
NARRYER METALS LIMITED
ACN 651 575 898
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00 am

DATE: Monday 20 May 2024

PLACE: Level 5, 191 St Georges Terrace, Perth WA

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (WST) on Saturday 18 May 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF EXCLUSIVITY SHARES TO VENDORS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Exclusivity Shares on the terms and conditions set out in the Explanatory Statement.”

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

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF EXCLUSIVITY OPTIONS TO VENDORS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Exclusivity Options on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – APPROVAL TO ISSUE CONSIDERATION SHARES TO VENDORS

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 12,500,000 Initial Consideration Shares, 7,500,000 Tranche 1 Deferred Consideration Shares, 10,000,000 Tranche 2 Deferred Consideration Shares and 10,000,000 Tranche 3 Deferred Consideration Shares, on the terms and conditions set out in the Explanatory Statement.”

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

4. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS TO MORGANS CORPORATE LIMITED

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,000,000 Lead Manager Options on the terms and conditions set out in the Explanatory Statement.”

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

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,758,411 Tranche 1 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1A

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,505,607 Tranche 1 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 7 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

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

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 13,735,982 Tranche 2 Placement Shares on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 8 – ISSUE OF SHARES TO RELATED PARTY – GAVIN ENGLAND

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 10.11 and for all other purposes, approval is given for the Company to issue 250,000 Shares to Gavin England (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

9. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY – PHILIP WARREN

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 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Shares to Philip Warren (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

10. RESOLUTION 10 – ISSUE OF SHARES TO RELATED PARTY – RICHARD BEVAN

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 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Shares to Richard Bevan (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

Dated: 16 April 2024

By order of the Board

A handwritten signature in black ink, appearing to read 'Bevan', written in a cursive style.

Richard Bevan
Chair

Voting Exclusion Statements

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

Resolutions 1 and 2 – Ratification of Prior Issue of Exclusivity Shares and Exclusivity Options to Vendors	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Vendors) or an associate of that person or those persons.
Resolution 3 – Approval to Issue Consideration Shares to Vendors	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Vendors) or an associate of that person (or those persons).
Resolution 4 – Approval to Issue Lead Manager Options to Morgans Corporate Limited	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Morgans Corporate Limited) or an associate of that person (or those persons).
Resolutions 5 and 6 – Ratification of Prior Issue of Tranche 1 Placement Shares	A person who participated in the issue or is a counterparty to the agreement being approved (namely the Tranche 1 Placement Participants) or an associate of that person or those persons.
Resolution 7 – Approval to Issue Tranche 2 Placement Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Tranche 2 Placement Participants) or an associate of that person (or those persons).
Resolution 8 – Issue of Shares to Related Party	Gavin England (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 9 – Issue of Shares to Related Party	Phillip Warren (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
Resolution 10 – Issue of Shares to Related Party	Richard Bevan (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 2 9299 9690.

EXPLANATORY STATEMENT

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

1. BACKGROUND TO THE RESOLUTIONS

1.1 Background

As announced on 12 March 2024, the Company has entered into a binding agreement with the shareholders of Highway Lithium Ltd (**Highway**) to acquire 70% of Highway's issued capital (**Acquisition Agreement**) (**Acquisition**). The existing Highway shareholders will retain 30% of the issued capital in Highway and are the same shareholder group as the previous KAV Resources Pty Ltd (**KAV**) shareholders, from whom the Company acquired 100% of the issued capital of KAV, as announced on 22 September 2023.

Highway is the 100% beneficial owner¹ of the mineral claims (**Mineral Claims**) comprising the Big Hill and Fran Projects (**Projects**).

The Big Hill Project is in a 62km² area of active lithium exploration and contains identified spodumene-hosted pegmatites. The Mineral Claims comprising the Big Hill Project partially surround Li-FT Power's (TSXV:LIFT) 2.9 km² BIG lithium project area mineral leases.

The Fran Project is located approximately 10km north of the Big Hill Project and covers an area of approximately 36km², with evidence of lithium and tantalum mineralisation present. The property has three known fractionated pegmatite dyke swarms, with beryl and rare earth occurrences.

The Projects are both serviced by well-established public infrastructure including a major highway, the city of Yellowknife, a major airport and good bulk haulage options out of Yellowknife.

The Projects are geologically hosted in Archaean Slave Craton, known as a tier 1 diamond mining jurisdiction, but has also had a history of gold, REE and uranium mining.

A summary of the Mineral Claims comprising the Projects is outlined in Table 1. For further information, please refer to the Company's announcements titled "Strategic Lithium Project Acquisition and Capital Raise" and "Acquisition of Strategic Lithium Projects Presentation" released to the ASX on 12 March 2024.

