



PEARL GULL IRON

12 July 2024

General Meeting – Notice and Proxy Form

Notice is given that a General Meeting (**Meeting**) of Shareholders of Pearl Gull Iron Limited (ACN 621 103 535) (**Company**) will be held as follows:

Time and date: 11:00am (Perth time) on Tuesday, 13 August 2024

Location: The Company's offices, Suite 23, 513 Hay Street, Subiaco, Western Australia 6008

In accordance with the Corporations Act 2001 (Cth), the Company will not be dispatching physical copies of the Notice of General Meeting (**Notice**) to shareholders unless a shareholder has previously requested a hard copy. Instead, a copy of the Notice is available at the following website link:

<https://www.pearlgulliron.com.au/>

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice.

In order to receive electronic communications from the Company in the future, please update your shareholder details online at <https://investor.automic.com.au/#/home> and log in with your unique shareholder identification number and postcode (or country for overseas residents).

You may vote by attending the Meeting in person, by proxy or by appointing an authorised representative.

Shareholders are encouraged to vote online at <https://investor.automic.com.au/#/loginsah> or by returning the enclosed proxy form by:

Post to: Automic
GPO Box 5193
Sydney NSW 2001
Email to: meetings@automicgroup.com.au



Registered Address

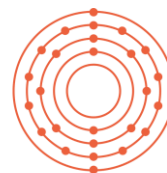
Pearl Gull Iron Limited
ACN 621 103 535
ABN 62 621 103 535

Suite 23, 513 Hay Street,
Subiaco, WA 6008
www.pearlgulliron.com.au

Directors

Russell Clark – Non-Executive Chairman
Alexander Passmore – Non-Executive Director
Mathew O'Hara – Non-Executive Director

E: admin@pearlgulliron.com.au
P: +61 8 6143 6730



PEARL GULL IRON

Your proxy voting instruction must be received by 11:00am (WST) on Sunday, 11 August 2024, being not less than 48 hours before the commencement of the Meeting. Any proxy voting instructions received after that time will not be valid for the Meeting.

The Notice is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Yours sincerely

Mathew O'Hara

Director/Company Secretary

Pearl Gull Iron Limited

P: +61 8 6143 6730





PEARL GULL IRON

PEARL GULL IRON LIMITED

ACN 621 103 535

NOTICE OF GENERAL MEETING

A general meeting of the Company will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia 6008 on Tuesday, 13 August 2024 at 11:00am (AWST).

The Company encourages Shareholders who cannot attend the Meeting to vote by directed proxy. Proxy Forms for the Meeting should be lodged before 11:00am (AWST) on Sunday, 11 August 2024.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to mohara@konkera.com.au by no later than 5:00pm (AWST) on Sunday, 11 August 2024.

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 accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 6143 6730

Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.

PEARL GULL IRON LIMITED

ACN 621 103 535

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Pearl Gull Iron Limited ACN 621 103 535 (**Company**) will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia 6008 on Tuesday, 13 August 2024 at 11:00am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice. We recommend Shareholders read the Explanatory Memorandum in relation to the proposed Resolutions.

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 as Shareholders on Sunday, 11 August 2024 at 5:00pm (AWST).

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1 Resolution 1 – Authorise Issue of Consideration Securities pursuant to the Acquisition

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

'That, subject to Resolution 2 being passed or the inter-conditionality of Resolutions 1 and 2 being waived by the Board, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of:

- a) 84,375,000 Consideration Shares;
- b) 84,375,000 Class A Performance Shares;
- c) 84,375,000 Class B Performance Shares; and
- d) 84,375,000 Class C Performance Shares,

*(together, the **Consideration Securities**) to the Vendors (and/or their respective nominee(s)) pursuant to the Acquisition on the terms and conditions set out in the Explanatory Memorandum.'*

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and/or their respective nominee(s)) and any other person 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), and any associate of that person (or those persons).

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on this Resolution in that way; or
- (b) the Chairperson as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the Chairperson to vote on this Resolution as the Chairperson 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 Resolution 2 – Creation of New Classes of shares (Performance Shares)

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

'That, subject to Resolution 1 being passed or the inter-conditionality of Resolutions 1 and 2 being waived by the Board, pursuant to and in accordance with sections 246B(1) and 246C(5) of the Corporations Act and rule 2.8 of the Constitution and for all other purposes, the Company be authorised to create new classes of shares, being the Class A Performance Shares, Class B Performance Shares and Class C Performance Shares, on the terms and conditions set out in the Explanatory Memorandum.'

BY ORDER OF THE BOARD

Mathew O'Hara
Non-Executive Director & Company Secretary
Date: 12 July 2024

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Inter-Conditional Resolutions
Section 4	Acquisition and Earn-In
Section 5	Resolution 1 – Authorise Issue of Consideration Securities pursuant to the Acquisition
Section 6	Resolution 2 – Creation of New Classes of shares (Performance Shares)
Schedule 1	Definitions and Interpretation
Schedule 2	Overview of the La Marigen Tenements
Schedule 3	Vendors
Schedule 4	Key risk factors arising from the Proposed Transaction
Schedule 5	Terms and Conditions of Performance Shares
Schedule 6	Pro Forma Consolidated Statement of Financial Position

A Proxy Form is located at the end of this Explanatory Memorandum.

2 Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a Shareholder may appoint a body corporate or an individual as its proxy;
- (b) a proxy need not be a Shareholder;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders 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, but where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11:00am (AWST) on Sunday, 11 August 2024, being at least 48 hours before the Meeting. Proxy Forms received later than this time will be invalid.

You can lodge your Proxy Form to the Company's share registry, Automic Group:

- (a) **Online:** at <https://investor.automic.com.au/#/loginsah>.
- (b) **Mail:** to Automic, GPO Box 5193, Sydney, NSW 2001, Australia.
- (c) **Delivery:** to Automic, Level 5, 126 Phillip Street, Sydney, NSW 2000, Australia.
- (d) **Email:** to meetings@automicgroup.com.au.
- (e) **Facsimile:** +61 2 8583 3040.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Attendance at the Meeting

To vote in person, Shareholders are able to attend the Meeting at the time, date and place set out above. Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the meeting.

If it becomes necessary or appropriate to make alternative arrangements to those detailed in the Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at <https://pearlgulliron.com.au/>.

3 Inter-Conditional Resolutions

Resolutions 1 and 2 are inter-conditional, meaning that each of them will only take effect if they are both approved by the requisite majority of Shareholders' votes at the Meeting. If either one of the Resolutions is not approved at the Meeting, neither of the Resolutions will take effect and the Acquisition and other matters contemplated by the Resolutions will not be completed pursuant to the Notice (unless the inter-conditionality of the Resolutions is waived by the Board).

4 Acquisition and Earn-In

4.1 Background

On 14 June 2024, the Company announced that it had entered into a binding term sheet (**Term Sheet**) to acquire 100% of the fully paid ordinary shares in Huemul Holdings Pty Ltd ACN 665 254 491 (**Huemul**) (**Acquisition**). Huemul entered into an earn-in and joint venture agreement, as amended (**JV Agreement**) with Chilean company, NeoRe SpA (**NeoRe**), governing (amongst other things) Huemul's potential to earn up to an 80% interest in an unincorporated joint venture over the La Marigen Project (defined below).

NeoRe holds four granted tenements and is the applicant pursuant to tenement applications, that are considered to be highly prospective for ionic adsorption clay (**IAC**) rare earth elements (**REE**), collectively covering a surface area of approximately 22,800ha along the coastal belt of Chile, South America, in the Maule and Ñuble Regions (**La Marigen Project**). The La Marigen Project consists of five tenement/tenement application areas, comprising four granted exploration concessions, 65 exploration applications and nine exploitation applications, as detailed in Schedule 2 (**La Marigen Tenements**).

In order to ensure the joint venture has legal recognition in Chile, the JV Agreement will be replaced by an incorporated joint venture, which is proposed to be achieved by entering into a shareholders' agreement prior to settlement of the Acquisition (**Shareholders Agreement**).

The Shareholders Agreement is proposed to be (subject to agreement between NeoRe, Huemul and the NeoRe shareholders on terms acceptable to the Company) executed on similar terms as the JV Agreement in relation to the commercial terms on which Huemul will have the right to acquire up to an 80% interest in NeoRe via the subscription for NeoRe Shares in consideration for Huemul paying cash to NeoRe (**Earn-In**). Given that Huemul has no funds of its own, funding of the cash payments by Huemul would need to be sourced from the Company. The Company is not proposed to be a party to, and is not proposed to be bound by, the Shareholders Agreement, so is not proposed to have an obligation to provide such funding. Huemul itself is also proposed to have the discretion to determine whether or not to acquire an interest in NeoRe via the Earn-In.

Refer to Section 4.3 for a summary of the indicative proposed Earn-In terms, based on the commercial terms of the 80% earn-in under the JV Agreement. Given that JV Agreement will not be relied upon and will need to be replaced by the Shareholders Agreement, those JV Agreement terms are only relevant in detailing the proposed equivalent commercial terms which the Company proposes the Earn-In to provide under the proposed Shareholders Agreement.

The Acquisition and the Earn-In (including if the Company chooses (via Huemul) to only acquire a lower than 80% ultimate interest in NeoRe, which possibility is detailed in Section 4.3) together comprise the **Proposed Transaction**.

Pursuant to the Term Sheet, the Company proposes to acquire Huemul as a wholly-owned subsidiary, to allow the Company to indirectly fund the Earn-In and thereby acquire (via Huemul) an indirect interest in the La Marigen Project, in addition to the Company's existing

Cockatoo Island Project. The Resolutions seek the requisite Shareholder approvals which are necessary in order to permit this to occur.

For further information on the Proposed Transaction, please refer to the Company's ASX announcement released on 14 June 2024.

4.2 Summary of the material terms of the Acquisition

As detailed in Section 4.1, the Company and Huemul have entered into the Term Sheet dated 13 June 2024, pursuant to which the Company has conditionally agreed to acquire 100% of the fully paid ordinary shares in the issued capital of Huemul (**Sale Shares**).

Subject to Shareholder approval (refer to Resolution 1) and the satisfaction or waiver of the other conditions precedent to completion of the Acquisition, the Company has agreed to issue:

- (a) 84,375,000 Shares (**Consideration Shares**); and
- (b) 253,125,000 performance shares which convert into Shares, on a one for one basis, upon satisfaction of the relevant vesting condition (**Performance Shares**) comprising:
 - (i) 84,375,000 Class A Performance Shares;
 - (ii) 84,375,000 Class B Performance Shares; and
 - (iii) 84,375,000 Class C Performance Shares,

on the terms and conditions detailed in Schedule 5,

(together, the **Consideration Securities**) to the existing shareholders of Huemul (**Vendors**) (and/or their respective nominee(s)), in accordance with the proportions detailed in Schedule 3, as consideration for the Sale Shares. The Vendors are also parties to the Term Sheet.

The Company will issue the Consideration Shares, Class A Performance Shares and Class B Performance Shares to the Vendors on the date of completion of the Acquisition (**Settlement**). To allow the Company to comply with Listing Rule 7.16 (concerning the need to maintain more Shares on issue than securities which are convertible into Shares), the Class C Performance Shares are proposed to be issued to the Vendors following (in aggregate) 56,777,857 pre-existing Options lapsing in accordance with their terms on 13 September 2024, unless otherwise exercised (**Relevant Options**). Accordingly, the Class C Performance Shares will be issued to the Vendors on the date that is the later of 14 September 2024 or the date which is three Business Days after the date of Settlement (**Deferred Issue Date**).

Pursuant to the terms of the Term Sheet, the parties have agreed that 50% of the Consideration Shares allocated to each Vendor (in the column entitled "Allocation of Consideration Shares" in Schedule 3) will be subject to 12 months voluntary escrow from the date of Settlement (unless the Company permits otherwise).

