forma statement of the financial position for the Company upon completion of the Proposed Transaction is set out in Schedule 4. The pro forma statement is based on the Company's audited financial statements for the half year ended 30 June 2023 and is subject to adjustments relating to completion of the Proposed Transaction, including the Capital Raising, the Lead Manager Mandate and the Facilitation Deed.

(h) **Capital structure**

The capital structure of the Company currently and upon completion of the Proposed Transaction is set out below.

Security	Existing		Completion	
	Number	Proportion	Number	Proportion
Existing Shares	227,853,138	100%	227,853,138	33.1%
Shares under Capital Raising	-	-	455,706,276	66.2%
Shares to Royalty Holders	-	-	5,000,000	0.7%
<b>Total Shares</b>	<b>227,853,138</b>	<b>100%</b>	<b>688,559,414</b>	<b>100%</b>
Existing Options <sup>1</sup>	28,525,275	100%	28,525,275	10.7%
New Options under Capital Raising	-	-	227,853,138	85.5%
New Options to Lead Manager	-	-	10,000,000	3.8%
<b>Total Options</b>	<b>28,525,275</b>	<b>100%</b>	<b>266,378,413</b>	<b>100%</b>
<b>Fully diluted share capital<sup>2</sup></b>	<b>256,378,413</b>	<b>100%</b>	<b>954,937,827</b>	<b>100%</b>

**Notes:**

1 Comprising the following:

- a 18,275,275 quoted Options exercisable at \$0.20 by 31 March 2025;
- b 5,000,000 unquoted Options exercisable at \$0.198 by 14 September 2025; and
- c 5,250,000 unquoted Options exercisable at \$0.20 by 14 September 2025.

2 The tables assumes that the Lead Manager and the Underwriter do not elect to receive Shares (with free attaching New Options) on the same terms as the Capital Raising in lieu of any cash fees they may be entitled to. See sections 2.3(e)(ii) and 2.3(e)(iii)(A) for further information.

(i) **Business model**

The Company's current business model is focussed on exploring and developing the KP and CP Projects. Following completion of the Proposed Transaction, the Company intends to operate the Beyondie Project primarily in care and maintenance for a period of 12 months.

A key component to the Company's activities following completion of the Proposed Transaction will be to work to incorporate the Reward Process into the Beyondie Project brine supply/pond system and plant flow sheet. This is anticipated to be a low-cost R&D program designed to utilise existing plant and infrastructure at the Beyondie Project. Following such work, the Company will be in a position to notify Shareholders of the prospects of the Beyondie Project processing plant achieving positive revenue generation and any additional capital expenditure required.

(j) **Board and management**

The Proposed Transaction does not involve any change to the Board or senior management of the Company, and the Company does not anticipate any immediate change to either as a result of the Proposed Transaction.

(k) **Timetable**

The indicative timetable for the Proposed Transaction is set out below.

<b>Event</b>	<b>Date</b>
Execution of Share Sale Agreement with Kalium and Receivers	1 December 2023
Approval of DOCA Proposal by Creditors	6 December 2023
Dispatch of Notice of Meeting to Shareholders	11 December 2023
Execution of Facilitation Deed with Royalty Holders	Week ending 15 December 2023
Execution of DOCAs with Administrators and Receivers	On or before 29 December 2023
General Meeting for approval of Resolutions by Shareholders	9 January 2024
Lodgement of Prospectus with ASIC	9 January 2024
Completion of Capital Raising	29 January 2024
Effectuation of DOCAs	30 January 2024
Completion of Share Sale Agreement and Proposed Transaction	
Commencement of trading in new Shares and New Options <sup>1</sup>	

**Notes:**

- 1 Quotation (and therefore any trading) in New Options is subject to the Company satisfying the applicable conditions under the Listing Rules (including with respect to spread).
- 2 The above timetable is indicative only and subject to change. The Company reserves the right to amend the timetable without notice and will keep Shareholders updated on the timing of completion of the Proposed Transaction.