¹ Highway Lithium holds its interest in these Mineral Claims via a mineral claims nominee agreement entered into with Aurora Geosciences Ltd (Aurora), pursuant to which Aurora agreed to receive registered title to the Mineral Claims on trust and on behalf of Highway Lithium and acknowledged and agreed that Highway Lithium will maintain 100% beneficial ownership over the Mineral Claims for so long as Aurora holds registered title for the Mineral Claims

Table 1. Summary of Mineral Claims Comprising the Fran and Big Hill Projects

Claim Name	Claim Number	Issue Date	Anniversary Date	Area (ha)	Owner
FRAN 01	M11675	14 November 2022	14 November 2024	1250	Aurora (100%)
FRAN 02	M11676	14 November 2022	14 November 2024	1237.04	Aurora (100%)
FRAN 03	M11677	14 November 2022	14 November 2024	1140	Aurora (100%)
BHE 01	M11667	14 November 2022	14 November 2024	300	Aurora (100%)
BHE 02	M11668	14 November 2022	14 November 2024	1250	Aurora (100%)
BHE 03	M11669	14 November 2022	14 November 2024	1243.57	Aurora (100%)
BHE 04	M11670	14 November 2022	14 November 2024	1225.47	Aurora (100%)
BHE 05	M11671	14 November 2022	14 November 2024	215.09	Aurora (100%)
BHE 06	M11672	14 November 2022	14 November 2024	1047.38	Aurora (100%)
BHE 07	M11673	14 November 2022	14 November 2024	754.61	Aurora (100%)
BHE 08	M11674	14 November 2022	14 November 2024	125.01	Aurora (100%)

As set out above, the Company and the Highway shareholders (otherwise referred to as the **Vendors**) previously entered into a binding heads of agreement on 16 July 2023 (**2023 Agreement**) pursuant to which the Company acquired 100% of the shares in KAV Resources Pty Ltd (ACN 664 507 948) (**KAV**) from the Vendors (KAV had the same Vendors in the same ownership percentages as Highway). KAV owns, through its wholly owned Canadian subsidiary (KAV Resources Pty Ltd (Canada)), certain exploration licenses located in Ontario and Quebec, provinces of Canada that are considered to be prospective for lithium (**Exploration Licences**).

Under the Acquisition Agreement, as consideration for the grant of exclusivity, the Company agreed to issue the Vendors the following consideration:

- (a) a \$50,000 cash payment;
- (b) 2,500,000 Shares (**Exclusivity Shares**); and
- (c) 2,500,000 Options exercisable at \$0.10 each on or before 31 December 2026 (**Exclusivity Options**),

(together, the **Exclusivity Fee**). Ratification of the issue of the Exclusivity Shares and Exclusivity Options is sought pursuant to Resolutions 1 and 2 respectively.

Under the Acquisition Agreement, the Company has agreed to issue the Vendors the following consideration, subject to various conditions precedent, including Shareholder approval:

- (a) upfront cash consideration of \$50,000; and
 - (b) 12,500,000 Shares (**Initial Consideration Shares**) (approval of which is sought pursuant to Resolution 3),
- (together, the **Initial Consideration**); and

- (c) the following deferred milestone consideration (approval of which is sought pursuant to Resolution 3):
- (i) 7,500,000 Shares to be issued following any trench samples or drill results returning at least:
 - (A) 5m at 1.0% Li₂O;
 - (B) 4m at 1.25% Li₂O;
 - (C) 3m at 1.6% Li₂O;
 - (D) 2m at 2.5% Li₂O; or
 - (E) 1m at 5% Li₂O,

on at least one Exploration Licence or Mineral Claim by 31 March 2026 (**Tranche 1 Deferred Consideration**);
 - (ii) 10,000,000 Shares to be issued following delivery of minimum of 3 drill intersections returning at least:
 - (A) 10m at 1.0% Li₂O;
 - (B) 8m at 1.25% Li₂O;
 - (C) 6m at 1.67% Li₂O;
 - (D) 4m at 2.5% Li₂O; or
 - (E) 2m at 5.0% Li₂O,

across the Exploration Licences and Mineral Claims by 31 March 2027 (**Tranche 2 Deferred Consideration**); and
 - (iii) 10,000,000 Shares to be issued following the delineation of a 5Mt JORC compliant Mineral Resource at no less than a grade of 0.9% Li₂O across the Exploration Licences and Mineral Claims by 31 March 2029 (**Tranche 3 Deferred Consideration**),
- (together the **Deferred Consideration Shares**); and
- (d) with effect on and from settlement of the Acquisition Agreement, to grant the Vendors a:
- (i) 1.5% net smelter return royalty from revenue generated from production of lithium in the area comprising the Mineral Claims; and
 - (ii) 2.5% net smelter return royalty from revenue generated from production of minerals other than lithium in the area comprising the Mineral Claims.

The key terms of the Acquisition Agreement are summarised in Schedule 1.

The following table sets out the original milestones from the 2023 Agreement alongside the milestones for the Deferred Consideration Shares stated above:

2023 Agreement (original milestones)	Acquisition Agreement (new milestones)
<p>The Company also agrees to issue deferred consideration Shares, as part of the consideration for the KAV shares, subject to satisfaction of the following performance criteria:</p> <p>(a) 7,500,000 Shares to be issued following any trench samples or drill results returning at least:</p> <ul style="list-style-type: none"> (i) 5m at 1.0% Li20; (ii) 4m at 1.25% Li20; (iii) 3m at 1.6% Li20; (iv) 2m at 2.5% Li20; or (v) 1m at 5% Li20, <p>on at least one Exploration Licence within 1 year of Settlement (KAV Tranche 1 Deferred Consideration);</p> <p>(b) 10,000,000 Shares to be issued following delivery of minimum of 5 drill intersections returning at least:</p> <ul style="list-style-type: none"> (i) 10m at 1.0% Li20 (ii) 8m at 1.25% Li20; (iii) 6m at 1.67% Li20; (iv) 4m at 2.5% Li20; or (v) 2m at 5.0% Li20, <p>across the Exploration Licences within 2 years of Settlement (KAV Tranche 2 Deferred Consideration); and</p> <p>(c) 10,000,000 Shares to be issued following the delineation of a 10Mt JORC compliant Mineral Resource at no less than a grade of 0.9% Li20 across the Exploration Licences within 5 years of Settlement (KAV Tranche 3 Deferred Consideration),</p> <p>(together the KAV Deferred Consideration).</p>	<p>The Company also agrees to issue deferred consideration Shares, as part of the consideration for the Highway shares, subject to satisfaction of the following performance criteria:</p> <p>(a) 7,500,000 Shares to be issued following any trench samples or drill results returning at least:</p> <ul style="list-style-type: none"> (i) 5m at 1.0% Li20; (ii) 4m at 1.25% Li20; (iii) 3m at 1.6% Li20; (iv) 2m at 2.5% Li20; or (v) 1m at 5% Li20, <p>on at least one Exploration Licence or Mineral Claim by 31 March 2026 (being the Tranche 1 Deferred Consideration);</p> <p>(b) 10,000,000 Shares to be issued following delivery of minimum of 3 drill intersections returning at least:</p> <ul style="list-style-type: none"> (i) 10m at 1.0% Li20 (ii) 8m at 1.25% Li20; (iii) 6m at 1.67% Li20; (iv) 4m at 2.5% Li20; or (v) 2m at 5.0% Li20, <p>across the Exploration Licences and Mineral Claims by 31 March 2027 (being the Tranche 2 Deferred Consideration); and</p> <p>(c) 10,000,000 Shares to be issued following the delineation of a 5Mt JORC compliant Mineral Resource at no less than a grade of 0.9% Li20 across the Exploration Licences and Mineral Claims by 31 March 2029 (Tranche 3 End Date) (being the Tranche 3 Deferred Consideration),</p> <p>(together the Deferred Consideration).</p>

The Deferred Consideration removes the obligation on the Company to issue and replaces the KAV Deferred Consideration in the 2023 Agreement.

If the Company does not satisfy the milestones for the Tranche 1 Deferred Consideration and the Tranche 2 Deferred Consideration by 31 March 2027 then the Vendors will have the option to purchase 20% of the shares in Highway from the Company for \$100,000.

For further information, please refer to the Company's announcement titled "Strategic Lithium Project Acquisition and Capital Raise" released to the ASX on 12 March 2024.

1.2 Conditions Precedent to the Acquisition

The Acquisition will not proceed unless and until the following key conditions precedent are satisfied or waived in accordance with the Acquisition Agreement:

- (a) Highway becomes the legal holder of the Mineral Claims;
- (b) the Company having obtained a waiver from ASX to permit the issue of the Deferred Consideration Shares notwithstanding the Deferred Consideration Shares will be issued more than 3 months after the Meeting;
- (c) the Company obtaining all necessary regulatory, shareholder and third party approvals to allow the Company to lawfully complete the Acquisition of Highway, including the Company Shareholders in general meeting having approved by the appropriate majority the issue of the Initial Consideration Shares and Deferred Consideration Shares to the Vendors as set out in Section 1.1 for all purposes, including (without limitation) for the purposes of ASX Listing Rule 7.1 and if required for the issue of the Initial Consideration Shares, item 7 of section 611 of the Corporations Act; and
- (d) the Company and the Vendors having agreed the form of the Shareholders Agreement, Escrow Deeds and Royalty Deed.

1.3 Corporate Advisor

The Company engaged the services of Morgans Corporate Limited (ACN 010 539 607) (**Morgans**) for corporate advisory services provided to the Company in respect of the Acquisition (as detailed in this Section 1) and the to act as Lead Manager to the Placement (as detailed in Section 5.1) pursuant to a mandate dated 8 March 2024 (**Lead Manager Mandate**).

Under the terms of the Lead Manager Mandate, the Company has agreed to pay Morgans 6% (exclusive of GST) of the total proceeds of the Placement which comprises:

- (a) 2% management fee on the total proceeds from the Placement;
- (b) 4% selling fee on the total proceeds from the Placement; and
- (c) 1,000,000 Options, exercisable at \$0.10 each on or before 18 April 2024 (**Lead Manager Options**) as a once off success fee for corporate advisory services related to the Acquisition payable on completion of the Acquisition and subject to Shareholder approval.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this kind.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF EXCLUSIVITY SECURITIES TO VENDORS

2.1 General

As set out in Section 1.1 above, as consideration for the exclusivity period for the Company to complete the Acquisition, the Company agreed to issue the Vendors 2,500,000 Exclusivity Shares and 2,500,000 Exclusivity Options (together, the **Exclusivity Securities**).

On 12 March 2024, the Company issued the Exclusivity Securities to the Vendors.

The issue of the Exclusivity Securities did not breach Listing Rule 7.1 at the time of the issue.

2.2 Listing Rules 7.1 and 7.1A

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

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 November 2023.

The issue of the Exclusivity Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Exclusivity Securities.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Exclusivity Securities.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Exclusivity Shares and Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Exclusivity Options.

2.3 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Exclusivity Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue

without Shareholder approval over the 12 month period following the date of issue of the Exclusivity Securities.

If Resolutions 1 and 2 are not passed, the Exclusivity Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Exclusivity Securities.