The Acquisition was negotiated between the Company and the other parties on arm's length terms. The Company determined that a significant portion of the value of the La Marigen Tenements held by NeoRe should be attributable to its future success, given a majority of the La Marigen Tenements are at the tenement application stage, and there has been limited exploration conducted at the La Marigen Project to date.

Accordingly, the consideration for the Acquisition was structured with:

- (a) 25% in upfront consideration – 84,375,000 Consideration Shares (inclusive of the 42,187,500 Consideration Shares that will be subject to a voluntary escrow period of 12 months from the date of Settlement); and

- (b) 75% in deferred consideration – 84,375,000 Class A Performance Shares, 84,375,000 Class B Performance Shares and 84,375,000 Class C Performance Shares.

The Company determined the number of Performance Shares to be issued to the Vendors (and/or their respective nominee(s)) as being appropriate and equitable given the current and proposed capital structure of the Company, the level of risk involved in achieving the vesting conditions for the Performance Shares and requirements of ASX Guidance Note 19. The Company received a confirmation from ASX that the Performance Shares are considered 'ordinary course of business acquisition securities' as described in ASX Guidance Note 19.

Settlement is conditional upon the satisfaction (or waiver) of the following conditions precedent:

- (a) the Shareholders Agreement having been executed on terms and conditions satisfactory to the Company (in its sole discretion) and delivered by the parties to it (and also delivered by them to the Company), to the satisfaction of the Company (and the JV Agreement having consequently been terminated pursuant to the Shareholders Agreement);
- (b) the Company completing its due diligence investigations on Huemul, NeoRe and the relevant assets and liabilities to its sole satisfaction and the Board determining that the results of those investigations are acceptable to the Company;
- (c) the Company obtaining all necessary Shareholder approvals required by the Corporations Act, the Listing Rules and the Constitution to give effect to the transactions contemplated by the Term Sheet, including Shareholder approval under Listing Rule 7.1 for the issue of the Consideration Securities (refer to Resolution 1);
- (d) there having been no circumstances arising or existing as at the date of the Term Sheet and until and including the date of Settlement (being, the date which is five Business Days after the satisfaction (or waiver) of the conditions precedent) which would constitute or give rise to a material breach of any of the Vendor warranties; and
- (e) the parties obtaining all necessary third party consents and waivers and ASX, regulatory, governmental and ministerial approvals (and other legal approvals) required to:
 - (i) complete (or relating to) the acquisition by the Company of the Sale Shares free from encumbrances, pursuant to the Acquisition; and
 - (ii) permit the acquisition by Huemul of up to an 80% equity ownership interest in NeoRe, and thereby up to an 80% indirect ownership interest in the La Marigen Project, pursuant to the Shareholders Agreement.

As at the date of the Notice, none of the conditions precedent above have been satisfied or waived. The conditions precedent are required to be satisfied by the date that is four months following execution of the Term Sheet (unless waived or if the Company and Huemul agree to extend the period for satisfaction). If the above conditions precedent are not satisfied or waived, the Company (or, in relation to the condition precedent in (c) immediately above, the Company or Huemul) may terminate the Term Sheet.

In addition, either the Company or the Vendors may terminate the Term Sheet for an unremedied breach of a material obligation under the Term Sheet by the relevant other party. The Term Sheet may also terminate for failure to complete obligations at Settlement.

In connection with the Acquisition, the Company also proposes, subject to Settlement and compliance with applicable law, to appoint Dr John Mair as a non-executive Director and consultant of the Company after the issue of all Consideration Securities pursuant to the Term Sheet. Refer to Section 4.7 for further details of Dr Mair's appointment.

Other than Dr John Mair (who is a related party of the Company solely due to the proposal for the Board to appoint him as a director of the Company following the issue of all Consideration Securities), none of the Vendors are related parties of the Company. None of the Vendors are substantial Shareholders in the Company, as at the date of the Notice.

The Term Sheet otherwise contains terms and conditions considered customary for an agreement of this nature, such as pre-completion obligations on Huemul and representations and warranties given by each party.

The Company has obtained written confirmation from ASX that Listing Rules 11.1.1, 11.1.2 and 11.1.3 do not apply to the Proposed Transaction. Accordingly, the Company is not required to obtain Shareholder approval under Chapter 11 of the Listing Rules, nor re-comply with Chapters 1 and 2 of the Listing Rules in relation to the Proposed Transaction.

4.3 **Summary of the indicative proposed Earn-In terms**

The following is a summary of the commercial terms of the 80% earn-in under the JV Agreement. However, given that JV Agreement will not be relied upon and will need to be replaced by the Shareholders Agreement prior to Settlement, this is only relevant in detailing the proposed equivalent commercial terms which the Company proposes the Earn-In to provide under the proposed Shareholders Agreement.

The JV Agreement earn-in terms summary is as follows (but noting that the JV Agreement is to be replaced by the Shareholders Agreement):

- (a) initial contribution by Huemul of US\$200,000 to occur on establishment of the joint venture (**Effective Date**) in order for Huemul to obtain a 51% interest in the joint venture (**Initial Contribution**). Huemul must make the Initial Contribution for the joint venture to proceed;
- (b) first earn-in contribution by Huemul of US\$800,000 within 12 months of the Effective Date (**Further Contribution**), in order for Huemul to maintain its 51% interest in the joint venture (or if Huemul does not make that payment, then Huemul's interest will reduce to nil);
- (c) second earn-in contribution by Huemul to move to a 70% interest in the joint venture via a further contribution of US\$1,000,000 (**Second Contribution**) due the later of:
 - (i) 24 months following the Effective Date; or
 - (ii) 24 months following utilisation of both the Initial Contribution and Further Contribution; and
- (d) third earn-in contribution by Huemul to move to an 80% interest in the joint venture via a further contribution of US\$2,500,000 (**Third Contribution**) due the later of:
 - (i) 36 months following the Effective Date; or
 - (ii) 12 months following utilisation of the Second Contribution.

As detailed above, subject to agreement between NeoRe, Huemul and the NeoRe shareholders on terms acceptable to the Company, the Shareholders Agreement is proposed to be entered into containing the Earn-In on terms similar to the above commercial terms of the JV Agreement. The above contributions to fund the joint venture are instead proposed to be replaced by Huemul making the same payments to NeoRe directly in consideration for the issue of NeoRe shares to Huemul, to enable Huemul to acquire the above percentage interests in NeoRe itself, rather than in an unincorporated joint venture over the La Marigen Project.

Given that Huemul has no funds of its own, funding of the above payments by Huemul would need to be sourced from the Company. The Company was not a party to, and is not bound by, the JV Agreement (and is not proposed to be a party to, nor bound by, the Shareholders

Agreement), so would have no obligation to provide such funding. Huemul itself is also proposed to have the discretion to determine whether or not to pay any one or more of the Initial Contribution, Further Contribution, Second Contribution and Third Contribution under the Shareholders Agreement (if the Shareholders Agreement is entered into by the proposed parties to it).

On that basis, Huemul would be able to freely determine whether to make such payments to NeoRe under the proposed Shareholders Agreement (and the Company would be able to choose whether, when and how to fund those payments), based on the prevailing circumstances at the relevant times.

The Company does not presently have the cash or funding available to fund any of those payments other than the Initial Contribution. Refer to Section 4.6 below for further information.

4.4 **Information about Huemul**

Huemul is an Australian company, incorporated on 25 January 2023 in Western Australia. To the Company's knowledge, Huemul has no material assets or liabilities.

4.5 **Information about NeoRe and the La Marigen Project**

(a) **NeoRe**

NeoRe is a capital company incorporated as a corporation by shares (sociedad por acciones) in accordance with articles 424 to 446 of the Code of Commerce of the Republic of Chile. NeoRe, tax file number 77,145,461-5 recorded on folio 30, no. 24 of the Penco Trade Register. NeoRe was founded by Mr Arturo Jose Domingo Albornoz Wergertseder with the mandate to acquire strategic ground prospective for IAC REE deposits in Chile.

NeoRe has four shareholders, as follows:

- (i) Madesal Minería SpA;
- (ii) Inversiones Develop Media Limitada;
- (iii) Mr Gonzalo Andrés Camiruaga Pizarro; and
- (iv) Mr Juan Pablo Gonzáles Jaramillo,

(together, the **NeoRe Shareholders**). None of the NeoRe Shareholders are related parties of, or substantial Shareholders in, the Company, as at the date of the Notice.

The key individuals relating to the NeoRe Shareholders are Mr Arturo Albornoz and Mr Fernando Saenz (Madesal Minería SpA). Mr Albornoz is a Metallurgical Civil Engineer from the University of Concepción and has over 20 years of extensive experience in the mining industry and is the founding director of NeoRe.

Mr Albornoz was also a senior executive at BioLantanidos (now Aclara) and over a period of 5 years he was pivotal in the strategic evolution of the organisation, from the first exploration drill hole to readying Aclara's Penco Project for eventual sale to Hochschild Mining (UK) for over US\$57m. Under his oversight, BioLantanidos achieved significant milestones, including:

- initiation of the exploratory campaign and definition of the exploration strategy, including methodology and target areas;
- definition of the mine design strategy, continuous pit, and plans for mineral and waste handling deposition, as well as forest management;
- development of previously non-existent processes and procedures in Chile for on-site analysis, laboratory work, and metallurgical processes of rare earth elements;

- design, construction, operation, and commissioning of the semi-industrial pilot plant for continuous rare earth processing; and
- patent inventor of "System and method for the processing of minerals containing the lanthanide series and the production of oxides rare earth" (PCT Publication number WO2018/162951).

His leadership and knowledge were instrumental in pioneering cutting-edge technologies tailored to extraction of rare earth minerals, ensuring operational efficiency and environmental sustainability and fostering strong relationships with key stakeholders, including authorities and the local community.

Additionally, Mr. Albornoz is currently working at Codelco, and has held the following roles:

- Strategy Manager at Project Andes Norte, El Teniente Mine, one of the world's largest underground copper mines;
- Corporate Strategy Director for project; and
- Project Manager for the Northern Waste Deposit at Andina Mine.

Mr Saenz is an industrial engineer with more than 17 years of experience in various industries that range from real estate development and construction to healthcare businesses and mining. From December 2010, Mr Saenz has been the CEO of Empresas Madesal (www.empresasmadesal.cl), a privately held industrial company with diversified businesses comprising forestry, healthcare, residential and commercial property development to stone quarries, operating one of the largest stone quarries in the region of Bio Bio, close to Chile's second largest city, Concepción, supplying aggregate to the southern half of Chile.

Mr Albornoz and Mr Saenz has been actively in communications with Huemul over a six-month period to effectively build out the forward strategy and integrate both technical and corporate capacities to operate effectively across border.

(b) **La Marigen Project Overview and Location**

As detailed in Section 4.1, the La Marigen Project consists of five tenement/tenement application areas, comprising a total of four granted exploration concessions, 65 exploration applications and nine exploitation applications, covering a combined area of approximately 22,800ha along the coast of Chile, in the Maule and Ñuble Coastal Regions, approximately 350km south of the capital Santiago and 80km north of Chile's second largest city, Concepción.

Refer to Schedule 2 for further details of the La Marigen Tenements.

The coastal range of Chile is characterised by undulating topography and well-developed weathered horizons (i.e. regolith profile) which overlie metamorphic and intrusive igneous formations enriched in REEs. The relatively deeply weathered profile is developed and preserved in the coastal range. Whereas, to the east, the region is dominated by the Andes mountains (i.e. rugged terrain with limited regolith profile development).

The region is known to host mineralised clay horizons that are highly enriched in REEs such as (Nd+Pr & Dy+Tb) as demonstrated at the nearby advanced IAC REE Penco Project, owned by TSX-listed Aclara Resources Inc (TSX:ARA) (**Aclara**). Aclara has successfully delineated a 27.5mt REE resource (measured & indicated) at 2,292ppm total rare earth oxide to the south of the La Marigen Project's Lourdes and Rosita areas as well as commissioning a pilot plant during 2023 to produce heavy rare earth element concentrates from mineralised clays within the region.

