

8 SEPTEMBER 2020

Dear Shareholders,

LUSTRUM MINERALS LIMITED – UPCOMING GENERAL MEETING

As per the notice of general meeting released to ASX on 31 August 2020 (**NOM**), Lustrum Minerals Limited (ACN 609 594 005) (ASX:LRM) (**Company**) will be holding a general meeting at 11:00am (WST) on Wednesday, 30 September 2020 (**Meeting**).

The Company has amended the NOM by adding an additional Resolution 17, as set out in the addendum to the NOM dated 7 September 2020 (**Addendum**).

In accordance with subsection 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 1) 2020*, the Company will not be dispatching physical copies of the Addendum. Instead, a copy of the Addendum is available through the Company's ASX Announcements Platform (ASX:LRM):

<https://lustrumminerals.com.au/asx-announcements/>.

Replacement Proxy Form

The Company advises that there has been a change to the Proxy Form previously despatched to Shareholders (**Original Proxy Form**) and the replacement Proxy Form is annexed to this Addendum (**Replacement Proxy Form**).

To ensure clarity of voting instructions by Shareholders on the Resolutions to be considered at the Meeting, Shareholders are advised to follow the following instructions if you have already completed and returned an Original Proxy Form:

- (a) if you wish to vote on Resolution 17 or change your vote on Resolutions 1 to 16, you must complete and return a Replacement Proxy Form; and
- (b) if you do not wish to vote on Resolution 17 or change your original vote on Resolutions 1 to 16, you do not need to take any action. The Original Proxy Form that you have already returned will be accepted by the Company for Resolutions 1 to 16 (unless you submit a Replacement Proxy Form).

Likewise if you have appointed proxy using the online capabilities and you wish to update your proxy preferences, the online proxy capabilities (available at <https://investor.automic.com.au/#/loginsah>) have been updated to include the ability to appoint and instruct a proxy in respect of voting on the Amended Proxy Form.

This Addendum 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.

If you have any questions in relation to the Meeting, please contact our Company Secretary, Loren King on +61 8 6489 1600.

Sincerely,



Loren King
Company Secretary



LUSTRUM MINERALS LIMITED (TO BE RENAMED 'NORONEX LIMITED')

ACN 609 594 005

ADDENDUM TO NOTICE OF GENERAL MEETING

Lustrum Minerals Limited (to be renamed 'Noronex Limited') (ACN 609 594 005) (**Company**), hereby gives notice to Shareholders of the Company that, in relation to the Notice of General Meeting dated 31 August 2020 (**Notice of Meeting**) in respect of a general meeting of Shareholders to be held at 11:00am (AWST) on Wednesday, 30 September 2020 at Suite 9, 330 Churchill Avenue, Subiaco WA 6008, the Directors have determined to issue this addendum to the Notice of Meeting (**Addendum**).

The purpose of this Addendum is to include an additional resolution for the Company to make a selective reduction of issued share capital in the Company (**Selective Reduction**).

Definitions in the Notice of Meeting have the same meaning in this Addendum unless otherwise updated in this Addendum.

This Addendum is supplemental to the Notice of Meeting and should be read in conjunction with the Notice of Meeting. Save for the amendments set out below, all Resolutions and the Explanatory Statement in the original Notice of Meeting remain unchanged.

Replacement Proxy Form

The Company advises that there has been a change to the Proxy Form previously despatched to Shareholders (**Original Proxy Form**) and the replacement Proxy Form is annexed to this Addendum (**Replacement Proxy Form**).

To ensure clarity of voting instructions by Shareholders on the Resolutions to be considered at the Meeting, Shareholders are advised to follow the following instructions if you have already completed and returned an Original Proxy Form:

- (a) if you wish to vote on Resolution 17 or change your vote on Resolutions 1 to 16, you must complete and return a Replacement Proxy Form; and
- (b) if you do not wish to vote on Resolution 17 or change your original vote on Resolutions 1 to 16, you do not need to take any action. The Original Proxy Form that you have already returned will be accepted by the Company for Resolutions 1 to 16 (unless you submit a Replacement Proxy Form).

This Addendum 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. Should you wish to discuss the matters set out in this Addendum, please do not hesitate to contact the Company Secretary on +61 8 6489 1600.

1. RESOLUTION 17 – APPROVAL TO MAKE SELECTIVE REDUCTION OF CAPITAL

The following additional Resolution is added to the Notice immediately following Resolution 16:

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

"That, subject to the passing of Resolution 1 at the General Meeting, in accordance with Section 256C(2) of the Corporations Act and for all other purposes, approval is given for the Company to make a selective reduction of capital and cancel a total of 15,000,000 Class A Performance Shares and 15,000,000 Class C Performance Shares, on the terms and for the purposes set out in the Explanatory Statement accompanying this Notice."