2.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Exclusivity Securities were issued to the Vendors, being Horley Pty Ltd, Petar Tomasevic, Knightons Way Pty Ltd ATF Hildebrand Family Trust and Marnus Roland Bothma ATF Bothma Family Trust;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that:
 - (i) Horley Pty Ltd is a substantial holder of the Company (holding 9.19% as at the date of this Notice) and was issued more than 1% of the issued capital of the Company; and
 - (ii) other than Horley Pty Ltd, the Company confirms that none of the recipients were:
 - (A) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (B) issued more than 1% of the issued capital of the Company;
- (c) 2,500,000 Exclusivity Shares and 2,500,000 Exclusivity Options were issued. The Exclusivity Options were issued on the terms and conditions set out in Schedule 2;
- (d) the Exclusivity Securities were issued on 12 March 2024;
- (e) the Exclusivity Securities were issued at a nil issue price, in consideration for an exclusivity period under the Acquisition Agreement. The Company has not and will not receive any other consideration for the issue of the Exclusivity Securities (other than in respect of funds received on exercise of the Exclusivity Options);
- (f) the purpose of the issue of the Exclusivity Securities was to satisfy the Company's obligations under the Acquisition Agreement;
- (g) the Exclusivity Securities were issued to the Vendors under the Acquisition Agreement. A summary of the material terms of the Acquisition Agreement is set out in Schedule 1; and
- (h) A voting exclusion statement is included for Resolutions 1 and 2.

3. RESOLUTION 3 – APPROVAL TO ISSUE CONSIDERATION SHARES TO VENDORS

3.1 General

As set out in Section 1.1, the Company has agreed to issue:

- (a) 12,500,000 Initial Consideration Shares;
 - (b) 7,500,000 Tranche 1 Deferred Consideration Shares;
 - (c) 10,000,000 Tranche 2 Deferred Consideration Shares; and
 - (d) 10,000,000 Tranche 3 Deferred Consideration Shares,
- (together, the **Consideration Shares**).

3.2 Listing Rule 7.1

Listing Rule 7.1 is summarised in Section 2.2.

Resolution 3 seeks Shareholder approval for the issue of the Initial Consideration Shares and the Deferred Consideration Shares.

The proposed issue of the Consideration Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

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

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares and the Company will not be able to proceed with the acquisition of Highway.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

3.4 Waiver from the requirements of ASX Listing Rule 7.3.4

Listing Rule 7.3.4 requires a notice of meeting with a resolution to approve the issue of equity securities to state that the securities will be issued within three months of the date of the shareholder's meeting. The Company has obtained a waiver from the ASX to the extent necessary to permit the Company to not state in this Notice that the Deferred Consideration Shares will be issued within three months of the date of the Meeting, subject to the following conditions:

- (a) the Deferred Consideration Shares are to be issued upon satisfaction of the milestones and within the time required by the milestones, namely by 31 March 2026 for the Tranche 1 Deferred Consideration, by 31 March 2027 for the Tranche 2 Deferred Consideration, and by 31 March 2029 for the Tranche 3 Deferred Consideration;
- (b) the Milestones must not be varied;

- (c) the maximum number of Deferred Consideration Shares to be issued is capped at 27,500,000 shares;
- (d) adequate details regarding the dilutionary effect of the Deferred Consideration Shares on the Company's capital structure is included in the Notice;
- (e) for any annual reporting period during which any of the Deferred Consideration Shares have been issued or any of them remain to be issued, the Company's annual report sets out the number of Deferred Consideration Securities issued in that annual reporting period, the number of Deferred Consideration Shares that remain to be issued and the basis on which the Deferred Consideration Shares may be issued; and
- (f) the Notice contains the full terms and conditions of the Deferred Consideration Shares as well as the conditions of this waiver.

3.5 Technical 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 Resolution 3:

- (a) the Consideration Shares will be issued to the Vendors, being Horley Pty Ltd, Petar Tomasevic, Knightons Way Pty Ltd ATF Hildebrand Family Trust and Marnus Roland Bothma ATF Bothma Family Trust;
- (b) the maximum number of Consideration Shares to be issued is 40,000,000;
- (c) the Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Initial Consideration Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) ASX has granted the Company a waiver from Listing Rule 7.3.4 to the effect that the Company may issue the Deferred Consideration Shares in accordance with the periods set out in Section 2.3;
- (f) the Consideration Shares will be issued at a nil issue price, in consideration for the Acquisition of 70% of the issued securities in Highway;
- (g) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Acquisition Agreement;
- (h) the Consideration Securities are being issued to the Vendors under the Acquisition Agreement. A summary of the material terms of Acquisition Agreement is set out in Schedule 1;
- (i) the Consideration Shares are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement is included for Resolution 3.

3.6 Dilution

Assuming no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Consideration Securities are issued, the number of Shares on issue would increase from 67,556,077 (being the number of Shares on issue as at the date of this Notice) to 107,556,077 and the shareholding of existing Shareholders would be diluted by 37.19%.

3.7 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution 3 and each director intends to vote all Shares he owns or controls in favour of this resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution 3.

4. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS TO MORGANS CORPORATE

4.1 General

As set out in Section 1.3, the Company has agreed to issue 1,000,000 Lead Manager Options in consideration for corporate advisory services with respect to the Acquisition (as detailed in Section 1) and the Placement (as detailed in Section 5.1).