The NeoRe in-country team has extensive knowledge and experience operating in the region and were instrumental in the development of Aclara's Penco Project.

(c) **Geology**

The La Marigen Project area overlies a carboniferous-age granitoid batholith complex intruding the eastern metamorphic basement series of the coastal range and is situated on the coastal side of the geologically-younger porphyry copper belt that dominates global copper supply.

These rocks have the development of an extensive and deeply weathered regolith (+/- 50m). This regolith contains abundant clay minerals that are locally enriched with REE in certain favourable horizons.

Weathering of different primary lithologies develop different clay minerals with varying capacity for cation adsorption. Of these mineral assemblages found locally, a garnet-bearing granitoid has been identified as the source of the REE mineralisation and as such the regolith profile above this unit is the richest in exchangeable REE.

There has been limited exploration and no drilling completed at the La Marigen Project. The presence of REE clays and an enriched horizon has been confirmed via surface sampling and mapping. Data collected thus far indicates a similar geological setting to that seen in Aclara's Penco Project, located 70km to the south of the La Marigen Project. The Company plans to undertake a systematic exploration program at the La Marigen Project to identify mineralisation within the profile over the coming months.

The regolith profile within the Lourdes area is identified as weathered biotite-bearing diorite, metapelite and garnet-bearing granitoid.

(d) **Exploration**

At the La Marigen Project, REE enriched areas were delineated via mapping and soil sampling. REE enriched areas were confirmed via analysis of surface samples using titration analysis (210 samples). Refer to the Company's ASX announcement released on 14 June 2024 for further details relating to the soil sampling preliminary results.

The samples from NeoRe's soil sampling campaign were analysed in the laboratory at the University of Concepción, which has its own QA/QC program. The Company conducted preliminary due diligence to assess the sampling techniques, concluding that the methods used suit this initial exploratory phase.

If the Shareholders Agreement is executed and if the Acquisition is completed, the Company plans to immediately initiate an exploration program at the La Marigen Project to identify the priority areas for potential further exploration. The initial program is proposed to include geological mapping and extensive geochemical sampling. Metallurgical studies will be undertaken in concert with exploration to identify whether reportable values equate to economic and efficient recoveries of critical REEs.

The Company will also assess further complementary mineral exploration opportunities in the region to assess value accretive opportunities in this IAC REE district.

For further information, please refer to the Company's ASX announcement released on 14 June 2024.

4.6 **Funding**

As at the end of the March 2024 quarter, the Company held cash of approximately A\$1.22 million. The Company has sufficient funds in order to fund Huemul's payment to NeoRe of the Initial Contribution of US\$200,000, in order for Huemul to acquire the initial 51% shareholding in NeoRe (pursuant to the proposed Shareholders Agreement).

Accordingly, if the Resolutions are passed, the Shareholders Agreement is signed, the other conditions precedent to the Acquisition are fulfilled (or waived) and the Acquisition is completed, the Company proposes to fund the payment of US\$200,000 for Huemul to pay the Initial Contribution. The Initial Contribution is proposed to be utilised to complete initial exploration programs at the La Marigen Project to further evaluate the extent and potential of the La Marigen Project, potentially including geological mapping and geochemical sampling to identify anomalies, and targeted auger drilling aimed to rapidly delineate rich IAC REE bearing zones for potential further resource quality drilling.

The Company also intends to utilise existing funds to further progress its Cockatoo Island Project over the next 12 months and anticipates an amount of approximately A\$550,000 to be used on exploration activities including, field mapping, structural interpretation and review of metallurgical testwork prior to developing a drill program aimed at potentially expanding the existing resource at the Magazine Deposit. These funds will also be used for ongoing care and maintenance activities on Cockatoo Island with remaining funds used for the ongoing corporate costs and working capital requirements of the Company. A breakdown of the proposed use of funds over the next 12 months to further progress its Cockatoo Island Project is as follows:

Activities – Cockatoo Island Project	A\$
Strategic planning activities regarding Magazine Deposit and Switch Pit	25,000
On-ground and technical activities aimed at potentially expanding the existing resource at the Magazine Deposit	400,000
Ongoing care and maintenance activities	125,000
Total expenditure on Cockatoo Island Project	550,000

Note: The table above is a statement of current intentions as at the date of the Notice. Intervening events, including exploration success or failure, may alter the way the above funds are ultimately applied.

Post the March 2024 quarter, the Company has incurred, up to early June 2024, approximately A\$25,000 in relation to ongoing care and maintenance activities on Cockatoo Island.

The Company will be required to raise additional funds over the next 12-month period, such as if it chooses to fund Huemul's payment of the Further Contribution, which would be required (based on the proposed terms of the Shareholders Agreement) in order to maintain Huemul's proposed 51% interest in NeoRe. However, to adopt a prudent approach and given the bulk of the La Marigen Project is just at the concession application stage, the Company currently intends to await completion of the initial works program at the La Marigen Project, and complete a full review of these results, prior to undertaking any capital raising in order to fund the Further Contribution.

Subsequently, the Board will determine on an ongoing basis whether the Company will seek to provide the funding of the Second Contribution and/or the Third Contribution. There is no anticipated contractual obligation for the Company (via Huemul) to do so, but failing to contribute such funds to NeoRe would be anticipated to limit or extinguish Huemul's interest in NeoRe (and therefore its interest in the La Marigen Project).

If the Board determines that the Company will fund one or more of the Further Contribution, Second Contribution and/or the Third Contribution, then further funds will need to be raised by the Company to make those payments. The Company does not currently have any source for those funds and no forecast is made as to whether the necessary funds can be raised by the Company in future, nor of the nature, terms, timing or amount of such raising. The Board's decisions as to whether to continue funding the La Marigen Project (via funding Huemul's investments in NeoRe) and whether and how to seek to raise funds for that purpose will be determined at the relevant times, taking into account the best interests of the Company and all prevailing circumstances, such as the Board's view of whether the La Marigen Project is

prospective and whether the results of exploration progress at the time justify further investment.

The above estimated expenditures are indicative only and will be subject to modification on an on-going basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (such as the risk factors arising from the Proposed Transaction, which are summarised non-exhaustively in Schedule 4, or other risk factors to which the Company is already exposed in relation to its existing business (including the Cockatoo Island Project)), actual expenditure levels may differ significantly to the above estimates.

Following Settlement, the Company may also continue to identify, evaluate and, if warranted, seek to acquire additional resource projects and assets in Australia and/or overseas, if the Board considers that they have the potential to enhance Shareholder value. Accordingly, there may be a need to direct funds for this purpose or to raise additional equity capital or debt capital. These new business opportunities may include (without limitation) project acquisitions, joint ventures, acquisition of tenements/permits, direct equity participation and/or other transaction structures.

4.7 Composition of Board of Directors

As at the date of the Notice, the Board consists of Mr Russell Clark, Mr Alexander Passmore and Mr Mathew O'Hara. As detailed in Section 4.2, after the issue of all Consideration Securities pursuant to the Term Sheet, the Board proposes to appoint one of the Vendors, being Dr John Mair, as a Director and consultant of the Company, to provide guidance and oversight to the exploration activities in relation to the La Marigen Project. There are no further proposed changes to the Board as at the date of the Notice.

Dr Mair is an economic geologist with extensive international experience across technical, managerial and corporate fields. He holds a PhD in economic geology (UWA) and held the position of post-doctoral research fellow at the Mineral Deposit Research Unit, UBC, Canada.

Dr Mair has led exploration and development teams globally across a range of commodities and brings strong connectivity to international capital markets. His founding experience in the minerals industry was in Western Australia and NSW and that subsequently broadened to extensive time in the western Americas (Alaska, Yukon, British Columbia and Mexico). He has authored numerous papers in leading scientific journals on the geology of mineral deposits, and has been an invited speaker in international forums.

Dr Mair was previously Managing Director of Energy Transition Minerals Ltd (ASX:ETM – formerly Greenland Minerals Limited) and led the company from its discovery to the final feasibility of a vertically integrated hard rock rare earth producer at the globally significant Kvanefjeld rare earths project in Greenland. He has been integral in the technical development of Kvanefjeld, the corporate evolution of Greenland Minerals Ltd, and the commercial and strategic alignment with international rare earths group Shenghe Resources Holding Co Ltd. which notably facilitated the successful restart of Mt Pass – the only operating rare earth elements mine in North America. Dr Mair worked closely with the Greenland and Danish governments on matters pertaining to regulation. He has significant experience and connections in global capital markets. Dr Mair is a member of the Australasian Institute of Mining and Metallurgy.

The Company intends to enter into an agreement with Dr Mair in relation to his appointment as a Director and consultant of the Company. It is presently proposed that Dr Mair will be remunerated (inclusive of superannuation) an amount of A\$4,500 per month, plus A\$1,200 per day for consultancy work. No fixed consultancy term is currently proposed and the consultancy is anticipated to be able to be terminated by either party on 30 days' notice.

Subject to Shareholder approval (refer to Resolution 1), Dr Mair (and/or his nominee(s)) will also receive Consideration Securities in accordance with his proportion detailed in Schedule 3 as consideration for his relevant Sale Shares.

In accordance with the Constitution, following the appointment of Dr Mair to the Board he must retire from office as a Director at the Company's next annual general meeting following his appointment (and would be eligible for re-election).

4.8 Risk Factors

Shareholders should be aware that if the Resolutions are approved, the Shareholders Agreement is executed, Settlement occurs and all the Consideration Securities are issued pursuant to the Term Sheet, the Company will be exposed to various risk factors (in addition to those that are presently applicable).

Refer to Schedule 4 for a non-exhaustive summary of key risk factors arising from the Proposed Transaction.

4.9 ASX Confirmations

ASX has determined that Listing Rules 11.1.1, 11.1.2 and 11.1.3 (concerning significant changes in the nature or scale of a listed company's activities) do not apply to the Proposed Transaction, provided that:

- (a) the Company release fulsome disclosure regarding the proposed spending on its existing projects and on the La Marigen Project (which has now occurred, as per the Company's ASX announcement released on 14 June 2024); and
- (b) if the Company proposes further such transactions such as the purchase or disposal of assets or undertaking in the 12 months after 21 February 2024, the Company must first consult ASX so that it may consider the application of the Listing Rules, including Chapter 11.

Consequently, the Company will not be required to re-comply with ASX's admission tests in order to complete the Proposed Transaction, nor to obtain Shareholder approval under Listing Rule 11.1.2.

4.10 Pro forma statement of financial position

An unaudited pro forma statement of the financial position of the Company, which details the likely effect of the Acquisition and the Initial Contribution as contemplated in the Notice is included in Schedule 6.

4.11 Effect on capital structure

The indicative effect of the Acquisition on the capital structure of the Company (including the dilution to existing Shareholders) will be as follows:¹

	Ordinary Shares	Options	Performance Shares
Securities on issue as at the date of the Notice	205,541,790	83,247,855	-
Consideration Shares to be issued on Settlement pursuant to the Acquisition	84,375,000 ²	-	-
Performance Shares to be issued on Settlement	-	-	168,750,000 ³
Lapse of Relevant Options	-	(56,777,857)	-
Performance Shares to be issued on the Deferred Issue Date	-	-	84,375,000 ⁴
Total (after Settlement and the Deferred	289,916,790	26,469,998	253,125,000

	Ordinary Shares	Options	Performance Shares
Issue Date) ⁵			

Notes:

- This table assumes that:
 - no Options are exercised into Shares (and accordingly assumes that the Relevant Options lapse unexercised in accordance with their terms on 13 September 2024); and
 - no further Shares are issued by the Company, including on exercise of any Options currently on issue as at the date of the Notice.
- This figure includes the 42,187,500 Consideration Shares to be issued to the Vendors which will be subject to a voluntary escrow period of 12 months.
- 168,750,000 Performance Shares comprising:
 - 84,375,000 Class A Performance Shares; and
 - 84,375,000 Class B Performance Shares.
- Comprising 84,375,000 Class C Performance Shares.
- On a fully diluted basis, assuming all of the Options (other than the Relevant Options) and Performance Shares convert into Shares, the Company's issued capital detailed above would equate to up to 569,511,788 Shares. No forecast is made of whether any Options or Performance Shares will be converted into Shares (nor whether any of the Performance Shares vesting conditions will be satisfied).