## 2.4 Board recommendation

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

### **3 Resolution 2 – Issue of Shares to the Royalty Holders**

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#### **3.1 General**

As set out in section 2.3(c), the Company proposed to enter into the Facilitation Deed with the Royalty Holders under which, among other things, the Company proposes to issue a total of 5,000,000 Shares to the Royalty Holders (or their nominees).

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of up to 5,000,000 Shares to the Royalty Holders in accordance with the proposed Facilitation Deed, subject to Completion under the Share Sale Agreement. The Shares are proposed to be offered under the Prospectus to be issued by the Company for the Capital Raising.

Resolution 2 is an ordinary resolution and is subject to the voting exclusions described in this Notice. It is noted that Resolution 2 is subject to Resolution 1 being passed by Shareholders and, therefore, if Resolution 1 is not passed then Resolution 2 will be withdrawn from consideration at the Meeting and the Proposed Transaction will not proceed.

#### **3.2 Listing Rule 7.1**

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.

Listing Rule 7.2 sets out various types of equity issues that are excluded from the operation of Listing Rule 7.1 and 7.1A. The issue of the Shares does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires Shareholder approval under Listing Rule 7.1.

The effect of Resolution 2 will be to allow the Company to issue the Shares during the period of 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will issue the maximum number of Shares out of the Company's available placement capacity under Listing Rule 7.1, with the balance (if required) to be issued once the Company's placement capacity under Listing Rule 7.1 is sufficiently refreshed).

#### **3.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of Shares under Resolution 2:

- (a) a maximum of 5,000,000 Shares are to be issued:
- (b) the Shares will be issued to the Royalty Holders (or their nominees), none of whom is a related party of the Company, as follows:
  - (i) 1,666,667 Shares to Kalium Corporate (or its nominees); and
  - (ii) 3,333,333 Shares to Greenstone (or its nominees);
- (c) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

- (d) it is intended that the Shares will be issued upon Completion under the Share Sale Agreement, and in any case no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) no funds will be raised from the issue of the Shares as they are being issued for nil cash consideration pursuant to the proposed Facilitation Deed. A summary of the proposed material terms of the Facilitation Deed is set out in section 2.3(c);
- (f) the Shares are not being issued under, or to fund, a reverse takeover; and
- (g) a voting exclusion statement is included in the Notice.

### **3.4 Board recommendation**

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

## **4 Resolution 3 – Issue of New Options to the Lead Manager**

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### **4.1 General**

As set out in section 2.3(e), the Company has engaged RM Corporate Finance Pty Ltd (**Lead Manager**) to provide lead manager services in connection with the Capital Raising.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of up to 10,000,000 New Options to the Lead Manager in accordance with the Lead Manager Mandate. The New Options are proposed to be offered under the Prospectus to be issued by the Company for the Capital Raising.

The Company intends to seek quotation of the New Options in accordance with the Listing Rules and the Corporations Act, subject to satisfaction of the requirements (including with respect to spread) of the Listing Rules. If quotation of the New Options cannot be obtained, the New Options will remain unquoted.

Resolution 3 is an ordinary resolution and is subject to the voting exclusions described in this Notice. It is noted that Resolution 3 is subject to Resolution 1 being passed by Shareholders and, therefore, if Resolution 1 is not passed then Resolution 3 will be withdrawn from consideration at the Meeting and the Proposed Transaction will not proceed.

### **4.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is contained in section 3.2 above.

The effect of Resolution 3 will be to allow the Company to issue the New Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will issue the maximum number of New Options out of the Company's available placement capacity under Listing Rule 7.1, with the balance (if required) to be issued once the Company's placement capacity under Listing Rule 7.1 is sufficiently refreshed).