4.2 Listing Rule 7.1

Listing Rule 7.1 is summarised in Section 2.2.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Lead Manager Options to Morgans. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options and the Company may be required to compensate Morgans for the corporate advisory services provided to the Company by alternative means.

Resolution 4 is independent of Resolutions 1 to 3 and 5 to 7.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

4.4 Technical 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 Resolution 4:

- (a) The Lead Manager Options will be issued to Morgans;

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that Morgans is an adviser to the Company and will be issued 1.48% of the issued capital of the Company as at the date of this Notice;
- (c) the maximum number of Lead Manager Options to be issued is 1,000,000. The terms and conditions of the Lead Manager Options are set out in Schedule 2;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at a nil issue price, in consideration for corporate advisory services with respect to the Acquisition and the Placement;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations under the Lead Manager Mandate;
- (g) the Lead Manager Options are being issued to Morgans under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Section 1.3; and
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included for Resolution 4.

5. RESOLUTIONS 5 AND 6 – RATIFICATION OF PRIOR ISSUE OF TRANCHE 1 PLACEMENT SHARES - LISTING RULES 7.1 AND 7.1A

5.1 General

On 12 March 2024, the Company announced it had received binding commitments to raise \$1,050,000 (before costs) through a placement of 26,250,000 Shares at an issue price of \$0.04 per Share (**Placement**).

On 19 March 2024, the Company issued 11,264,018 Shares to participants (**Tranche 1 Placement Participants**) at an issue price of \$0.04 per Share to raise approximately \$450,561 (**Tranche 1 Placement Shares**).

4,758,411 Tranche 1 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 2) and 6,505,607 Tranche 1 Placement Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 21 November 2023.

The issue of the Tranche 1 Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

As set out in Section 1.3, the Company engaged the corporate advisory services of Morgans with respect to the Acquisition and to manage the issue of Shares under the Placement. The Company has, so far, paid Morgans a fee of \$27,033.64 (excluding GST) being, 6% of the amount raised under the issue of the Tranche 1 Placement Shares).

5.2 Listing Rules 7.1 and 7.1A

Listing Rule 7.1 is summarised in Section 2.2.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 21 November 2023.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

5.3 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 5 and 6 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

5.4 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 5 and 6 are not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

5.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 5 and 6:

- (a) The Tranche 1 Placement Shares were issued to the Tranche 1 Placement Participants, being existing Shareholders as well as new professional and sophisticated investors who are clients of Morgans. The recipients were identified through a bookbuild process, which involved Morgans seeking

- expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
 - (c) 11,264,018 Tranche 1 Placement Shares were issued on the following basis:
 - (i) 4,758,411 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 5); and
 - (ii) 6,505,607 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 6);
 - (d) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (e) the Placement Shares were issued on 19 March 2024;
 - (f) the issue price was \$0.04 per Placement Shares under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
 - (g) the purpose of the issue of the Tranche 1 Placement Shares was to raise approximately \$450,561, which will be applied towards:
 - (i) undertaking further exploration activities at the Projects following completion of the Acquisition; and
 - (ii) general working capital;
 - (h) the Tranche 1 Placement Shares were not issued under an agreement; and
 - (i) a voting exclusion statement is included for Resolutions 5 and 6.

6. RESOLUTION 7 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

6.1 General

As set out in Section 5.1, the Company announced it has received binding commitments to raise \$1,050,000 (before costs) through the Placement via the issue of 26,250,000 Shares at an issue price of \$0.04 per Share.

On 19 March 2024, the Company issued 11,264,018 Tranche 1 Placement Shares to the Tranche 1 Placement Participants, being the subject of Resolutions 5 and 6.

Under the Placement, the following Directors (**Participating Directors**) agreed to subscribe for 1,250,000 Shares under Tranche 2 of the Placement, as set out below:

- (a) Gavin England – 250,000 Shares (shareholder approval of which is sought pursuant to Resolution 8);
- (b) Philip Warren – 500,000 Shares (shareholder approval of which is sought pursuant to Resolution 9); and
- (c) Richard Bevan – 500,000 Shares (shareholder approval of which is sought pursuant to Resolution 10).

In order to complete the Placement, subject to Shareholder approval, the Company is proposing to issue 14,985,982 Shares to raise approximately \$599,439 (**Tranche 2 Placement Shares**) with:

- (a) 13,735,982 Shares to be issued to unrelated participants (**Tranche 2 Unrelated Placement Shares**) (shareholder approval of which is sought pursuant to this Resolution 7); and
- (b) 1,250,000 Shares to the Participating Directors (shareholder approval of which is sought pursuant to Resolutions 8 to 10).

As set out in Section 1.3, the Company engaged the corporate advisory services of Morgans with respect to the Acquisition and to manage the issue of Shares under the Placement. The Company will pay Morgans a fee of \$35,966.36 (excluding GST) (being, 6% of the amount raised under the issue of the Tranche 2 Placement Shares).

Listing Rule 7.1 is summarised in Section 2.2.

The proposed issue of the Tranche 2 Unrelated Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Tranche 2 Unrelated Placement Shares. In addition, the issue of the Tranche 2 Unrelated Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Unrelated Placement Shares.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Unrelated Placement Shares.

Resolution 7 is independent of Resolutions 1 to 6 and 8 to 10.