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital and as equity remuneration for personnel.

4.12 Effect of the Acquisition on major shareholdings in the Company

No person is anticipated to acquire a shareholding of 20% or more of the Shares in the Company as a result solely of the Acquisition.

Based on the information known as at the date of this Notice, settlement of the Acquisition itself (i.e. prior to any Performance Shares vesting) will cause the following Vendors to have a shareholding of 5% or more of the Shares on issue (but noting that intervening events may alter the position).

Name	Number of Shares	%
Dr John Lefroy Mair	20,837,500	7.19%
Adamantium Corporate Pty Ltd < Das Family Trust>	18,750,000	6.47%
Nicole Jill Sills <Sills Family Trust>	18,750,000	6.47%

The percentage holdings would increase in the event that any Performance Shares vest and convert into Shares, subject to changes arising from intervening events.

4.13 Advantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- the Proposed Transaction will provide the Company with a diversified asset which differs in target commodity and location from the Company's pre-existing Cockatoo Island Project;
- the Proposed Transaction delivers to the Company the right to earn-in an 80% indirect interest in a highly-prospective IAC REE deposit at a time when global interest in the sector is continuing to intensify;

- (c) the consideration for the Acquisition comprises equity interests in the Company, thereby conserving the Company's cash for exploring the La Marigen Project; and
- (d) in parallel with the Acquisition, experienced minerals industry executive, Dr John Mair, will join the Board and oversee the Company's REE strategy.

4.14 **Disadvantages of the Proposed Transaction**

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Resolutions:

- (a) the Acquisition (and any future equity raisings by the Company to fund the Earn-In) will involve the issue of a substantial number of new securities, which will have a dilutionary effect on the current holdings of Shareholders;
- (b) there are inherent risks associated with the expansion of the Company's activities pursuant to the Proposed Transaction, which may not suit a Shareholder's risk profile or be consistent with the objectives of all Shareholders. Key risks factors which the Company and Shareholders will be exposed to arising from the Proposed Transaction are summarised (non-exhaustively) in Schedule 4;
- (c) the La Marigen Project may not turn out to be commercially viable; and
- (d) Huemul's sole asset will be, upon execution of the Shareholders Agreement, a contractual right under the Shareholders Agreement, and Huemul (and the Company) will not have any direct interest in the La Marigen Project (but Huemul's interest would be held via its proposed holding of NeoRe Shares to be subscribed for by Huemul pursuant to the proposed Shareholders Agreement).

4.15 **Current intentions in relation to the Cockatoo Island Project**

The Company's current minerals project portfolio comprises the Cockatoo Island Project, as previously announced to the ASX.

If the Resolutions are passed and the Acquisition occurs, the Company currently proposes to continue expenditure on the Cockatoo Island Project as outlined in Section 4.6 above. The Board reserves the right to reallocate expenditure of funds to different purposes and to take other actions, as it determines appropriate from time to time.

4.16 **Plans for the Company if the Resolutions are not passed and the Acquisition does not occur**

If the Acquisition does not occur the Company currently intends to continue progressing the Cockatoo island Project. The Board would also consider any future opportunities available to the Company, such as asset acquisitions or disposals, acting in the best interests of the Company.

4.17 **Directors' interests in the Proposed Transaction**

None of the Company's existing Directors have any interest in the Proposed Transaction, other than solely by reason of their respective pre-existing interests in securities as disclosed to the ASX via the announcement of Director's interest notices.

4.18 **Chapter 2E of the Corporations Act and Listing Rule 10.11**

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

- (a) obtain the approval of the public company's shareholders 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.

In relation to the financial benefits which Dr John Mair (who is a Vendor and is a related party of the Company solely due to the proposal for the Board to appoint him as a director of the Company following the issue of all Consideration Securities) may receive (as detailed in the Notice) pursuant to and relating to the Acquisition, Shareholders' approval under section 208 of the Corporations Act is not required due to the application of exceptions to that section. In relation to the related party financial benefits proposed to be provided to Dr Mair pursuant to the Acquisition as a Vendor, the arm's length terms exception in section 210 of the Corporations Act applies, because the related party participation in the Acquisition would be on the same terms as unrelated participants and would be reasonable in the circumstances if the Company and the related party were dealing at arm's length. In relation to the financial benefits proposed to be provided to Dr Mair pursuant to his appointment as a Director and consultant of the Company, the reasonable remuneration exception in section 211 of the Corporations Act applies.

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 shareholder approval.

Refer to Section 5.2 for the application of an exception (under Listing Rule 10.12) to the Shareholder approval requirement under Listing Rule 10.11 with respect to the Consideration Securities proposed to be issued to Dr John Mair (and/or or his nominee(s)) pursuant to the Acquisition.

4.19 Listing Rule 10.1

Listing Rule 10.1 provides that a listed company, and its child entities, must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to:

- 10.1.1 a related party;
- 10.1.2 a child entity;
- 10.1.3 a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the company;
- 10.1.4 an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or
- 10.1.5 a person whose relationship with the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it obtains the approval of its shareholders.

Regardless of whether the Proposed Transaction triggers Listing Rule 10.1, exceptions from the potential requirement to otherwise obtain Shareholders' approval under Listing Rule 10.1 apply, such as for:

- (a) (in relation to Dr Mair) an agreement or transaction between the entity and a person who would not otherwise be a related party but for the fact that they believe, or have reasonable grounds to believe, that they are likely to become a related party in the future because of the agreement or transaction; and
- (b) an acquisition or disposal under an agreement to acquire or dispose of a substantial asset. The entity must have complied with the listing rules when it entered into the agreement.

4.20 **Forward-looking statements**

The forward-looking statements in the Notice are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in the Notice. These risks include but are not limited to, the risks detailed in Schedule 4, and other risk factors to which the Company is already exposed in relation to its existing business (including the Cockatoo Island Project). Forward looking statements generally (but not always) include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

4.21 **Competent Persons Statement**

The information in the Notice that relates to exploration results and geology was reported by the Company in accordance with Listing Rule 5.7 and the JORC Code in the ASX announcement entitled 'Pearl Gull to Farm-In to Potential Ionic Clay Rare Earth Project' and dated 14 June 2024. The announcement is available at www.asx.com.au. The Competent Person for those exploration results and geology in the announcement was Dr John Mair. The Company confirms that it is not aware of any new information or data that materially affects the exploration results and geology information included in the market announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the market announcement.

5 **Resolution 1 – Authorise Issue of Consideration Securities pursuant to the Acquisition**

5.1 **General**

As detailed in Section 4.2, the Company has conditionally agreed to issue the Consideration Securities to the Vendors (and/or their respective nominee(s)) as consideration for the Company's acquisition of the Sale Shares pursuant to the Acquisition.

A summary of the material terms of the Acquisition is detailed in Section 4.2.

Resolution 1 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 (and for all other purposes) for the issue of the Consideration Securities, comprising:

- (a) 84,375,000 Consideration Shares;
- (b) 84,375,000 Class A Performance Shares;

- (c) 84,375,000 Class B Performance Shares; and
- (d) 84,375,000 Class C Performance Shares,

to the Vendors (and/or their respective nominee(s)) in accordance with the proportions detailed in Schedule 3 pursuant to the Acquisition.

Resolution 1 is an ordinary resolution.

Resolution 1 is subject to the approval of Resolution 2 or the inter-conditionality of Resolutions 1 and 2 being waived by the Board.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 1.

5.2 Listing Rules 7.1 and 10.11

In accordance with Listing Rule 7.1, the 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 (**15% Placement Capacity**).

The issue of the Consideration Securities pursuant to Resolution 1 does not fall within any of the exceptions and would result in the Company exceeding its 15% Placement Capacity in Listing Rule 7.1. Therefore, it requires the approval of Shareholders in accordance with Listing Rule 7.1.

If Resolution 1 is passed, Resolution 2 is passed (or the inter-conditionality of Resolutions 1 and 2 is waived by the Board) and all other conditions precedent to the Acquisition are satisfied or waived (as applicable), the Company will be able to proceed with the issue of the Consideration Securities pursuant to the Acquisition. In addition, the Consideration Securities will be issued to the Vendors without using up any of the Company's 15% Placement Capacity on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not issue the Consideration Securities to the Vendors and accordingly it is anticipated that the Acquisition would not proceed, as the Acquisition is conditional on Shareholder approval for the issue of the Consideration Securities.

Refer to Section 4.18 for a summary of Listing Rule 10.11. As announced on 14 June 2024, subject to Settlement and compliance with applicable law, the Company is intending to appoint Dr John Mair to the Board after the issue of all Consideration Securities pursuant to the Term Sheet. Dr Mair is one of the Vendors. As such, the Company intends to rely on Listing Rule 10.12 (exception 12), which provides that an issue of Equity Securities under an agreement or transaction between an entity and a person who would not otherwise be a related party but for the fact that they believe, or have reasonable grounds to believe, that they are likely to become a related party in the future (by virtue of the Company intending to appoint Dr Mair as a Director subject to Settlement) does not require Shareholder approval under Listing Rule 10.11. Due to the application of that exception, the Company is not seeking Listing Rule 10.11 approval for the issue of Consideration Securities to Dr Mair (and/or his nominee(s)).

5.3 Specific information required by Listing Rule 7.3

The following information in relation to Resolution 1 is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) The Consideration Securities will be issued to the Vendors (and/or their respective nominee(s)) in accordance with the proportions detailed in Schedule 3. Of the Vendors, only Dr John Mair is considered to be a related party of the Company, by virtue of him being a proposed Director. Listing Rule 10.12 (exception 12) applies to the issue of Consideration Securities to Dr Mair (and/or his nominee(s)). None of the

Vendors are members of the Company's key management personnel, substantial Shareholders or advisers of the Company or an associate of any of those persons.

- (b) The number and classes of Consideration Securities to be issued to the Vendors pursuant to Resolution 1 is as follows:
 - (i) 84,375,000 Consideration Shares;
 - (ii) 84,375,000 Class A Performance Shares;
 - (iii) 84,375,000 Class B Performance Shares; and
 - (iv) 84,375,000 Class C Performance Shares.
- (c) The 84,375,000 Consideration 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. 42,187,500 of the Consideration Shares (being 50% of each Vendor's Consideration Shares) will be subject to a voluntary escrow period for a period of 12 months.
- (d) The terms and conditions of the Performance Shares are set out in Schedule 5. The Shares to be issued on conversion of the Performance 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.
- (e) The Consideration Securities will be issued no later than three months following the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (f) The Consideration Securities will be issued to the Vendors (and/or their respective nominee(s)) as consideration for the Sale Shares pursuant to the Acquisition (refer to Sections 4.1 and 4.2). Accordingly, no funds will be raised from the issue of Consideration Securities pursuant to Resolution 1.
- (g) A summary of the material terms of the Term Sheet is detailed in Section 4.2.
- (h) A voting exclusion statement is included in the Notice for Resolution 1.

The Consideration Securities will be subject to any escrow conditions as imposed by the ASX.

5.4 **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

6 Resolution 2 – Creation of New Classes of shares (Performance Shares)

6.1 General

Resolution 2 seeks Shareholder approval for the Company to be authorised to issue the Class A Performance Shares, Class B Performance Shares and Class C Performance Shares, pursuant to the Acquisition, as new classes of shares.

In accordance with the Term Sheet, the Company has conditionally agreed to issue 84,375,000 Class A Performance Shares, 84,375,000 Class B Performance Shares and 84,375,000 Class C Performance Shares to the Vendors (and/or their respective nominee(s)), as part of the consideration payable for the Sale Shares pursuant to the Acquisition. Refer to Section 4.2 for further details.