### **4.3 Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of New Options under Resolution 3:

- (a) a maximum of 10,000,000 New Options are to be issued to the Lead Manager (or its nominees);
- (b) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Lead Manager will be issued for nominal cash consideration as partial consideration for lead manager and corporate advisory services provided by the Lead Manager under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in section 2.3(e)(ii);
- (d) the New Options will be issued to the Lead Manager (or its nominees), none of whom is a related party of the Company;
- (e) the New Options will be exercisable at \$0.10 each on or before the date that is 3 years from their issue, and will otherwise have the terms set out in Schedule 5;
- (f) no funds will be raised from the issue of the New Options as they are being issued for nil cash consideration;
- (g) the New Options are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in the Notice.

#### **4.4 Board recommendation**

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

## Definitions

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**Administrators** means the administrators of Kalium, KLI and KLP, being Matthew Woods, Clint Joseph and Martin Jones of KPMG.

**ASIC** means the Australian Securities and Investments Commission.

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

**Beyondie Project** means the Beyondie SOP project in Western Australia described in section 1.3.

**Board** means the board of Directors.

**Capital Raising** means the Company's proposed fully underwritten, renounceable entitlement offer of Shares at \$0.05 each to Shareholders on a 2 for 1 basis to raise approximately \$22.785 million (before costs), together with one free attaching New Option for every 2 Shares received, as described in section 2.3(e).

**Chair** means the person appointed to chair the Meeting.

**Company** means Reward Minerals Ltd (ACN 009 173 602).

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

**Creditor** means a creditor of KLP or KLI (as applicable).

**Director** means a director of the Company.

**DOCA Proposal** means the non-binding term sheet attached to the Share Sale Agreement in relation to the DOCAs (as amended), as described in section 2.3(b).

**DOCAs** means the deeds of company arrangement for each of KLI and KLP (as applicable) proposed to be entered into by the Company with the Administrators and the Receivers, as contemplated in the DOCA Proposal.

**Exclusivity Deed** means the exclusivity deed between the Company, Kalium, KLI, KLP, the Receivers and Tyson Resources in relation to the Proposed Transaction, as announced to ASX on 16 November 2023.

**Explanatory Statement** means the explanatory statement which forms part of this Notice.

**Existing Royalty** means the royalty of 1.9% of gross revenue from all products extracted from the relevant mining tenements that comprise the Beyondie Project granted to the Royalty Holders (in aggregate) under the Existing Royalty Deed.

**Existing Royalty Deed** means the royalty deed dated 29 July 2016 between KLP and Kalium Corporate under which the Existing Royalty was granted, as amended, supplemented, assigned or otherwise modified by any other document relating to the Existing Royalty, whether or not KLP, KLI or a Royalty Holder is a party to the document, and whether or not the document is dated before or after 29 July 2016.

**Facilitation Deed** means the proposed facilitation deed between the Company, KLP, KLI and the Royalty Holders in relation to the Proposed Transaction, as described in section 2.3(c).

**Greenstone** means Greenstone Resources II (Australia) Holdings L.P.

**Kalium** means Kalium Lakes Ltd (Receivers and Managers Appointed) (Administrators Appointed) (ACN 613 656 643).

**Kalium Corporate** means Kalium Corporate Pty Ltd (ACN 603 911 271) as trustee for the Kalium Founders Unit Trust.

**KLI** means Kalium Lakes Infrastructure Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) (ACN 631 042 450).

**KLP** means Kalium Lakes Potash Pty Ltd (Receivers and Managers Appointed) (Administrators Appointed) (ACN 601 436 060).

**Lead Manager** means RM Corporate Finance Pty Ltd (ACN 108 084 386) (AFSL 315235).

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

**Meeting** means the general meeting of Shareholders convened by this Notice.

**New Option** means an Option on the terms set out in Schedule 5.

**New Royalty** means the royalty of 0.75% of gross revenue from all products extracted from the relevant mining tenements that comprise the Beyondie Project proposed to be granted to the Royalty Holders (in aggregate), as described in section 2.3(c)(iii).

**Notice or Notice of Meeting** means this document convening the Meeting, including the Explanatory Statement and Proxy Form.