6.3 Technical 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 Resolution 7:

- (a) the Tranche 2 Unrelated Placement Shares will be issued to the unrelated participants, being existing Shareholders as well as new professional and sophisticated investors who are clients of Morgans. The recipients were identified through a bookbuild process, which involved Morgans seeking expressions of interest to participate in the Placement of the Company.
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Unrelated Placement Shares to be issued is 13,735,982. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Unrelated Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Unrelated Placement Shares will occur on the same date;
- (e) the issue price of the Tranche 2 Unrelated Placement Shares will be \$0.04 per Tranche 2 Placement Shares. The Company will not receive any other consideration for the issue of the Tranche 2 Unrelated Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Unrelated Placement Shares is to raise approximately \$549,439, which will be applied towards:
 - (i) undertaking further exploration activities at the Projects following completion of the Acquisition; and
 - (ii) general working capital;
- (g) the Tranche 2 Unrelated Placement Shares are not being issued under an agreement; and
- (h) the Tranche 2 Unrelated Placement Shares are not being issued under, or to fund, a reverse takeover; and
- (i) a voting exclusion statement is included for Resolution 7.

7. RESOLUTIONS 8 TO 10 – ISSUE OF SHARES TO RELATED PARTY - GAVIN ENGLAND, PHILLIP WARREN AND RICHARD BEVAN

7.1 General

As set out in Section 6.1 above, the Participating Directors wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Accordingly, Resolutions 8 to 10 seeks Shareholder approval for the issue of Shares to the Participating Directors (or their nominee), as a result of the Participation on the terms set out below.

7.2 Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of Shares which constitutes giving a financial benefit and the Participating Directors are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to the Directors (or their nominee) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

7.3 Listing Rule 10.11

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

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

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 8 to 10 seek Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolutions 8 to 10 are passed, the Company will be able to proceed with the issue of the Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 6.3(f) above.

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 8 to 10 are not passed, the Company will not be able to proceed with the issue of the Shares under the Participation and no further funds will be raised in respect of the Placement.

7.5 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 8 to 10:

- (a) the Shares will be issued to Gavin England, Phillip Warren and Richard Bevan (or their nominees), who falls within the category set out in Listing Rule 10.11.1, as the Directors are related parties of the Company by virtue of being Directors;
- (b) the maximum number of Shares to be issued to the Participating Directors (or their nominees) is as follows:
 - (i) Gavin England – 250,000 Shares;
 - (ii) Philip Warren – 500,000 Shares; and
 - (iii) Richard Bevan – 500,000 Shares,
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (e) the issue price will be \$0.04 per Share, being the same issue price as Shares issued to other participants in the Placement. The Company will not receive any other consideration for the issue of the Shares;
- (f) the purpose of the issue of Shares under the Participation is to raise \$50,000, which the Company intends to use in the manner set out in Section 6.3(f) above;
- (g) the Shares to be issued under the Participation are not intended to remunerate or incentivise the Participating Directors;
- (h) the Shares are not being issued under an agreements; and
- (i) a voting exclusion statement is included in Resolutions 8 to 10 of the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

Company means Narryer Metals Limited (ACN 651 575 898).

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

SCHEDULE 1 – ACQUISITION AGREEMENT

The key terms of the Acquisition Agreement are set out below:

1.	Acquisition	Subject to the satisfaction or waiver of the conditions precedent set out below, the Company agrees to acquire and the shareholders of Highway Lithium Limited (Highway)(Highway Shareholders or the Vendors) each agree to sell 70% of their fully paid ordinary shares in the capital of Highway (Highway Shares), free from encumbrances, for the consideration referred to below (the Acquisition).
2.	Exclusivity Fee and Consideration	<p>Exclusivity Fee</p> <p>As consideration for the grant of exclusivity set out below, the Company must provide the Vendors with the following consideration:</p> <ul style="list-style-type: none">(a) \$50,000 cash payment (Exclusivity Cash Payment);(b) 2,500,000 Shares (Exclusivity Shares); and(c) 2,500,000 options to acquire Shares exercisable at \$0.10 each on or before 31 December 2026 (Exclusivity Options), <p>(together, the Exclusivity Fee).</p> <p>Consideration</p> <p>The Company agrees to pay the Vendors the following initial consideration for the Highway Shares:</p> <ul style="list-style-type: none">(a) \$50,000 cash payment (Cash Payment);(b) 12,500,000 Shares (Initial Consideration Shares);(c) a 1.5% net smelter return royalty from revenue generated from production of lithium; and (ii) 2.5% net smelter return royalty from revenue generated from production of minerals other than lithium, in each case in the area comprising the Mineral Claims effective from, and subject to, Settlement occurring (Royalty); and(d) an amount equal to the cash held by Highway in aggregate as at 11:59pm on the day prior to Settlement as advised by the Vendors to the Company immediately prior to Settlement (Cash Adjustment), <p>(together, the Initial Consideration).</p> <p>The Company also agrees to issue deferred consideration Shares, as part of the consideration for the Highway Shares, subject to satisfaction of the following performance criteria:</p> <ul style="list-style-type: none">(a) 7,500,000 Shares to be issued following any trench samples or drill results returning at least:<ul style="list-style-type: none">(i) 5m at 1.0% Li20;

- (ii) 4m at 1.25% Li20;
- (iii) 3m at 1.6% Li20;
- (iv) 2m at 2.5% Li20; or
- (v) 1m at 5% Li20,

on at least one Exploration Licence or Mineral Claim by 31 March 2026 (**Tranche 1 Deferred Consideration**);