Resolution 2 is a special resolution and is subject to and conditional on the passing of Resolution 1 or the inter-conditionality of Resolutions 1 and 2 being waived by the Board. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

The Chairperson intends to exercise all available undirected proxies in favour of Resolution 2.

6.2 Corporations Act and Constitution

Section 246C(5) of the Corporations Act provides (in summary) that if a company has one class of shares and seeks to issue a new class of shares, such issue is taken to vary the rights attached to shares already issued.

Section 246B of the Corporations Act and rule 2.8 of the Constitution provide (in summary) that the rights attaching to a class of shares may, unless their terms of issue state otherwise, be varied:

- (a) with the written consent of the holders of 75% of the shares of the class; or
- (b) by a special resolution passed at a separate meeting of the holders of shares of the class.

The Company must give written notice of the variation to the members of the affected class within seven days after the variation is made.

Accordingly, the Company seeks Shareholder approval for the issue of the Performance Shares as new classes of shares on the terms and conditions set out in Schedule 5.

If Resolution 2 is passed (and Resolution 1 is also passed), the Company will be able to proceed with the issue of the 253,125,000 Performance Shares in accordance with Resolutions 1 and 2.

If Resolution 2 is not passed then it is anticipated that the Company will not issue the Performance Shares and the Acquisition will not proceed.

6.3 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

Schedule 1

Definitions and Interpretation

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

15% Placement Capacity has the meaning given to that term in Section 5.2.

A\$ means Australian dollars.

Aclara means Aclara Resources Inc.

Acquisition has the meaning given to that term in Section 4.1.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the board of Directors from time to time.

Business Day means a day that is not a Saturday, Sunday or public holiday in Perth, Western Australia.

Chairperson or **Chair** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

Class A Performance Share means a Performance Share described as a Class A Performance Share in Schedule 5.

Class B Performance Share means a Performance Share described as a Class B Performance Share in Schedule 5.

Class C Performance Share means a Performance Share described as a Class C Performance Share in Schedule 5.

Cockatoo Island Project means the Company's existing Cockatoo Island project, located on Cockatoo Island, Western Australia.

Company means Pearl Gull Iron Limited ACN 621 103 535.

Consideration Securities has the meaning given to that term in Resolution 1.

Consideration Shares has the meaning given to that term in Section 4.2.

Constitution means the constitution of the Company, as amended from time to time.

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

Deferred Issue Date has the meaning given to that term in Section 4.2.

Director means a director of the Company from time to time.

Earn-In has the meaning given to that term in Section 4.1.

Effective Date has the meaning given to that term in Section 4.3.

Equity Security has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Further Contribution has the meaning given to that term in Section 4.3.

Huemul means Huemul Holdings Pty Ltd ACN 665 254 491.

IAC means ionic adsorption clay.

Initial Contribution has the meaning given to that term in Section 4.3.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (as amended or replaced from time to time).

JV Agreement has the meaning given to that term in Section 4.1.

La Marigen Project has the meaning given to that term in Section 4.1.

La Marigen Tenements has the meaning given to that term in Section 4.1, as detailed in Schedule 2.

Listing Rules means the official listing rules of the ASX as amended from time to time.

Meeting has the meaning given to it in the introductory paragraph of the Notice.

NeoRe means NeoRe SpA, a company registered in Chile under repertoire number 179-2020.

NeoRe Shareholders has the meaning given in Section 4.5(a).

NeoRe Shares means the shares of NeoRe.

Notice means the notice convening the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

Option means an option to subscribe for a Share.

Performance Share has the meaning given to that term in Section 4.2.

Proposed Transaction has the meaning given to that term in Section 4.1.

Proxy Form means the proxy form attached to, and forming part of, the Notice.

REE means rare earth elements.

Relevant Options has the meaning given to that term in Section 4.2.

Resolution means any resolution detailed in the Notice as the context requires.

Sale Shares has the meaning given to that term in Section 4.2.

Schedule means a schedule to the Explanatory Memorandum.

Second Contribution has the meaning given to that term in Section 4.3.

Section means a section of the Explanatory Memorandum.

Settlement has the meaning given to that term in Section 4.2.

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

Shareholder means a registered holder of one or more Shares.

Shareholders Agreement has the meaning given to that term in Section 4.1.

Term Sheet has the meaning given to that term in Section 4.1.

Third Contribution has the meaning given to that term in Section 4.3.

US\$ means the currency of the United States of America.

Vendors means the existing shareholders of Huemul, as detailed in Schedule 3.

Schedule 2

Overview of the La Marigen Tenements

The La Marigen Project areas consist of 65 exploration applications, 9 exploitation applications and 4 granted exploration concessions. The granted exploration concessions, comprising Lourdes 6, 1/60, Lourdes 7, 1/60, Lourdes 9 and Lourdes 11, 1/60, are current, valid and free of mortgages and encumbrances.

The exploitation mining concession applications are as follows:

- Lourdes 1, 1/60 to Lourdes 5, 1/60 (inclusive), Lourdes 8, 1/60, Lourdes 10, 1/60, Lourdes 12, 1/60 and Lourdes 13, 1/60, have successfully completed the first stage of the application process, having registered, published and paid the fiscal fee. Their titles are up to date and in force, free of mortgages and encumbrances.

The exploration applications are as follows:

- Lourdes 14, Lourdes 15 and Lourdes 16 have successfully completed the first stage of the application process, having registered, published and paid the fiscal fee. Their titles are up to date and in force, free of mortgages and encumbrances; and
- Nicole 1 to Nicole 16 (inclusive), Eliana 1 to Eliana 16 (inclusive), Oba 1, Oba 2, Oba 2A, Oba 3 to Oba 8 (inclusive), Oba 9 to Oba 13 (inclusive), Oba 13A, Oba 14 to Oba 16 (inclusive) and Rosita 1 to Rosita 12 (inclusive) are all in the process of publication in the Mining Gazette registered in their respective locations. Their titles are up to date and in force, free of mortgages and encumbrances.

The La Marigen Project areas are predominantly located on private land currently used for commercial timber plantations and logging. The project areas contain a variety of mature and semi-mature trees that are harvested for domestic use and exported to international markets. Ownership rights to the subsurface are governed separately from surface ownership. Articles 120 to 125 of the Chilean Mining Code regulate mining easements.

The Chilean Mining Code grants the owner of any mining exploitation concession the right to explore and/or exploit the concession while an exploration concession grants the owner the right to explore the concession. Both exploitation and exploration concessions provide the right to impose easements on surface land, in accordance with the requirements of the law. In any case, for the granting of an easement, it will always be necessary to pay compensation to the owner of the surface land. Project access can be facilitated via existing roads already established in the area that support the timber operations. The Company will seek to work with the timber operations (surface rights owners) to sequence NeoRe's exploration programs as harvesting operations complete.

Tenement / Tenement Application	Concession holder / applicant (100% interest)	Status	Area (ha)	Dimensions
Lourdes 1, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 2, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 3, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 4, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 5, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 6, 1/60	NeoRe SpA	Granted Exploration until 8 April 2028	300	3km x 1km
Lourdes 7, 1/60	NeoRe SpA	Granted Exploration until 8 April 2028	300	3km x 1km
Lourdes 8, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 9	NeoRe SpA	Granted Exploration until 28 February 2025	300	3km x 1km

Tenement / Tenement Application	Concession holder / applicant (100% interest)	Status	Area (ha)	Dimensions
Lourdes 10, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 11, 1/60	NeoRe SpA	Granted Exploration until 25 April 2028	300	3km x 1km
Lourdes 12, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 13, 1/60	NeoRe SpA	Exploitation Application	300	3km x 1km
Lourdes 14	NeoRe SpA	Exploration Application	300	3km x 1km
Lourdes 15	NeoRe SpA	Exploration Application	300	3km x 1km
Lourdes 16	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 1	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 2	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 3	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 4	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 5	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 6	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 7	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 8	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 9	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 10	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 11	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 12	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 13	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 14	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 15	NeoRe SpA	Exploration Application	300	3km x 1km
Nicole 16	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 1	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 2	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 3	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 4	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 5	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 6	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 7	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 8	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 9	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 10	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 11	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 12	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 13	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 14	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 15	NeoRe SpA	Exploration Application	300	3km x 1km
Eliana 16	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 1	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 2	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 3	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 4	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 5	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 6	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 7	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 8	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 9	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 10	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 11	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 12	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 13	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 14	NeoRe SpA	Exploration Application	300	3km x 1km

Tenement / Tenement Application	Concession holder / applicant (100% interest)	Status	Area (ha)	Dimensions
Oba 15	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 16	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 2 A	NeoRe SpA	Exploration Application	300	3km x 1km
Oba 13 A	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 1	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 2	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 3	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 4	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 5	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 6	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 7	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 8	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 9	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 10	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 11	NeoRe SpA	Exploration Application	300	3km x 1km
Rosita 12	NeoRe SpA	Exploration Application	300	3km x 1km

Schedule 3

Vendors

Name of Vendor	Number of Sale Shares	% Holding in Huemul	Number of Consideration Shares to be issued	Number of Performance Shares to be issued		
				Class A	Class B	Class C
Adamantium Corporate Pty Ltd ACN 658 087 711 as trustee for the Das Family Trust	60	22.22%	18,750,000	18,750,000	18,750,000	18,750,000
Nicole Jill Sills as trustee for the Sills Family Trust	60	22.22%	18,750,000	18,750,000	18,750,000	18,750,000
Dr John Lefroy Mair	60	22.22%	18,750,000	18,750,000	18,750,000	18,750,000
Max Wealthy International Limited BRN 3200197	15	5.56%	4,687,500	4,687,500	4,687,500	4,687,500
Baga River Investments Pty Ltd ACN 147 217 212 as trustee for the De Souza Family Trust	25	9.26	7,812,500	7,812,500	7,812,500	7,812,500
Zara Chrisanne Torre-De Souza	20	7.41	6,250,000	6,250,000	6,250,000	6,250,000
Seamist Enterprises Pty Ltd ACN 133 740 655	30	11.11 %	9,375,000	9,375,000	9,375,000	9,375,000
TOTAL	270	100%	84,375,000	84,375,000	84,375,000	84,375,000

Schedule 4

Key risk factors arising from the Proposed Transaction

Shareholders should be aware that if the Proposed Transaction occurs, the Company will be expanding its current activities. Based on the information available, a non-exhaustive of risk factors arising from the Acquisition and Earn-In are as follows (noting that certain risks already apply to the Company, by virtue of its pre-existing business):

1 Company Specific Risks

1.1 Contractual and completion risk

The Acquisition is subject to certain conditions precedent being satisfied or waived (as detailed in Section 4.2). This includes the Company obtaining the Shareholder approvals pursuant to the Resolutions. There can be no assurance that the conditions precedent will be satisfied or waived, failing which the Acquisition may not proceed. Should the Acquisition not complete, the Company would still bear its costs incurred of negotiating and documenting the Acquisition, but would not be able to acquire Huemul and will consequently not be able to acquire an indirect interest in NeoRe pursuant to the Earn-In.

There are also risks that even if the Acquisition occurs, the Earn-In will not complete. For example, upon funding the Initial Contribution, the Company will (via Huemul) have an initial 51% indirect interest in NeoRe Shares (being a 51% indirect interest in the La Marigen Project). Under the proposed terms of the Shareholders Agreement, the Company (via Huemul) would have the ability to maintain its 51% interest by payment of the Further Contribution. If the Company elects to not earn this additional interest, its interest in NeoRe Shares (and indirect interest in the La Marigen Project) will be reduced to nil and the Company would thereby lose its indirect interest in the La Marigen Project.

There are also risks that even if the Company maintains its 51% interest by payment of the Further Contribution, the Company may not be able to fund one or more of the Second Contribution and/or Third Contribution. There can be no certainty that the Company will have sufficient funds to satisfy these obligations if and when they become payable.

