

HIGHFIELD RESOURCES LIMITED
ACN 153 918 257

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting

Friday, 30 May 2025

Time of Meeting

4:30pm (Adelaide, Australia time)

Place of Meeting

The Meeting will be held virtually by the online platform accessible at investor.automic.com.au.
Registration will open online from 4:00pm (Adelaide, Australia time)

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

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

The Company strongly encourages all Shareholders to lodge a directed proxy vote prior to the cut-off date for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form, delivered to you by email or post (depending on your communication preferences).

The Company is happy to answer questions prior to the close of proxy voting via email, such questions should be sent to the following email address meetings@automicgroup.com.au

NOTICE OF ANNUAL GENERAL MEETING

HIGHFIELD RESOURCES LIMITED ACN 153 918 257

Notice is hereby given that the Annual General Meeting of Shareholders of Highfield Resources Limited will be held at 4:30pm (Adelaide, Australia time) on Friday, 30 May 2025. The Annual General Meeting will be held virtually and is accessible online at investor.automic.com.au.

Ordinary Business

To consider the Financial Statements for the financial year ended 31 December 2024 and accompanying reports of the Directors and Auditor.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass, with or without amendment, the following resolution as a non-binding ordinary resolution:

'That the Company adopt the Remuneration Report for the year ended 31 December 2024 as set out in the Company's Annual Report for the year ended 31 December 2024.'

Resolution 2: Re-election of Ms Pauline Carr as Director

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

'That Ms Pauline Carr, having voluntarily retired in accordance with clause 12.11.1 of the Constitution and being eligible, and offering herself, for re-election, is re-elected as a Director with effect immediately following the conclusion of the Meeting.'

Resolution 3: Re-election of Mr Paul Harris as Director

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

'That Mr Paul Harris, having voluntarily retired in accordance with clause 12.11.1 of the Constitution and being eligible, and offering himself, for re-election, is re-elected as a Director with effect immediately following the conclusion of the Meeting.'

Resolution 4: Approval of 10% Placement Facility

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

'That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 5: Renewal of Proportional Takeover Provisions

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

‘That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 26 for a period of 3 years from the date of approval of this Resolution.’

**DATED 30 APRIL 2025
BY ORDER OF THE BOARD
HIGHFIELD RESOURCES LIMITED**

**Katelyn Adams
COMPANY SECRETARY**

3. NOTES ON MEETING ATTENDANCE AND VOTING

Attending the Meeting

The Meeting is being held virtually.

Shareholders and proxyholders can participate in the Meeting virtually via the online platform accessible at investor.automic.com.au and will have the ability to ask questions during the Meeting and to hear all of the discussion, subject to the connectivity of their device. Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending virtually.

To vote and ask questions during the Meeting you will need to follow the instructions available in the Automic Virtual Meeting Guide available at the following link <https://www.automicgroup.com.au/virtual-agms>.

Shareholders attending the Meeting virtually will be able to view a live webcast of the Meeting, ask questions online and submit their votes in real time. If that Shareholder or proxyholder voted online prior to the Meeting, the vote during the Meeting will override the pre-Meeting vote.

If you wish to participate in the Meeting online you will need to register to participate. Registration will open 30 minutes prior to the Meeting. You can register to participate in the Meeting by following the instructions below:

1. Open your internet browser and go to investor.automic.com.au.
2. Login with your username and password or click “register” if you haven’t already created an account. Shareholders are encouraged to create an account prior to the start of the Meeting to ensure there is no delay in attending the Meeting online.
3. After logging in, a banner will be displayed at the bottom of your screen.
4. Click on “Register” and follow the steps.
5. Click on the URL to join the webcast where you can view and listen to the Meeting.
6. Once the Chair of the Meeting has declared the poll open for voting click on “Refresh” to be taken to the voting screen
7. Select your voting direction and click “save” to submit your vote. Note that you cannot amend your vote after it has been submitted

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The Chair of the Meeting has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where the Chair considers it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a directed proxy even if they plan to attend the Meeting online. Should you have any difficulties, you can contact the registry by telephone on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia)

Voting Information

The Chair intends to put all resolutions set out in this Notice of Meeting to a poll. Upon a poll, every Shareholder who is present in person or by proxy, representative or attorney will have one vote for

each Share held by that Shareholder. Results of the voting on the Resolutions will be announced to the ASX as soon as practicable after the Meeting is closed.

Determination of entitlement to attend and vote

For the purposes of determining an entitlement to vote at the Meeting, Shares will be taken to be held by the persons who are registered as Shareholders at 6:30pm (Adelaide, Australia time) on Wednesday, 28 May 2025.