2. RESOLUTION 17 – APPROVAL TO MAKE SELECTIVE REDUCTION OF CAPITAL

2.1 Background to the Performance Shares

On 20 January 2017, the Company entered into a share sale agreement with the shareholders of Consuelo Coal Holdings Pty Ltd (ACN 616 836 036) (**Consuelo**) (**Consuelo Agreement**) pursuant to which the Consuelo shareholders agreed to sell, and the Company agreed to buy, 100% of the issued capital in Consuelo (**Consuelo Acquisition**). Under the Consuelo Agreement, in consideration for the Consuelo Acquisition, the Company agreed to issue performance shares in the capital of the Company as follows:

- (a) 15,000,000 Class A Performance Shares, comprising:
 - (i) 10,000,000 Class A Performance Shares to Kontrarian Resource Fund No.1 Pty Ltd (ACN 606 816 602) (**Kontrarian**);
 - (ii) 3,000,000 Class A Performance Shares to Twentieth Century Motor Company Pty Ltd (ACN 167 248 419) as trustee for the Motor Company Superannuation Fund (**Twentieth Century**); and
 - (iii) 2,000,000 Class A Performance Shares to Station Nominees Pty Ltd (ACN 133 016 850) as trustee for the Station Superannuation Fund (**Station Nominees**),
- (b) 15,000,000 Class C Performance Shares, comprising:
 - (i) 10,000,000 Class C Performance Shares to Kontrarian;
 - (ii) 3,000,000 Class C Performance Shares to Twentieth Century; and
 - (iii) 2,000,000 Class C Performance Shares to Station Nominees,

(together, the **Performance Shares**).

For the full terms and conditions of the Performance Shares, refer to the prospectus released on the Company's ASX platform (ASX: LRM) on 14 November 2017.

On 6 November 2017, the Company issued the Performance Shares to the parties (the **Performance Shareholders**) as set out above. For further details, please refer to the announcement released on the Company's ASX platform (ASX: LRM) on 6 November 2017.

2.1 Condition Precedent to the Proposed Acquisition

The background to the Proposed Acquisition is set out above in Section 1.2. The Proposed Acquisition is conditional upon, amongst other things, cancellation of the Performance Shares.

Accordingly, under Resolution 17, the Company is seeking the requisite approval of Shareholders required under the Corporations Act for the selective reduction and cancellation of the Performance Shares held by the Performance Shareholders (**Selective Capital Reduction**).

The milestone events attaching to the Performance Shares have not been achieved and none of the Performance Shares have been converted into Shares.

Resolution 17 is a special resolution, and therefore requires not less than 75% of all votes cast on the Resolution to be in favour of the Resolution for it to be passed.

2.2 Corporations Act

Pursuant to Section 256C of the Corporations Act, a company may make a selective capital reduction if it is approved by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced.

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the Company's solvency;
- (b) seeking to ensure fairness between the shareholders of the Company;
and
- (c) requiring the Company to disclose all material information.

In particular, Section 256B of the Corporations Act requires that a Company may only reduce its capital if:

- (a) it is fair and reasonable to the shareholders as a whole;
- (b) it does not materially prejudice the Company's ability to pay its creditors;
and
- (c) it is approved by shareholders in accordance with Section 256C of the Corporations Act.

Section 256C(4) of the Corporations Act requires that the Company must include with the Notice a statement setting out all information known to the Company that is material to the decision on how to vote on the resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to shareholders.

The Directors believe that the Selective Capital Reduction as proposed is fair and reasonable to Shareholders for the following reasons:

- (a) the Selective Capital Reduction will only result in the cancellation of the Performance Shares issued to the Performance Shareholders;
- (b) the Selective Capital Reduction will not materially prejudice the Company's ability to pay its creditors and will have minimal financial effect on the Company; and
- (c) the financial effect on cash reserves of the Selective Capital Reduction on the Company will be nil as no consideration is being provided for the Selective Capital Reduction.

The Directors do not consider that there are any material disadvantages to the Company undertaking the Selective Capital Reduction.

Pursuant to Section 256C(2) of the Corporations Act, a selective reduction of capital must be approved by either:

- (a) a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced, or by their associates; or
- (b) a resolution agreed to, at a general meeting by all Shareholders.

In addition, section 256C(2) provides that if the reduction involves the cancellation of shares, the reduction must also be approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled. In lieu of this requirement, the Performance Shareholders have each provided their written approval to the Company for the cancellation of their respective Performance Shares and have agreed to waive any applicable notice period.

2.3 Summary of and Effect of Proposed Selective Capital Reduction

The overall effect of the Selective Capital Reduction is to reduce the number of Performance Shares currently on issue from 30,000,000 Performance Shares (comprising 15,000,000 Class A Performance Shares and 15,000,000 Class C Performance Shares, as set out above in Section 2.1) to nil.

As the milestone events attaching to the Performance Shares have not been achieved and none of the Performance Shares have been converted into Shares, on completion of the Selective Capital Reduction of the Performance Shares, there will be no change to the control of the Company and the percentage of the Company owned by each Shareholder will remain the same.

2.4 Interests of Directors

The Directors do not have any material interest in the outcome of Resolution 17 other than as a result of their interest arising solely in the capacity as Shareholders. The Directors do not have any interest in any Performance Shares.

The Directors believe that the Selective Capital Reduction will not materially prejudice the Company's ability to pay its creditors because following completion of the Selective Capital Reduction the Company will have sufficient cash reserves to meet its financial commitments.

Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 17 as they consider the proposed reduction of capital to be fair and reasonable and in the best interests of Shareholders.

2.5 Other Material Information

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 17 being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Once Resolution 17 is passed by Shareholders, the Company will not make the reduction of capital until at least 14 days after lodgement of Resolution 17 with the ASIC.

Dated: 8 September 2020

BY ORDER OF THE BOARD

**LOREN KING
COMPANY SECRETARY**

Enquiries: Shareholders are advised to contact the Company Secretary on +61 8 6489 1600 if they have any queries in respect of the matters set out in this Addendum.



Lustrum Minerals Limited | ACN 609 594 005

GM Replacement Proxy Voting Form

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

Holder Number:

Vote by Proxy: LRM

Your proxy voting instruction must be received by **11.00am (WST) on Monday 28 September 2020**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