- (b) 10,000,000 Shares to be issued following delivery of minimum of 3 drill intersections returning at least:

- (i) 10m at 1.0% Li20
- (ii) 8m at 1.25% Li20;
- (iii) 6m at 1.67% Li20;
- (iv) 4m at 2.5% Li20; or
- (v) 2m at 5.0% Li20,

across the Exploration Licences and Mineral Claims by 31 March 2027 (**Tranche 2 Deferred Consideration**); and

- (c) 10,000,000 Shares to be issued following the delineation of a 5Mt JORC compliant Mineral Resource at no less than a grade of 0.9% Li20 across the Exploration Licences and Mineral Claims by 31 March 2029 (**Tranche 3 End Date**) (**Tranche 3 Deferred Consideration**),

(together the **Deferred Consideration**).

The Initial Consideration and the Deferred Consideration together form the **Consideration**.

If the issue of Deferred Consideration Shares to a Highway Shareholder would result in that Highway Shareholder being in contravention of section 606(1) of the Corporations Act then, in respect of that number of Deferred Consideration Shares the issue of which would result in the Highway Shareholder being in contravention of section 606(1) of the Corporations Act (which for the avoidance of doubt is the Deferred Consideration Shares which would result in the Highway Shareholder's relevant interest, as defined by section 608 of the Corporations Act, exceeding 19.99%), the Company must, at the Vendors' request (in its absolute discretion) either:

- (a) convene a meeting of Company shareholders as soon as reasonably practicable to seek approval for the purpose of, and in accordance with, item 7 of section 611 of the Corporations Act, for the issue of those Deferred Consideration Shares; or
- (b) pay the Highway Shareholder in immediately available funds without set-off, counterclaim or deduction the amount equal to the 20-day volume weighted average price of Shares ending on the day that relevant performance criteria are

		<p>satisfied and multiplied by the number of those Deferred Consideration Shares.</p> <p>If Company shareholders do not vote in favour of the issue of the Deferred Consideration Shares at a meeting convened in accordance with paragraph (a) above, then the Company must on request by the Vendors pay the Highway Shareholder the amount equal to the 20-day volume weighted average price of Shares ending on the day of the Company shareholder meeting multiplied by the number of those Deferred Consideration Shares.</p> <p>If the Company makes a Bonus Issue (as defined in the ASX Listing Rules) of Company securities, the number of Deferred Consideration Shares will be increased by the number of Company securities which the Vendors would have received if the Deferred Consideration Shares had been issued before the Record Date (as defined in the ASX Listing Rules) for the Bonus Issue.</p> <p>If there is a reorganisation including a split, consolidation or other capital reconstruction) of the issued fully paid ordinary share capital of the Company then, with effect on and from the date on which the reorganisation is completed, the number of Deferred Consideration Shares will adjust so that the Vendors will receive the same percentage of the issued share capital of the Company as the percentage into which the Deferred Consideration Shares would have converted immediately before the reorganisation event.</p> <p>In the event of a change of control of more than 50% of the ordinary shares of the Company (including on the Effective Date for any scheme of arrangement under which there will be a change in control of the Company) or Highway or the sale transfer or disposal of all or substantially all of the assets of the Company or the Exploration Licences or Mineral Claims, all performance criteria for the Deferred Consideration are deemed to be automatically satisfied and the Vendors will become entitled to be issued the Deferred Consideration.</p> <p>The Consideration will be apportioned amongst the Vendors and the Initial Consideration will be paid and issued in full by the Company on settlement of the Acquisition (Settlement).</p>
3.	Removal of 2023 Deferred Consideration	<p>With effect from Settlement, the Company and the Vendors agree to amend the 2023 Agreement to remove the obligation for the Company to issue deferred consideration to the Highway Shareholders under the 2023 Agreement.</p>
4.	Voluntary escrow restriction	<p>(a) The Vendors acknowledge and agree that the Consideration Shares will be subject to voluntary escrow restriction for a period commencing on their issue and ending 6 months from Settlement (Voluntary Escrow Restrictions). If Settlement does not occur, then the Voluntary Escrow Restrictions</p>

		<p>on the Exclusivity Shares will cease to apply on the date that is 6 months after their issue.</p> <p>(b) Each Vendor shall enter into a voluntary restriction deed with the Company prior to Settlement to give effect to the Voluntary Escrow Restrictions (Escrow Deeds).</p>
5.	Shareholders agreement	The Vendors and the Company agree to enter into an agreed form of shareholders agreement in respect of Highway, to be negotiated by the Parties in good faith and entered into by the Vendors (or their nominee) and the Company on or before Settlement (Shareholders Agreement).
6.	Right to appoint Director	<p>For so long as the Highway Shareholders have a combined relevant interest in at least 15% of the Company Shares, the Highway Shareholders are entitled to appoint, and the Company undertakes to the Highway Shareholders to procure the appointment of, one person nominated by the Highway Shareholders, and acceptable to the Company acting reasonably, as a non-executive Director promptly upon receipt of:</p> <p>(a) written notice from the Shareholders of the requisite details of the nominee; and</p> <p>(b) a written consent to act duly signed by that nominee,</p> <p>with effect from the date of the notice. Any nominee Director must satisfy the requirements for appointment of directors under the Corporations Act and the ASX Listing Rules.</p>
7.	Royalty	The terms of the Royalty will be more fully documented in a net smelter return royalty deed (Royalty Deed) and negotiated by the Parties in good faith following the date of the Acquisition Agreement and entered into by the Vendors (or their nominee) and the Company on or before Settlement. The Royalty Deed will include a right for the Company to buy-back the Royalty on terms no less favourable than those offered by a third party buyer or a first right to buy the Royalty proposed by the Vendors and will be assignable by the Vendors (or their nominee).
8.	Conditions Precedent	<p>Settlement is conditional upon the satisfaction (or waiver) of the following conditions precedent:</p> <p>(a) Legal title: Highway becomes the legal holder of the Mineral Claims;</p> <p>(b) ASX waiver: the Company having obtained a waiver from ASX to permit the issue of the Deferred Consideration notwithstanding the Deferred Consideration will be issued more than 3 months after the Company Shareholder Meeting (as defined below);</p> <p>(c) Approvals: the Company obtaining all necessary regulatory, shareholder and third party approvals to allow the Company to lawfully complete the</p>