As at the date of the Notice, the Company has sufficient funds to fund the Initial Contribution. However, the Company does not currently have sufficient funds to fund one or more of the Further Contribution, Second Contribution and/or the Third Contribution, and additional funds will need to be raised by the Company to make those payments. The Company does not currently have any source for those funds and no forecast is made as to whether the necessary funds can be raised by the Company in future, nor of the nature, terms, timing or amount of such raising.

The Board's decision as to whether to continue funding the La Marigen Project (via funding Huemul's investments in NeoRe) and whether and how to seek to raise funds for that purpose will be determined at the relevant times, taking into account the best interests of the Company and all prevailing circumstances, such as the status of tenure and the Board's view of whether the La Marigen Project is prospective and whether the results of exploration progress at the time justify further investment, prior to committing significant funds to the La Marigen Project. The Board reserves its rights, as it sees fit, to take an alternative approach, where required to best serve the interests of the Company and its Shareholders.

1.2 Shareholders Agreement risks

The proposed interest of Huemul in NeoRe Shares (and consequently its proposed indirect interest in the La Marigen Project) is contingent upon Huemul meeting certain payment obligations under the Shareholders Agreement to be entered into prior to settlement of the

Acquisition. Given Huemul has no funds of its own, the Company would need to fund those payments after Settlement.

The terms of that Shareholders Agreement have not been agreed as at the date of the Notice, but are proposed to be (subject to agreement between NeoRe, Huemul and the NeoRe Shareholders on terms acceptable to the Company) executed on similar terms as the JV Agreement (as summarised in Section 4.3) in relation to the commercial terms on which Huemul will have the right to acquire up to an 80% interest in NeoRe via the subscription for NeoRe Shares in consideration for Huemul paying cash to NeoRe.

If the Shareholders Agreement is executed on those terms and if the Company funds the payment of the Initial Contribution of US\$200,000 to NeoRe in order for Huemul to acquire a 51% interest in NeoRe under the Earn-In, then Huemul would be required to satisfy the Further Contribution by the Company funding and Huemul paying a further US\$800,000 to NeoRe to maintain its Initial Contribution as a 51% shareholder in NeoRe within 12 months of the Effective Date. If the Company (via Huemul) fails to make that payment within the specified time, then Huemul would be obliged to transfer the NeoRe Shares (comprising the initial 51% interest) to NeoRe for effectively nil consideration and the Company's (via Huemul) interest in NeoRe Shares, and indirect interest in the La Marigen Project, will reduce to nil.

As noted above, at the date of the Notice, the Company has insufficient cash to fund the Further Contribution (and consequently has insufficient cash to fund the Second Contribution or the Third Contribution). If the Board determines that the Company intends to fund one or more of the Further Contribution, the Second Contribution or Third Contribution in due course, there is a risk the Company will not be able to procure the necessary funds to do so. No forecast is made of whether funding will be available, nor the potential terms involved.

The Board may also choose that the Company will not fund the La Marigen Project.

There will also be additional risks inherent in the Shareholders Agreement, such as the risk of adverse impacts on Huemul and the Company arising from its terms (such as the inability for the Company (via Huemul) to control all aspects of NeoRe, or if an event of default occurs).

The Company intends to announce the material terms of the Shareholders Agreement to the ASX if and when it is executed by the proposed parties to it.

1.3 Rare earth elements industry risk profile

The La Marigen Project (comprising an IAC REE project in Chile) is distinct from the Company's existing project interests in its iron ore project on Cockatoo Island in Western Australia, and consequently carries a different risk profile. The Company's success will depend on the Company being successful in exploring, establishing feasibility of and establishing mining operations in relation to the Cockatoo Island Project and/or the La Marigen Project, or otherwise realising value for example by asset disposals. There is no guarantee that, nor forecast made of whether, the Company will be successful in exploring and developing either the Cockatoo Island Project or the La Marigen Project or otherwise realising any value.

1.4 No REE mineral resources or ore reserves

No mineral resources or ore reserves have been defined at the La Marigen Project. Further, there can be no assurance that any exploration or development activity at the La Marigen Project will result in the discovery or exploitation of a mineral resource or ore reserve. Mineral exploration and other activities may be hampered by circumstances outside of the Company's control. By their nature, mineral exploration activities are speculative and subject to a number of risks.

Resource and reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining resource and reserve estimates is an interpretive

process based on available data and interpretations and thus estimations may prove to be inaccurate.

1.5 Future capital requirements

The Company's capital requirements depend on numerous factors. After the Company funds Huemul's acquisition of the Initial Contribution, the Company will need to raise further funds (whether via debt, equity and/or hybrid capital raising and/or via asset sales) if the Board wishes for the Company to maintain or to increase the Initial Contribution to up to an 80% indirect shareholding in NeoRe. The Company will also need to raise further funds for the purpose of funding other costs and expenses from time to time, such as those associated with its Cockatoo Island Project, working capital, administration and other costs and expenses.

If the Company is unable to obtain additional financing as needed, various adverse consequences may arise for the Company, such as (without limitation) the inability to continue as a going concern, the need to reduce the scope of its operations and scale back its exploration programmes and other expenditures as the case may be and the inability to maintain or increase Huemul's interest in NeoRe pursuant to the Earn-In (due to the inability to fund one or more of the Further Contribution, Second Contribution and Third Contribution).

There is no guarantee that the Company will be able to secure funding or be able to secure funding on terms favourable to the Company. Any equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities and may be secured over assets of the Company and its subsidiaries.

There is no guarantee that, nor forecast made of whether, the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

1.6 After-market trading risk

Subject to Settlement, and following the issue of the Consideration Securities pursuant to the Term Sheet, a number of additional Shares will be available for trading in the public market. The increase in the number of Shares may lead to sales of such Shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Shares.

1.7 Failure to realise benefits of the Proposed Transaction

After settlement of the Acquisition, the Company proposes to seek to pursue the strategies, operational objectives and benefits described in the Notice and in the Company's ASX announcement released on 14 June 2024 (as may be varied by the Board from time to time).

There is a risk that the Company may be unable to realise these strategies, operational objectives and benefits, or that they will not materialise or will not materialise to the extent that the Company anticipates (for whatever reasons, including matters beyond the control of the Company), or that the realisation of the strategies, operational objectives and benefits are delayed, which could have an adverse impact on the Company's operations, financial performance, financial position and prospects.

1.8 Foreign operations

The La Marigen Project is located in Chile. Although Chile is considered to be a presently stable democracy, it is subject to different legal and political systems compared with the system in place in Australia. The Company cannot guarantee access, freedom from disruption to its operations, surety of title and/or tenure of its Chilean based assets.

Possible sovereign risks include, without limitation, changes to the terms of mining legislation including renewal and continuity of tenure of permits, transfer of ownership of acquired permits to the Company or its group, changes to royalty arrangements, changes to taxation rates and concessions, restrictions on foreign ownership and foreign exchange, changing political conditions, changing mining and investment policies and changes in the ability to enforce legal rights.

Future operations and profitability in Chile may be affected by changing government regulations with respect, but not limited, to restrictions on production, profit repatriation, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and government and local participation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral tenure and development could result in the loss, reduction or expropriation of entitlements. The occurrence of these and other various factors cannot be accurately predicted and could have an adverse effect on the Company's future possible exploration, development and production initiatives in Chile (if any).

Additionally, the legal system in Chile has inherent uncertainties that could limit the legal protections available to the Company, including (without limitation) inconsistencies between and within laws, lack of judicial independence from political, social and commercial forces and corruption, which could in turn, have a material effect on the Company's operations. Furthermore, it may be difficult to obtain swift and equitable enforcement of a Chilean judgement, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company cannot guarantee that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected or even forfeited as a result of the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements cannot be certain. In addition, political instability and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares. No assurance can be given regarding the future stability in Chile or any other country in which the Company may have an interest. The likelihood of any of these changes, and their possible effects (if any) cannot be determined by the Company with any clarity at the present time. If any issues identified in this section were to arise, they could lead to disruption to the Company's operations, increased costs and, in some cases, total inability to establish or to continue minerals exploration, development and mining activities.

The Company has made investment and strategic decisions based on information currently available to the Board. Should there be any material change in the political, economic, legal and social environments in Chile, or South America generally, the Company may reassess investment decisions and commitments to assets in Chile and the region.

1.9 Concession applications

The concessions are at various stages of application and grant. More specifically, there are four granted exploration concessions for the La Marigen Project whereas 74 of the mining concessions for the La Marigen Project are still under application (comprising, 65 exploration applications and nine exploitation applications).

There can be no assurance that the applications that are currently pending will be granted. There can also be no assurance that when the relevant concession is granted, it will be granted in its entirety. Some of the concession areas applied for may be excluded.

The Company adjusted the consideration payable for the Acquisition given a majority of the La Marigen Tenements are the subject of applications, and accordingly the value of the La Marigen Project should be attributable to its future success. Therefore, the consideration was structured with 25% in upfront consideration and 75% in deferred consideration (being the Performance Shares). Refer to Section 4.2 for further information.

In addition, the Company cannot guarantee additional applications for concessions made by the Company will ultimately be granted (in whole or in part), nor that renewals of valid concessions will be granted on a timely basis, or at all.

1.10 Title risk

Mining and exploration concessions are subject to periodic renewal. The proposed exploration activities at the La Marigen Project are dependent upon the maintenance (including renewal) of the La Marigen Tenements in which the Company proposes to acquire an indirect interest (via Huemul and NeoRe). There is no guarantee that current or future concessions and/or applications for concessions will be approved.

The renewal of the term of a granted concession or any future concessions are dependent on, among other things, the Company's ability to meet the renewal conditions imposed by relevant authorities including (without limitation) increased expenditure and work commitments or compulsory relinquishment of areas of the concessions which, in turn, is dependent on the Company being sufficiently funded to meet those expenditure requirements. Based on the Company's due diligence investigations, the Company understands that the annual fee requirements for some of the concessions comprising the La Marigen Project, in respect to prior years, have not been satisfied.

Under the Chilean Mining Code, the owner of the concessions may pay these fees in arrears by way of back payment equivalent to two times the unpaid fees in respect of the affected concessions, or risk the General Treasury of the Republic of Chile taking the affected concessions to a public auction to force their sale, resulting in loss of ownership. This may be avoided by the title owner paying the owed back payment before the declared auction date. On 27 June 2023, in accordance with article 147 of the Mining Code, a claim was filed for unpaid mining fees for the period from 1 March 2023 to 29 February 2024 (including in relation to mining concessions Elena 20, 21, 22, 22, 23, 24 and 25 (**Excluded Concessions**)). As there were no bidders at the auction, the court declared all mining concessions included in the list of unpaid concessions as free land, ordering their respective cancellation in the corresponding mining registry, including the Excluded Concessions, which have been eliminated from the national cadastre. For the avoidance of doubt, the Excluded Concessions are not included in the La Marigen Tenements as part of the Earn-In.

Following the Acquisition, the Company intends to undertake a review of the La Marigen Project exploration commitments and work program and will seek to engage with the relevant mining authorities in Chile to aim to ensure that the requisite obligations are met going forward and the concessions remain in good standing (although no forecast is made of whether that will occur).

1.11 Land access

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licenses is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company (or, as relevant, Huemul or NeoRe) may not be successful in acquiring or obtaining the necessary mineral rights or access licenses to conduct exploration or evaluation activities.

The La Marigen Project areas are predominantly located on private land currently used for commercial timber plantations and logging. The areas contain a variety of mature and semi-mature trees that are harvested for domestic use and exportation to international markets.

Ownership rights to the subsurface are governed separately from surface ownership. Articles 120 to 125 of the Chilean Mining Code regulate mining easements.

The Chilean Mining Code grants the owner of any mining exploitation or exploration concession the right to explore and/or exploit the concession, as well as the right to impose easements on surface land, in accordance with the requirements of the law. In any case, for the granting of an easement, it will always be necessary to pay compensation to the owner of the surface land. Project access can be facilitated via existing roads already established in the area that support the timber operations.

