



**Suvo Strategic Minerals Limited
ACN 140 316 463**

Notice of Annual General Meeting

The General Meeting of the Company will be held at the Plaza Ballroom 3, Hyatt Regency, 99 Adelaide Terrace, Perth, Western Australia on Tuesday, 24 November 2020 at 10:00am (WST).

THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING, THE COMPANY WILL PROVIDE AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 9389 4495.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

Suvo Strategic Minerals Limited
ACN 140 316 463
(Company)

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Suvo Strategic Minerals Limited (**Company**) will be held at the Plaza Ballroom 3, Hyatt Regency, 99 Adelaide terrace, Perth, Western Australia on Tuesday, 24 November 2020 at 10:00am (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person. Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.suvo.com.au and the ASX announcement platform.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm WST on Sunday, 22 November 2020.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of the Notice.

Terms and abbreviations used in the Notice are defined in the Schedule.

Agenda

1 Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2020, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2 Resolutions

Resolution 1 – Remuneration Report

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

'That the Remuneration Report be adopted by Shareholders.'

Resolution 2 – Re-election of Director – Mr Leonard Troncone

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

'That Mr Leonard Troncone, who retires by rotation in accordance with Article 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Re-election of Director – Dr Ian Wilson

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

'That, in accordance with Article 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Dr Ian Wilson, a Director who was appointed on 1 September 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'

Resolution 4 – Approval to issue Options and Performance Rights to Dr Ian Wilson

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

'That, pursuant to and in accordance Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of Options and Performance Rights to Dr Ian Wilson (or his respective nominees) under the Plan as follows:

- (a) *up to 500,000 Options; and*
- (b) *up to 500,000 Performance Rights,*

on the terms and conditions in the Explanatory Memorandum.'

Resolution 5 – Approval of 10% Placement Facility

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

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

Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) Resolution 4 by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question, or any of their respective associates; and
- (b) Resolution 5 if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Voting prohibition

Resolution 1: In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 4(a) and (b): In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and

- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on Resolution 4(a) and (b) must not be cast (in any capacity) by or on behalf of Dr Ian Wilson (and his nominees) or any of their respective associates.

However, a vote may be cast by such a person if:

- (e) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (f) it is not cast on behalf of the relevant Director (or his respective nominees) or an associate of those persons.

Further, in accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (g) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (h) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

BY ORDER OF THE BOARD

Justyn Stedwell
Company Secretary
Suvo Strategic Minerals Limited
Dated: 20 October 2020

Suvo Strategic Minerals Limited
ACN 140 316 463
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Plaza Ballroom 3, Hyatt Regency, 99 Adelaide Terrace, Perth, Western Australia on Tuesday, 24 November 2020 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

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

Section 2	Voting and attendance information
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-election of Director – Mr Leonard Troncone
Section 6	Resolution 3 – Re-election of Director – Dr Ian Wilson
Section 7	Resolution 4 – Approval to issue Options and Performance Rights to Dr Ian Wilson
Section 8	Resolution 5 – Approval of 10% Placement Facility
Schedule 1	Definitions
Schedule 2	Terms and Conditions of Employee Securities Incentive Plan
Schedule 3	Terms and Conditions of Performance Rights
Schedule 4	Terms and Conditions of Options

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

2. Voting and attendance information

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

2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

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, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

2.2 Voting in person

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

2.3 Voting by proxy

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:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company 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.

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

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (iii) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- (iv) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (iv) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (v) the appointed proxy is not the chair of the meeting;
- (vi) at the meeting, a poll is duly demanded on the resolution; and
- (vii) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

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

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.5 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast votes on Resolution 1 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.6 Submitting questions

Shareholders may submit questions in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at info@suvo.com.au by Sunday, 22 November 2020.

Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business. In order to ask a question during the Meeting, please follow the instructions from the Chair.

The Chair will attempt to respond to the questions during the Meeting. The Chair will request prior to a Shareholder asking a question that they identify themselves (including the entity name of their shareholding and the number of Shares they hold).

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2020.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.suvo.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Remuneration Report

4.1 General

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2021 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

4.2 Board recommendation

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

5. Resolution 2 – Re-election of Director – Mr Leonard Troncone

5.1 General

Article 14.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting (or if that is not a whole number, the whole number nearest to one third, rounded down). Article 14.2 of the Constitution requires that the Directors to retire are those who have held their office as Director for the longest period since their last election or appointment to that office (unless otherwise agreed to amongst themselves).