**Option** means an option to acquire a Share.

**Proposed Transaction** has the meaning given in section 1.1.

**Prospectus** means the prospectus proposed to be lodged with ASIC by the Company for the Capital Raising.

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

**Receivers** means the receivers and managers of Kalium, KLI and KLP, being Robert Conry Brauer, Robert Michael Kirman and Jason Preston of McGrath Nicol.

**Royalty Holders** means Greenstone and Kalium Corporate.

**Royalty Subordination Deed** means the royalty subordination deed between KLP, KLI, the Security Trustee and the Royalty Holders in relation to the Existing Royalty, as amended and restated on 15 August 2022.

**Secured Creditors** means the secured creditors of KLP and KLI.

**Security Trustee** means Westpac Administration Pty Limited (ACN 008 617 203) as trustee of the Beyondie SOP Security Trust.

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

**Share Sale Agreement** means the share sale agreement dated 1 December 2023 between the Company, Kalium and the Receivers in relation to the Proposed Transaction, as described in section 2.3(a).

**Shareholder** means a holder of one or more Shares.

**SOP** means sulphate of potash.

**Tenements** means the various mining leases, exploration licences and miscellaneous licences listed in Schedule 2.

**Tyson Loan** has the meaning given in section 2.3(d).

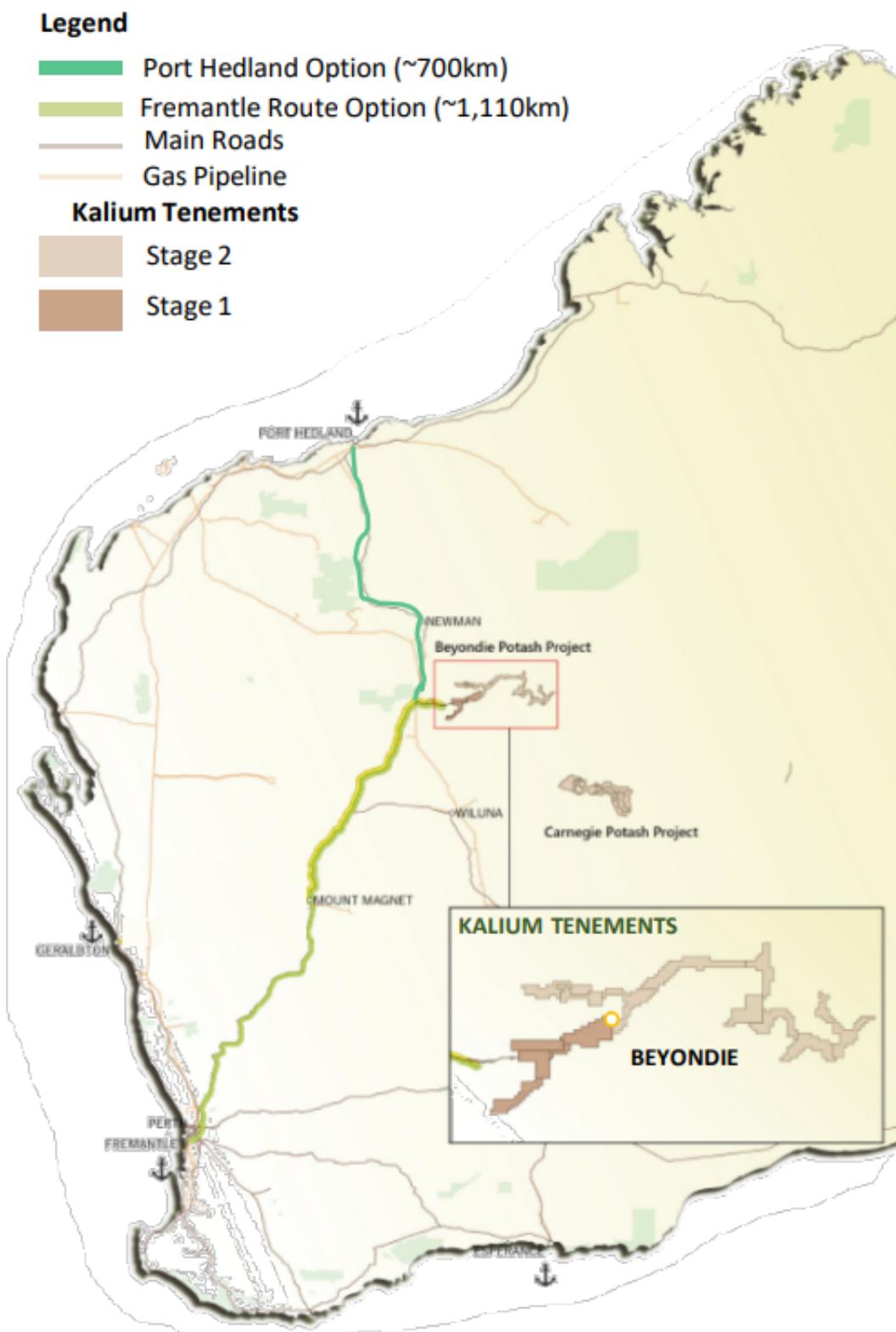
**Tyson Resources** means Tyson Resources Pty Ltd (ACN 008 739 080).