Proxies

A Shareholder entitled to attend the virtual Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the virtual Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the virtual Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a Shareholder will need to take the following steps:

- cast the Shareholder's vote online by visiting <https://investor.automic.com.au/#/loginsah> or, if using a mobile device, by scanning the QR code on the Shareholder's Proxy Form and entering the Shareholder's registered postcode; or
- complete and lodge a validly completed and signed paper Proxy Form at the Share Registry, Automic Registry Services:

(a) in person at the following address:

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000

OR

(b) by post at the following address:

Automic Registry Services
GPO Box 5193
Sydney NSW 2001

OR

(c) by facsimile to +61 2 8583 3040 (within Australia); or

so that it is received no later than 4:30pm (Adelaide, Australia time) on Wednesday 28 May 2025.

A proxy has the same rights as a Shareholder to speak using the online platform at the virtual Meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll.

Where a Shareholder appoints an attorney to act on his/her behalf at the Meeting or a proxy form is signed under power of attorney, such appointment must be made by a duly executed power of attorney. The power of attorney (or a certified copy) must be given to Automic Registry Services, the Share Registry, by 4:30pm (Adelaide, Australia time) on Wednesday 28 May 2025, unless it has previously been provided.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of Shareholders shall be accepted to the exclusion of the others.

The Company encourages all Shareholders who submit proxies to direct their proxy whether to vote for or against, or to abstain from voting on, each Resolution.

The Chair of the Meeting intends to vote all undirected proxies in favour of all of the Resolutions.

If a Shareholder appoints the Chair as their proxy, expressly or by default, and they do not direct the Chair on how to vote on a Resolution, by completing and returning the Proxy Form, they will be expressly authorising the Chair to exercise the proxy and vote as the Chair sees fit on a Resolution.

Corporate Representatives

A body corporate which is a shareholder or which has been appointed as a proxy may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should provide the Share Registry with evidence of his or her appointment prior to the Meeting, including any authority under which it is signed, unless it has previously been provided to and been accepted by the share registry. If such evidence is not received prior to the commencement of the Meeting, then the individual will not be permitted to act as the shareholder's representative or representative of the shareholder's proxy.

Questions from Shareholders

You may ask questions at the Meeting about any of the Resolutions being considered at the Meeting. Shareholders and proxyholders will be given an opportunity to ask questions at the Meeting through the online platform accessible at investor.automic.com.au. To ensure all Shareholders are given a reasonable opportunity to participate, Shareholders will be limited to asking two questions per item of business, or one question and one follow-up comment. The Chair retains ultimate discretion to ensure equitable participation by all Shareholders.

The Company will endeavour to answer as many of the more frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

In addition, Shareholders may submit written questions prior to the Meeting. If you would like to ask a question, please email your question to meetings@automicgroup.com.au. To allow time to collate questions and prepare answers, you must submit any questions by 5.00pm (Adelaide, Australia time) on Friday, 23 May 2025

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Annual General Meeting and the Explanatory Memorandum.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 5 (inclusive).

2. Voting Exclusion Statements

Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (i) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (ii) a Closely Related Party of such a member.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (i) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (ii) the person is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

3. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 31 December 2024 contains a Remuneration Report which sets out the remuneration policy of the Company.

An electronic copy of the Annual Report is available to download or view on the Company's website at www.highfieldresources.com.au. The Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the proxy form.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Section 250R(4) of the Corporations Act prohibits a vote on this resolution being cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, under section 250R(5) of the Corporations Act a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 1 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

Resolution 1 is an advisory resolution.

The chair intends to vote undirected proxies in favour of Resolution 1.

Please also note that under sections 250U and 250V of the Corporations Act, if at two consecutive annual general meetings of a listed company at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings there must be put to the vote a resolution that another meeting be held within 90 days at which all directors (except the managing director) who were directors at the date the remuneration report was approved at the second annual general meeting must stand for re-election. So, in summary, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives 'two strikes'. The Remuneration Report did not receive a 'first strike' at the Company's last annual general meeting.

4. RESOLUTION 2: RE-ELECTION OF MS PAULINE CARR AS DIRECTOR

Ms Carr retires by rotation in accordance with Listing Rule 14.4 and clause 12.11.1 of the Company's Constitution. Accordingly, Ms Carr retires as a Director and, being eligible, offers herself for re-election.

A resume for Ms Carr follows:

Ms Pauline Carr

Independent Non-Executive Director, **BEcon, MBA, FAICD, FGIA, FCG (CS CGP)**

Pauline Carr is a professional non-executive director and has over 35 years' commercial and executive experience with Australian and international listed companies spanning management, corporate governance and compliance, risk, investor and stakeholder relations and business improvement. Originally an accountant her professional and directorial career has encompassed a range of sectors including resources and energy, property and construction, financial services, pharmaceutical, community healthcare, retail and higher education.