If the surface rights owners do not provide the relevant authorisations or consent is delayed or not granted in respect of all or some of the surface land, there is a risk this could impact on the proposed exploration of the mining concessions situated on that land. In circumstances where authorisation or consent is delayed or not granted, the Company (or, as relevant, Huemul or NeoRe) would be required to engage in a court process to obtain an easement for it to access the land to conduct its proposed exploration activities. Further, if the relevant easement is not granted, then depending on the significance of the mining concessions involved, this could impact upon the proposed operations.

The Company intends to work with the timber operations (surface rights owners) to sequence NeoRe's exploration programs as harvesting operations complete.

1.12 Reliance on historical data

The Company has acquired historical data in relation to reconnaissance mapping and soil sampling at the La Marigen Project and has used this information to guide its proposed work plans.

The samples from NeoRe's soil sampling campaign were analysed in the laboratory at the University of Concepción, which has its own QA/QC program. The Company conducted preliminary due diligence to assess the sampling techniques, concluding that the methods used to delineate REE enriched areas are appropriate for this initial exploratory phase.

Although the Company, or its consultants, have no reason to doubt the integrity of the historical data, the Company cannot guarantee that the data sets do not contain errors or bias that could cause the Company to make erroneous assumptions and conclusions about the prospectivity of the La Marigen Project in the design of its exploration work programs.

1.13 Exchange rate fluctuations

If the Acquisition occurs, the Company will (via Huemul) make the Earn-In payments in United States dollars, and the Company's operations will be located in Australia and Chile, where the currency is Australian dollars and pesos, respectively. Accordingly, the Company will be exposed to the fluctuations and volatility of the rates of exchange between the United States dollar, the Australian dollar and Chilean currency (being, pesos) as determined in international markets.

There can be no assurance that fluctuations in foreign exchange rates will not have a material adverse effect upon the Company's financial performance and results of operations.

1.14 Operational risks

The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company and the value of its assets.

1.15 Commodity price fluctuations

The demand for, and price for commodities (e.g. iron ore and rare earth elements) is highly dependent on a variety of factors, including international supply and demand, the level of

consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

Commodity prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in commodity prices, and, in particular, a material decline in the price of commodities, may have a material adverse effect on the Company's business, financial condition and results of operations.

The price of commodities fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary scheme, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of these resources consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers. In addition, if the Proposed Transaction is completed, any mineral commodities ultimately produced at the La Marigen Project (although no forecast is made of whether such production may occur) may be impacted by China's decisions with respect to managing the domestic Chinese rare earths industry and the development of new technologies that create new demands or eliminate the demand for particular rare earth elements.

Future production, if any, from the Cockatoo Island Project and/or the La Marigen Project will be dependent upon (among other things) the price of relevant minerals being adequate to make the project economic. Future price declines in the market value of the commodity could cause continued development of, and (if feasible) eventually commercial production from the Cockatoo Island Project and/or the La Marigen Project to be rendered uneconomic. Depending on the price of the commodity, the Company could be forced to discontinue production or development and may lose its interest in the La Marigen Project, or may be forced to sell the Cockatoo Island Project. There is no assurance that, even if commercial quantities of minerals are produced, a profitable market will exist for them.

In addition to adversely affecting future reserve estimates, if any, of the Cockatoo Island Project and/or the La Marigen Project, declining commodity prices can impact operations by requiring a reassessment of the feasibility of the relevant project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to the relevant project. Even if the Cockatoo Island Project and/or the La Marigen Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

1.16 Dependence on Key Personnel and on NeoRe

The success of the Company will to an extent depend on the Directors' and key management personnel's ability to successfully manage the Company's performance and exploit new opportunities.

In addition, the Company will depend on the NeoRe in-country team to seek to progress the La Marigen Project.

The loss of one or more of these key contributors could have an adverse impact on the business of the Company. It may be particularly difficult for the Company or NeoRe, as applicable, to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company and NeoRe, compared to other industry participants.

The continued availability of consultants and advisers is to some extent dependent on maintaining the professional relationships that the personnel of the Company, Huemul or NeoRe, as applicable, have developed over time and which may be lost if key personnel cease to be involved with the Company, Huemul or NeoRe, as applicable, before replacement arrangements can be made. If the involvement of key resource specialists, managers or other

personnel cease for reasons of contract termination, ill health, death, disability or otherwise, then technical programs and achievements may be adversely affected.

If the Proposed Transaction is completed, it may also be difficult to attract, employ and retain qualified expatriate workers as a result of legal restrictions, socio-economic issues and security concerns in Chile. In the event of a labour shortage, the Company, Huemul and NeoRe could be forced to increase wages in order to attract and retain employees, which may result in higher operating costs and adverse impacts on financial performance. A failure to attract and retain a sufficient number of qualified workers could have a material adverse effect on the Company.

1.17 Huemul and NeoRe have no history of earnings and no production or revenues

NeoRe has no history of earnings, and does not have any producing mining operations. NeoRe has experienced losses from exploration activities (which would continue after the acquisition of Huemul pursuant to the Term Sheet) and it is expected it will continue to incur losses. No assurance can be given that the Company (via Huemul) or NeoRe, as applicable, will achieve commercial viability through the successful exploration and/or mining of the La Marigen Project, or any tenements which are subsequently applied for or acquired by the Company (via Huemul) or NeoRe, as applicable.

Unless the Company (via Huemul) and NeoRe are able to realise value from the La Marigen Project, it is likely to incur ongoing operating losses. There can be no certainty that the Company (via Huemul) or NeoRe, as applicable, will achieve or sustain profitability, or achieve or sustain positive cash flow from its operating activities or identify a mineral deposit (including at the La Marigen Project, if the Proposed Transaction occurs) which is capable of being exploited economically or which is capable of supporting production activities.

The Company (via Huemul) and NeoRe expects to continue to incur losses from exploration, studies and development activities at the La Marigen Project in the foreseeable future.

1.18 Contractual risk

The Company is reliant on contractual rights to conduct certain activities.

As with any contract generally, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

1.19 Supply chain and logistics risks

Supply chain disruptions and the general level of economic uncertainty experienced during events such as the COVID-19 pandemic and other global events such as the conflict in the Ukraine and the Middle East, continue to impact the cost and availability of commodities, freight, materials, equipment and other services required for the Company's ongoing operations. While the direct impact of the COVID-19 pandemic on the Company and its operations has subsided, uncertainty remains regarding the potential for further disruptions and interruptions from similar such events, which may have an adverse impact on the Company and its plans.

1.20 Insurance

Insurance against all risks associated with mineral exploration and production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs. However, insurance coverage against all risks may not be undertaken because either such cover is not available or because the Directors consider that the associated premiums are excessive having regard to the benefits from the cover.

The occurrence of an event that is not covered or is only partially covered by insurance could have a material adverse effect on the business, financial condition and results of the

operations of the Company. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

1.21 Exploration risks

The success of the Company depends (without limitation) on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to exploration and mining concessions and obtaining all consents and approvals necessary for the conduct of exploration activities.

Exploration on the Company's (or NeoRe's) existing mineral concessions may be unsuccessful, resulting in a reduction of the value of those concessions, diminution in the cash reserves of the Company and possible relinquishment of the concessions.

1.22 Ability to exploit successful discoveries

It may not always be possible for the Company to exploit successful discoveries which may be made in areas in which the Company has an interest. Such exploitation would involve (among other things) obtaining the necessary licenses or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the Company.

1.23 Nature of mineral exploration and mining

The business of mineral exploration, development and production is subject to risk by its nature. Shareholders should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards (with no guarantee of ever becoming producing assets).

The success of the Company depends on (among other things) successful exploration and/or acquisition of resources and/or reserves, feasibility of projects, securing and maintaining title to concessions and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. Exploration and mining activities may also be hampered by force majeure circumstances, land claims, environmental considerations and cost overruns for unforeseen mining problems.

There is no assurance that exploration and development of the mineral tenement interests currently owned by the Company or the La Marigen Project, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value, or the Company may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on concessions without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on, and may continue to rely on, consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with

internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing the tenements.

Further, drilling performance and the ability to complete drilling programs will depend on a number of factors, including the hardness of the rock, the power of the drill rig, the ability to penetrate and prevailing weather conditions. There is therefore no guarantee that the Company will be able to achieve its proposed drill rates.

1.24 Mine development

Possible future development of mining operations at the Cockatoo Island Project and/or the La Marigen Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, commodities, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk for third parties providing essential services.

No assurance can be given that the Cockatoo Island Project and/or the La Marigen Project (or any other project) will achieve commercial viability. The risks associated with the development of a mine will be considered in full as part of the Company's exploration activities and will be sought to be managed with ongoing consideration of stakeholder interests.

1.25 Drilling risks

The Company's future drilling plans and operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. While drilling may yield some resources there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs. Completion of a drill hole does not assure a profit on the investment or recovery of drilling, completion and operating costs.

1.26 Results of studies

Subject to the results of any future exploration and testing programs, the Company may progressively undertake a number of studies in respect to the Company's current projects or any new projects (including the La Marigen Project if the Proposed Transaction completes). These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies may not occur, but if they are completed, they would be prepared within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Cockatoo Island Project and/or the La Marigen Project or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Cockatoo Island Project and/or the La Marigen Project, there can be no guarantee that these projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices.

In addition, the ability of the Company to complete a study would be dependent on the Company's ability to raise further funds to complete the study as required.

1.27 Environmental regulation risk

The Company's operations and activities are subject to certain regulations regarding environmental matters. The government and other authorities that administer and enforce environmental laws determine these requirements. As with most exploration projects, mining and processing operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop mineral deposits. There are also risks that the Company may breach environmental laws and regulations, with consequential adverse effects on the financial position and performance of the Company.

Further, the Company may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

Whilst the Company believes that it is in substantial compliance with all material current laws and regulations, changes in how laws and regulations are enforced or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or the Cockatoo Island Project and/or the La Marigen Project. This could have a material adverse impact on the Company's future and planned operations in respect to the Cockatoo Island Project and/or the La Marigen Project. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

1.28 Environmental liabilities risk

The Company's activities are subject to potential risks and liabilities associated with (without limitation) the potential pollution of the environment and the necessary disposal of mining waste products resulting from mineral exploration and production. Insurance against environmental risk (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies in the minerals industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing and are generally becoming more restrictive.

1.29 Climate change risk

There are a number of climate-related factors that may affect the operations and financial position of the Company. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes and earthquakes) may have an adverse effect of the Company's operations and/or the Company's future financial performance.

Further, if the Proposed Transaction completes, Chile, including the areas in which the La Marigen Project is situated, is seismically active and prone to frequent earthquakes and occasional tsunamis. Any such event may result in operational delays to the Company's operations.

Changes in policy, technological innovation and/or consumer/investor preferences may also adversely impact the operations and financial position of the Company or may result in less favourable pricing for its potential production.

1.30 Occupational health and safety risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, exploration, development and mining activities have inherent risks and hazards. While the Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from the Company's activities may lead to a claim against the Company.

1.31 Equipment access

High local, regional or global demand for exploration and development equipment and infrastructure (as currently experienced globally) and experienced operators of this equipment may adversely affect the Company's operations. The Company may not always have access to experienced crews, drill rigs, and operators and this may cause delays in the Company's exploration and development programs, which may result in increased costs in relation to the Cockatoo Island Project (or, following completion of the Proposed Transaction, the La Marigen Project).

2 General Risks

2.1 Economic risks

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Similarly, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Factors that may contribute to that general economic climate and the market price of Shares include, but are not limited to:

- (a) changes in government policies, taxation and other laws;
- (b) the strength of the equity and share markets in Australia and throughout the world;
- (c) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (d) industrial disputes in Australia and overseas;
- (e) changes in investor sentiment toward particular market sectors;
- (f) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (g) natural disasters, social upheaval, war (such as impacts of the wars in Ukraine or the Middle East) or acts of terrorism.