**Underwriter** means the underwriter of the Capital Raising, as described in section 2.3(e)(iii).

**Underwriting Agreement** means the underwriting agreement proposed to be entered into by the Company in relation to the Capital Raising, as described in section 2.3(e)(ii).

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

# Schedule 1 – Map of Beyondie Project



## Schedule 2 – Tenements of Beyondie Project

Tenement Number	Registered Holder	Interest	Status
M69/145	KLP	100%	Live
M69/146	KLP	100%	Live
M69/148	KLP	100%	Live
E52/3956	KLP	100%	Pending
E52/3957	KLP	100%	Pending
E52/4038	KLP	100%	Pending
E69/3306	KLP	100%	Live
E69/3309	KLP	100%	Live
E69/3339	KLP	100%	Live
E69/3340	KLP	100%	Live
E69/3341	KLP	100%	Live
E69/3342	KLP	100%	Live
E69/3343	KLP	100%	Live
E69/3344	KLP	100%	Live
E69/3345	KLP	100%	Live
E69/3346	KLP	100%	Live
E69/3347	KLP	100%	Live
E69/3348	KLP	100%	Live
E69/3349	KLP	100%	Live
E69/3351	KLP	100%	Live
E69/3352	KLP	100%	Live
E69/3594	KLP	100%	Live
E69/4052	KLP	100%	Pending
L52/162	KLI	100%	Live
L52/186	KLI	100%	Live
L52/187	KLI	100%	Live

Tenement Number	Registered Holder	Interest	Status
L52/193	KLP	100%	Live
L69/28	KLI	100%	Live
L69/29	KLI	100%	Live
L69/30	KLI	100%	Live
L69/31	KLP	100%	Live
L69/32	KLP	100%	Live
L69/34	KLP	100%	Live
L69/35	KLP	100%	Live
L69/36	KLP	100%	Live
L69/38	KLI	100%	Live
L69/40	KLI	100%	Live
L69/41	KLI	100%	Live
L69/46	KLP	100%	Live
L69/47	KLP	100%	Live
L69/48	KLP	100%	Live
L69/52	KLP	100%	Live
L69/53	KLP	100%	Live
L69/54	KLP	100%	Live
L69/55	KLP	100%	Live
L69/59	KLP	100%	Live
L69/60	KLP	100%	Live
L69/61	KLP	100%	Live