In addition to her oil and gas experience Pauline's resources sector experience has been gained over 35 years and covers a range of mineral commodities – gold, base metals, industrial minerals, iron ore, tungsten, potash and more recently rare earths. She has held in a variety of roles over the years starting in the accounting, financial analysis, auditing areas before moving into government and community relations, business improvement, HR, compliance, risk management and corporate governance and then into executive roles which included being an integral part of growth and international expansions through mergers and acquisitions.

Her current Board roles include Chancellor of the Adelaide University Transition Council (the new university being forged through the amalgamation of The University of Adelaide and the University of South Australia) transition council, Chair of National Pharmacies, and a non-executive director of ASX listed Australian Rare Earths Limited (appointed 2021).

Resolution 2 is an ordinary resolution.

The Directors (with Ms Carr abstaining) recommend that shareholders vote in favour of Resolution 2.

The chair intends to vote undirected proxies in favour of Resolution 2.

5. **RESOLUTION 3: RE-ELECTION OF MR PAUL HARRIS AS DIRECTOR**

Mr Harris retires by rotation in accordance with Listing Rule 14.4 and clause 12.11.1 of the Company's Constitution. Accordingly, Mr Harris retires as a Director and, being eligible, offers himself for re-election.

A resume for Mr Harris follows:

Mr Paul Harris

Independent Non-Executive Chairman, **B Comm, M Eng. (Mining) GAICD**

Mr. Harris has over 25 years' experience in financial markets and investment banking, including roles with Citibank, Bankers Trust and Merrill Lynch advising mining organisations on strategy, mergers and acquisitions, and capital markets. He is well known by the Australian investment community and was also Managing Director – Head of Metals and Mining at Citi for several years.

Most recently Mr. Harris has been working with mining company boards as a non-executive director as well as providing advisory services on strategy and finance. He is currently the non-executive Chairman of Koonenberry Gold Limited (ASX:KNB). In the three years immediately prior to the end of the financial year Mr. Harris was Executive Chair of Aeon Metals Limited (ASX: AML) and non-executive Director of Aurelia Metals Limited (ASX:AMI).

Mr. Harris has a Masters of Engineering (Mining) and a Bachelor of Commerce (Finance) from the University of New South Wales and is a graduate of the Australian Institute of Company Directors.

The Directors (with Mr Harris abstaining) recommend that shareholders vote in favour of Resolution 3.

The chair intends to vote undirected proxies in favour of Resolution 3.

6. **RESOLUTION 4: APPROVAL OF 10% PLACEMENT FACILITY**

6.1 **General**

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

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 4 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without shareholder approval. The exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(c)).

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

6.2 **Description of Listing Rule 7.1A**

(a) **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has only the following class of quoted Equity Securities on issue:

- ordinary shares quoted on ASX

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may, during the period of the approval, issue or agree to issue, during the 10% Placement Period (refer to section 5.2(f)), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- less the number of fully paid ordinary securities cancelled in the relevant period.

(Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.)

D is 10%

- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

(Note that **relevant period** has the same meaning in Listing Rule 7.1, namely:

- *if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or*
- *if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.)*

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 474,077,043 quoted ordinary shares and therefore has a capacity to issue:

- (i) 71,111,556 Equity Securities under Listing Rule 7.1; and
- (ii) subject to shareholder approval being obtained under Resolution 8, 47,407,704 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(c)).

(e) Minimum Issue Price

The Equity Securities issued under Listing Rule 7.1A.2 must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date referred to in section 6.2(e)(i), the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;

- (ii) the time and date of the entity's next annual general meeting; and
- (iii) the time and date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

(10% Placement Period).

6.3 **Listing Rule 7.1A**

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution and therefore requires approval of at least 75% of the votes cast by shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the Resolution.

6.4 **Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- (a) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (b) There is a risk that:
 - (i) the market price for the Company's Equity Securities in the same class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities in the same class on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of shares and the current number of ordinary shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future shareholders' meeting; and

- (i) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in formula in Listing Rule 7.1A.2		Issue Price		
		\$0.075 50% decrease in issue price	\$0.15 issue price	\$0.30 100% increase in issue price
Current Variable 'A' 474,077,043 shares	10% voting dilution	47,407,704 shares	47,407,704 shares	47,407,704 shares
	Funds raised	\$3,555,578	\$7,111,156	\$14,222,311
50% increase in current Variable 'A' 711,115,564 shares	10% voting dilution	71,111,556 shares	71,111,556 shares	71,111,556 shares
	Funds raised	\$5,333,367	\$10,666,733	\$21,333,467
100% increase in current Variable 'A' 948,154,086 shares	10% voting dilution	94,815,408 shares	94,815,408 shares	94,815,408 shares
	Funds raised	\$7,111,156	\$14,222,311	\$28,444,622

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No current options are exercised into shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A and no other issues of Equity Securities.
- The issue of Equity Securities under the 10% Placement Facility consists only of shares.
- The issue price is \$0.15, being the closing price of the shares on ASX on 8 April 2025.