2.2 Trading price of Shares

The price at which the Shares are quoted on ASX may increase or decrease due to a number of factors outside of the Company's control and which are not explained by the fundamental operations and activities of the Company. The price of Shares may be subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar or United States dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or

arbitrage trading activity that may develop involving the Shares. These factors may cause the Shares to trade at prices above or below the price at which the Shares were initially acquired.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

2.3 Competition

Like many industries, the resources industry is subject to domestic and global competition. The Company has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

Many of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

2.4 Litigation risks

Legal proceedings may be brought against the Company, for example, litigation based on its business activities, environmental laws, tax matters, volatility in its Share price or failure to comply with its disclosure obligations, which could have a material adverse effect on the Company's financial condition or prospects. Regulatory and government agencies may bring legal proceedings in connection with the enforcement of applicable laws and regulations, and as a result the Company may be subject to expenses of investigations and defence, and fines or penalties for violations if proven, the Company may potentially incur cost and expense to remediate, increased operating costs or changes to operations, and cessation of operations if ordered to do so or required in order to resolve such proceedings.

To the best of the current Directors' knowledge, the Company is not currently engaged in any material litigation.

2.5 Force majeure

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics (such as COVID-19) or quarantine restrictions.

2.6 Expected future events may not occur

Certain statements in the Notice (and in the Company's ASX announcements) constitute forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Given these uncertainties, Shareholders should not place undue reliance on such forward-looking statements. In addition, under no circumstances should forward looking statements be regarded as a representation or warranty by the Company, or any other person, that a particular outcome or future event is guaranteed.

Schedule 5

Terms and Conditions of Performance Shares

1 GENERAL

- 1.1 **(Share capital)** Each Performance Share is a share in the capital of Pearl Gull Iron Limited ACN 621 103 535 (**Company**).
- 1.2 **(General meetings)** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to the holders of fully paid ordinary shares in the Company (**Shareholders**). A Holder has the right to attend general meetings of the Company.
- 1.3 **(No voting rights)** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- 1.4 **(No dividend rights)** A Performance Share does not entitle the Holder to any dividends.
- 1.5 **(No rights on winding up)** A Performance Share has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- 1.6 **(No rights to return of capital)** A Performance Share has no right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise.
- 1.7 **(Transfer of Performance Shares)** The Performance Shares are not transferable.
- 1.8 **(Reorganisation of Capital)** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation.
- 1.9 **(Quotation)** The Performance Shares will not be quoted on ASX.
- 1.10 **(No participation in entitlements and bonus issues)** Subject always to the rights under paragraph 1.8 (Reorganisation of Capital), Holders will not be entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.
- 1.11 **(Amendments required by ASX)** The terms of the Performance Shares may be amended as considered necessary by the board of directors of the Company in order to comply with the Listing Rules or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- 1.12 **(No other rights)** A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2 VESTING CONDITIONS AND CONVERSION

- 2.1 The Performance Shares are separated into classes as detailed in the following table. Each Performance Share in a given class will (to the extent it has not already converted or lapsed) convert into one fully paid ordinary share in the Company (**Share**) in accordance with paragraph 5 upon satisfaction of the relevant vesting condition for that class detailed in the

following table (**Vesting Condition**), provided that satisfaction of the relevant Vesting Condition occurs during the Vesting Period:

Class of Performance Shares	Number of Performance Shares	Vesting Condition
Class A Performance Shares	84,375,000	<p>The satisfaction of both of the following requirements during the Vesting Period:</p> <ul style="list-style-type: none"> a) the Company declaring and announcing the granting of concessions, comprising exploration and/or exploitation concessions, within the La Marigen Project, by the relevant Court of Justice (within the region where the concessions are applied for) to NeoRe during the Vesting Period (free from encumbrances and free from all other third party interests, to the satisfaction of the Company) which granted concessions cover an area of at least 3,000 hectares (Granted Tenure); and b) the Company declaring and announcing that an ISO accredited laboratory and Competent Person have verified during the Vesting Period that metallurgical testwork completed on samples extracted from the Granted Tenure confirms that the La Marigen Project hosts Ionic Adsorption REE Clays using a conventional ionic adsorption rare earth clay process.
Class B Performance Shares	84,375,000	<p>The satisfaction of both of the following requirements during the Vesting Period:</p> <ul style="list-style-type: none"> a) the Share price achieves a 20 day VWAP equal to or greater than A\$0.08 per Share; and b) the Company declaring and announcing that an ISO accredited laboratory and Competent Person have verified during the Vesting Period that, based on bench-scale test work conducted based on a >200kg representative bulk sample, clays in the weathering profile at the La Marigen Project contain rare earth oxides that can produce a mixed rare earth concentrate of >80% Total Rare Earth Oxide (TREO) by a conventional ionic adsorption rare earth clay process.
Class C Performance Shares	84,375,000	The Company declaring and announcing, during the Vesting Period, an initial inferred JORC Code mineral resource of at least 20Mt TREO mineralisation at a grade of at least 1,000ppm TREO at the La Marigen Project.

2.2 In these terms:

20 day VWAP means the volume weighted average market price (as defined in the Listing Rules) for the period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any) ending on the relevant date for testing the 20 day VWAP;

A\$ means Australian dollars;

ASX means ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange it operates, as the context requires;

AWST means Australian Western Standard time;

Business Day means a day that is not a Saturday, Sunday or public holiday in Perth, Western Australia;

Competent Person has the meaning given to that term in the JORC Code;

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

ISO means the International Organization for Standardization;

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (as amended or replaced from time to time);

La Marigen Project means the Ionic Heavy Rare Earths Clay Project located in Chile, South America, comprising the Licences and the Mining Information (each as defined in the Binding Term Sheet dated 13 June 2024 entered into between the Company, Huemul Holdings Pty Ltd ACN 665 254 491 and other parties);

Listing Rules means the official Listing Rules of the ASX as in force from time to time;

Mt means millions of tonnes; and

Vesting Period means the period commencing on the date of issue of the relevant Performance Shares and ending upon the earlier to occur of the following:

- (a) the time when the Company ceases to have an ownership interest (whether direct or indirect) in the La Marigen Project; or
- (b) 5:00pm (AWST) on the date immediately prior to the Expiry Date.

3 CHANGE IN CONTROL EVENTS

3.1 All Performance Shares on issue shall (to the extent they have not already converted or lapsed) automatically convert into Shares in accordance with paragraph 5 upon the occurrence of any of the following events:

- (a) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (such as a change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a takeover bid (as defined under section 9 of the Corporations Act, **Takeover Bid**):
 - (i) is announced;

- (ii) has become unconditional; and
 - (iii) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, **Relevant Interest**) in 50% or more of the Shares; or
- (c) any person acquires a Relevant Interest in 50.1% or more of the Shares by any other means.

4 EXPIRY DATE

- 4.1 The expiry date for Performance Shares is 5:00pm (AWST) on the date which is three years after the issue of those Performance Shares (**Expiry Date**).
- 4.2 To the extent that any Performance Shares have not converted into Shares by the applicable Expiry Date, such Performance Shares for each Holder will automatically lapse, expire and be cancelled for nil consideration at 5:00pm (AWST) on the Expiry Date.

5 CONVERSION OF PERFORMANCE SHARES

- 5.1 Any conversion of Performance Shares into Shares is on a one for one basis (subject to paragraph 1.8, if applicable).
- 5.2 The Company must issue the relevant number of Shares to the Holder immediately upon the conversion of any Performance Shares pursuant to paragraph 2 or paragraph 3 (as applicable).
- 5.3 A Performance Share which converts immediately ceases to exist.

6 TAKEOVER PROVISIONS

- 6.1 If the conversion of Performance Shares (or part thereof) under paragraph 2 or paragraph 3 would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).
- 6.2 Where paragraph 6.1 applies, if requested to do so by the affected Holder after a relevant Vesting Condition is satisfied, the Company must seek to obtain the approval of its Shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at the Company's next annual general meeting.
- 6.3 A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraph 2 or paragraph 3 may result in the contravention of section 606(1), failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
- 6.4 The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within seven days if they consider that the conversion of Performance Shares under paragraph 2 or paragraph 3 may result in the contravention of section 606(1). If the Holder does not confirm to the Company within seven days that they consider such conversion may result in the contravention of section 606(1), then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

7 QUOTATION

- 7.1 If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven Business Days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.

8 CONVERSION PROCEDURE

- 8.1 The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares pursuant to paragraph 5.
- 8.2 If required following the conversion of the Performance Shares into Shares pursuant to paragraph 5, the Company will 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.

9 RANKING OF SHARES

- 9.1 The Shares into which the Performance Shares will convert will be freely tradeable and will rank pari passu in all respects with the Shares on issue at the date of conversion.

Schedule 6

Pro Forma Consolidated Statement of Financial Position

31-March-2024	Unaudited			
Pro-forma Balance Sheet	Pearl Gull	Adjustments		
	Limited	1	2	Pro forma
	A\$'000	A\$'000	A\$'000	A\$'000
CURRENT ASSETS				
Cash and cash equivalents	1,220	(299)	-	921
Other current assets	30	-	-	30
TOTAL CURRENT ASSETS	1,250	(299)	-	951
NON CURRENT ASSETS				
Property, plant & equipment	17	-	-	17
Exploration & evaluation asset	9,311	299	1,687,500	1,697,110
TOTAL NON CURRENT ASSETS	9,328	299	1,687,500	1,697,127
TOTAL ASSETS	10,578	-	1,687,500	1,698,078
CURRENT LIABILITIES				
Trade and other payables	74	-	-	74
Provisions	698	-	-	698
TOTAL CURRENT LIABILITIES	772	-	-	772
NON CURRENT LIABILITIES				
Provisions	6,652	-	-	6,652
TOTAL NON CURRENT LIABILITIES	6,652	-	-	6,652
TOTAL LIABILITIES	7,424	-	-	7,424
NET ASSETS	3,154	-	1,687,500	1,690,654
EQUITY				
Issued capital	14,353	-	1,687,500	1,701,853
Other contributed equity	(2,005)	-	-	(2,005)
Reserves	1,413	-	-	1,413
Accumulated losses	(10,607)	-	-	(10,607)
TOTAL EQUITY	3,154	-	1,687,500	1,690,654

1 Initial Contribution of US\$200k pursuant to the Earn-In. Funds are proposed to be utilised for exploration activities at the La Marigen Project and as such will be capitalised on the balance sheet once expended over a 12 month period.

2 Issue of Consideration Shares (84,375,000) at a deemed issue price of \$0.02 per share following receipt of Shareholder approval. These are deemed acquisition costs and will be capitalised on the balance sheet in accordance with the Company's accounting policy.

Note: The Pro-forma balance sheet above has been completed on the assumption the Company completes the Acquisition but only initially funds the Initial Contribution pursuant to the Earn-In (not the Further Contribution, Second Contribution or Third Contribution). As the vesting of all Performance Shares to be issued pursuant to the Acquisition is contingent on project and market related conditions these have not been taken into account. The Company will also be required to complete future capital raisings if it decides to fund

Huemul to make the Further, Second and Third Contributions in order to obtain a maximum 80% indirect interest in the La Marigen Project pursuant to the Earn-In. Should the Board determine to fund one or more such contributions, the Company would look to undertake additional capital raisings at the appropriate point in time in order to meet these payments and as such these have not been taken into account in the above pro-forma balance sheet. The Company can also elect whether it intends to fund these additional payments (and therefore give up, maintain or increase its proposed indirect interest in the La Marigen Project) and this decision will be dependent on (without limitation) initial exploration works to be undertaken at the La Marigen Project utilising the Initial Contribution amount of US\$200,000.

Proxy Voting Form

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

Your proxy voting instruction must be received by **11.00am (AWST) on Sunday, 11 August 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 Key Management Personnel.

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:

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IN PERSON:

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