## Schedule 3 – Site Plan for Beyondie Project



## Schedule 4 – Pro Forma Balance Sheet

	30 June 2023 (Audited)	Adjustments	Completion (Pro Forma)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,448,429	6,173,314	8,621,743
Trade and other receivables	73,100	-	73,100
<b>Total current assets</b>	<b>2,521,529</b>	<b>6,173,314</b>	<b>8,694,843</b>
<b>Non-current assets</b>			
Right of use assets	74,075	-	74,075
Other assets	50,000	-	50,000
Property, plant and equipment	257,266	-	257,266
Exploration and evaluation expenditure	21,642,745	-	21,642,745
KLL project acquisition	-	20,000,000	20,000,000
<b>Total non-current assets</b>	<b>22,024,086</b>	<b>20,000,000</b>	<b>42,024,086</b>
<b>Total assets</b>	<b>24,545,615</b>	<b>26,173,314</b>	<b>50,718,929</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	256,860	-	256,860
Lease liabilities	82,116	-	82,116
Borrowings	3,257,562	-	3,257,562
<b>Total current liabilities</b>	<b>3,596,538</b>	<b>-</b>	<b>3,596,538</b>
<b>Non-current liabilities</b>			
Lease liabilities	-	-	-
Other Creditor – Deferred Purchase Payment	-	5,000,000	5,000,000
<b>Total non-current liabilities*</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>Total liabilities</b>	<b>3,596,538</b>	<b>5,000,000</b>	<b>8,596,538</b>
<b>Net assets</b>	<b>20,949,077</b>	<b>21,173,314</b>	<b>42,122,391</b>
<b>Equity</b>			
Contributed equity	46,769,553	21,173,314	67,942,867
Reserves	11,572,138	-	11,572,138
Accumulated losses	(37,392,614)	-	(37,392,614)
<b>Total equity</b>	<b>20,949,077</b>	<b>21,173,314</b>	<b>42,122,391</b>

\*Note: The Company notes that obligations to rehabilitate the mine site comprising the Beyondie Project will remain with KLI and KLP following Completion. In this regard, the Company notes that Kalium had included a provision for rehabilitation of \$18,055,533 in its 30

June 2022 accounts (being the last audited accounts issued by Kalium and the last disclosure regarding such provision made prior to the date of administration). Due to the significant management judgment and estimates involved in assessing the provision for rehabilitation (including determination of costs to be incurred in future years and its timing, complexity involved in the quantification of the provision based on area disturbed and the methodology used to calculate the provision to ensure compliance with the Australian accounting standards) the Company is not currently in a position to confirm the amount of any such provision. The Company expects to confirm its position on any such provision in its next audited accounts to be issued following Completion. For completeness, the Company also notes that KLI and KLP will be required to make annual contributions to the Mining Rehabilitation Fund following Completion.

## Schedule 5 – Terms of New Options

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- 1      **(Entitlement):** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- 2      **(Issue Price):** No cash consideration is payable for the issue of the Options.
- 3      **(Exercise Price):** The Options have an exercise price of \$0.10 per Option (**Exercise Price**).
- 4      **(Expiry Date):** The Options expire at 5:00pm (WST) on the date that is 3 years following the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- 5      **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- 6      **(Exercise Notice):** An Option may be exercised during the Exercise Period by written notice to the Company in any manner specified on the Option certificate (**Exercise Notice**) 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.
- 7      **(Exercise Date):** An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).
- 8      **(Timing of Shares issued on exercise):** Within 5 Business Days after the Exercise Date, the Company will:
- issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company;
  - 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
  - apply for quotation on ASX of Shares issued pursuant to the exercise of the Options.
- If a notice delivered under the above is not effective (for any reason) 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.
- 9      **(Ranking of Shares):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- 10     **(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 Listing Rules at the time of the reconstruction.
- 11     **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

- 12 **(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.
- 13 **(Transferability of Options)**: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
- 14 **(Quotation of Options)**: The Company will apply for quotation of the Options on ASX, subject to satisfaction of the minimum quotation conditions of the ASX Listing Rules.

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 07 January 2024**, 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/#/loginsah> 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  
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Sydney NSW 2001

#### IN PERSON:

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Sydney NSW 2000

#### BY EMAIL:

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#### All enquiries to Automic:

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