- (c) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities and the number of Equity

Securities allotted to each will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders (subject to shareholder approval, if required) and/or new shareholders who are not related parties or associates of a related party of the Company.

- (d) The Company previously obtained shareholder approval under Listing Rule 7.1A at its 2024 Annual General Meeting and has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of this Meeting.
- (e) At the time of dispatching this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2.
- (f) As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made. Therefore, no Shareholders will be excluded from voting on Resolution 4 as no Shareholder has an interest in the outcome of the Resolution that is potentially different from that of any other Shareholder.

Resolution 4 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 4.

The chair intends to vote undirected proxies in favour of Resolution 4.

7. RESOLUTION 5: RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS

7.1 Proportional takeover provisions in the Company's Constitution

Clause 8 of the Constitution of the Company includes proportional takeover approval provisions which enable the Company to refuse to register shares acquired under a proportional takeover bid unless a resolution is passed by the shareholders in general meeting approving the offer.

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Under section 648G(1) of the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may be renewed. The provisions contained in the Company's Constitution therefore cease to apply, unless renewed, at the AGM.

The Company may renew its proportional takeover approval provisions in the Constitution in the same manner in which the Company may modify its Constitution under section 136(2) of the Corporations Act (i.e. by special resolution of shareholders).

The Company is seeking Shareholder approval to renew these provisions in accordance with the Corporations Act. As a consequence, the Corporations Act requires the Company to provide Shareholders with an explanation of the proportional takeover approval provisions as set out below.

7.2 What is a proportional takeover bid?

A proportional takeover bid is a takeover offer sent to all shareholders but only in respect of a specified portion of each shareholder's shares. Accordingly, if a shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its shares in the Company and retain the balance of the shares.

7.3 Effect of the provisions to be renewed

If renewed under clause 8, in the event that a proportional takeover offer is made to Shareholders of the Company, the Board of the Company will be required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held by the 14th day before the last day of the bid period.

The resolution shall be taken to have been passed if a majority of shares voted at the meeting, excluding the shares of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on by the 14th day before the last day of the bid period, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the ASTC Operating Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act the offer will be deemed to be withdrawn.

7.4 Reasons for proposing the resolution

The Directors consider that Shareholders should have the opportunity to renew clause 8 in the Constitution. Without clause 8, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their shares whilst leaving themselves as part of a minority interest in the Company.

Without clause 8, if there was a proportional takeover bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing clause 8 of the Constitution will make this situation less likely by permitting Shareholders to decide whether a proportional takeover bid should be permitted to proceed.

7.5 Potential advantages and disadvantages for the Directors and Shareholders of the Company

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b) they may assist Shareholders from being locked in as a minority;
- c) they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- a) proportional takeover bids for shares in the Company may be discouraged;
- b) Shareholders may lose an opportunity to sell some of their shares as a premium; and
- c) the likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions.

While similar proportional takeover approval provisions have been in effect in the past, there have been no full or proportional takeover bids for the Company. Therefore, there has been no example against which to review the advantages or disadvantages of the provisions for the Directors and the Shareholders, respectively, during the period during which the proportional takeover provisions have been in effect. On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that renewal of clause 8 is in the interests of Shareholders.

7.6 Knowledge of any acquisition proposals

As at the date on which the Notice of Annual General Meeting was prepared, no Director of the Company is aware of any proposal to any person to acquire or to increase the extent of a substantial interest in the Company, with the exception of the transaction with Yankuang Energy Group Co., Ltd and other strategic investors, refer to ASX announcement dated 23 September 2024.

7.7 Recommendation of the Board

The Directors consider that the renewal is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 5.

8 GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

10% Placement Facility has the meaning given in section 6.1;

10% Placement Period has the meaning given in section 6.2(f);

ASX means ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Closely Related Party of a member of the Key Management Personnel for an entity means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependant of the member or of the member's spouse;
- d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- e) a company the member controls; or
- f) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Highfield Resources Limited ACN 153 918 257;

Constitution means the existing constitution of the Company;

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

Director means a director of the Company;

Equity Securities has the same meaning as in the Listing Rules;

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);

Listing Rules means the listing rules of ASX;

Meeting means the meeting of shareholders convened by the Notice;

Notice means the notice of meeting to which this Explanatory Memorandum is attached;

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules; and

VWAP means volume weighted average market price.

Your proxy voting instruction must be received by **4.30pm (ACST) on Wednesday, 28 May 2025**, 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://automicgroup.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.



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