		<p>Acquisition, including the Company shareholders in general meeting (the Company Shareholder Meeting) having approved by the appropriate majority the issue of the Initial Consideration Shares, and Deferred Consideration Shares to the Vendors for all purposes, including (without limitation) for the purposes of ASX Listing Rule 7.1 and if required for the issue of the Initial Consideration Shares, item 7 of section 611 of the Corporations Act; and</p> <p>(d) Agreed form documents: the Company and the Vendors having agreed the form of the Shareholders Agreement, Escrow Deeds and Royalty Deed,</p> <p>(together, the Conditions Precedent).</p> <p>If the Conditions Precedent are not satisfied (or waived) on or before 5.00pm (AWST) by 7 March 2024 (or such other date agreed by the Parties in writing) (End Date), or become incapable of being satisfied and are not waived, any Party may terminate the Acquisition Agreement by notice in writing to the other Parties, in which case, the Parties will be released from their obligations to further perform their obligations under the Acquisition Agreement and each Party will retain the rights that they have against the other Parties in respect of any breach of the Acquisition Agreement arising before termination.</p>
9.	Exclusivity	<p>During the period from the date of execution of the Acquisition Agreement until the earlier of Settlement and the date of termination of this Agreement, each of the Vendors and the Company must not (and the Vendors must ensure that Highway does not):</p> <p>(a) participate in any negotiations or discussions with, or accept or enter into any agreement, arrangement or understanding with, any third parties in respect of a transaction that would, or would be reasonably likely to, reduce the likelihood of success of the transactions contemplated by the Acquisition Agreement and will also cease any existing discussions or negotiations regarding such transactions; and</p> <p>(b) provide any third party (other than a government agency that has the right to obtain such information and has sought it) with any non-public information regarding Highway or its business, assets or undertakings that could reasonably be expected to lead to the formulation or receipt of a competing proposal to acquire the Highway Shares or the Mineral Claims.</p>

The Acquisition Agreement otherwise contains terms customary for such an agreement.

SCHEDULE 2 – TERMS AND CONDITIONS OF EXCLUSIVITY OPTIONS AND LEAD MANAGER OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on:

- (i) **Exclusivity Options:** 31 December 2026; and
- (ii) **Lead Manager Options:** 3 years from the date of issue,

(together, the **Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse at 5:00pm (WST) on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to 5:00pm (WST) on the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

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

(f) **Exercise Date**

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

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

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

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the

Shares issued pursuant to the exercise of the Options does not require disclosure to investors;

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Options; and
- (iv) issue, or cause to be issued, to the holder of Options a holding statement for the Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares issued pursuant to the exercise of the Options 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 issued pursuant to the exercise of the Options does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options will be fully paid and rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed:

- (i) all rights of a holder of Options are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction;
- (ii) the Company must notify the holder of Options of any proposed variation to the terms of the Options no less than 5 Business Days prior to the date of variation; and
- (iii) the Company must provide confirmation to the holder of Options immediately after the date of variation that the terms of the Options have been varied as proposed.

(j) **Participation in new issues**

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

(k) **Pro Rata Issues**

If there is a Pro Rata Issue (as defined in the ASX Listing Rules), except a Bonus Issue (as defined in the ASX Listing Rules), from the date of the issue the Exercise Price of the Options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

where:

A	=	the new Exercise Price of the Option;
O	=	the old Exercise Price of the Option;
E	=	the number of underlying Shares into which one Option is exercisable;
P	=	the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossings or overnight sales);
S	=	the subscription price for a Share under the Pro Rata Issue;
D	=	the dividend due but not yet paid on each Share at the relevant time (except those to be issued under the Pro Rata Issue); and
N	=	the number of Shares that must be held to entitle holders to receive a right to one new Share in the Pro Rata Issue.

(l) **Bonus Issues**

If there is a Bonus Issue to holders of Shares, the number of Shares over which an Option is exercisable is increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the Record Date (as defined in the ASX Listing Rules) for the Bonus Issue.

(m) **Transferability**

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

(n) **Variation**

Subject to the ASX Listing Rules, these Option Terms may be varied at any time by written agreement between the Company and the holders of Options.

(o) **Governing law**

These Option Terms are governed by the laws of Western Australia.

Your proxy voting instruction must be received by **10.00am (AWST) on Saturday, 18 May 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
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