Article 14.2 of the Constitution provides that a Director who retires by rotation is eligible for re-election.

Mr Leonard Troncone was last elected at the general meeting of the Company held on Friday, 28 February 2020. His appointment was contingent on the completion of the Proposed Acquisitions and passing of the Essential Resolutions (both as defined in the notice of meeting to shareholders dated 23 January 2020). Both of these matters were successfully settled on 30 July 2020 and Mr Troncone became a Director of the Company effective from that date.

In addition, Listing Rule 14.5 provides that at least one Director must stand for election or re-election at each annual general meeting.

Accordingly, Mr Troncone retires by rotation at this Meeting and, being eligible, seeks approval to be re-elected pursuant to Resolution 2.

If elected, the Board does not consider Mr Leonard Troncone to be an independent Director as he became an executive of the Company effective 1 October 2020.

5.2 Mr Leonard Troncone

Mr Leonard Troncone is a senior finance executive with 40 years' hands-on experience in the Australian corporate environment, with experience gained in a range of industries including mining, mineral exploration, mine development and oil and gas, diversified engineering, manufacturing and construction, financial services and private investment.

Mr Troncone holds a Bachelor of Business degree from Curtin University of Technology (formerly the Western Australian Institute of Technology).

Mr Troncone has been involved with initial public offerings, capital raisings and the arrangement of debt facilities to fund major acquisitions and projects. Mr Troncone has made transformative contributions to newly listed entities including the delivery and creation of strong shareholder wealth in the years post-initial public offer at both United Group Limited and Decmil Group Limited (formerly Paladio Group Limited).

Mr Troncone has previously been involved in the preparation of long-term strategic plans with the single objective of delivering shareholder wealth through revenue growth, profitability growth, return on shareholders' funds, share price growth, increasing market share, competitor analysis, industry trends and acquisition targets.

Mr Troncone does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Mr Troncone's background and experience and that these checks did not identify any information of concern.

5.3 Board recommendation

Resolution 2 is an ordinary resolution.

The Board (other than Mr Leonard Troncone) recommends that Shareholders vote in favour of Resolution 2.

6. Resolution 3 – Re-election of Director – Dr Ian Wilson

6.1 General

Article 14.4 of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 14.4 of the Constitution, any Director so appointed must retire at the next annual general meeting of the Company and is then eligible for election by Shareholders under Article 14.4 of the Constitution.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

On 1 September 2020, Mr Dr Ian Wilson was appointed as a Non-Executive Director of the Company.

Accordingly, Dr Ian Wilson resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 3.

If elected, the Board considers Dr Ian Wilson to be an independent Director.

6.2 Dr Ian Wilson

Dr Ian Wilson is the owner of Ian Wilson Consultancy Ltd based in the UK. Dr Wilson has professional qualifications and is a Member of Institute of Materials, Minerals & Mining (MIMMM), Fellow of the Geological Society of London (FGS), Chartered Engineer (CEng), Chartered Geologist (CGeol) and Member of the Society for Mining, Metallurgy & Exploration Inc. (SME). He is a specialist in a number of industrial minerals and has worked with kaolin and halloysite for 46 years in the exploration and development of deposits worldwide.

From 1974-2001 Dr Wilson worked for Imerys as an overseas geologist globally in South America (mainly Brazil), Asia, Australia, New Zealand, Europe, Africa and North America. From 1981-1984 he was General Manager of ECC do Brasil Mineração Ltda in Brazil producing kaolin for the paper industry, and in 1984-1985 he was Joint Managing Director of CEDESCA (a joint venture between Caobar and ECC) at Poveda de la Sierra, Spain. From 2001 to the present time, has worked as a consultant carrying out work on kaolin, halloysite, calcium carbonate (GCC and PCC), talc, bentonite, barytes, magnesite, special clays and other minerals on a worldwide basis.

Dr Wilson has undertaken a number of professional visits to Australia, Canada, Colombia, Brazil, Indonesia, Argentina, Kazakhstan, Pakistan, India, China, North Korea, Romania, Germany and elsewhere, visiting approximately 80 countries throughout his career.

Dr Wilson has published many papers and has been a contributor to Industrial Minerals magazine. He has been involved in a number of acquisitions on behalf of equity groups and others. In 2009, he was awarded the prestigious Hal William Hardinge Award by SME for services to industrial minerals. He gained a BSc (Hons) degree in Geology from London University and a MSc (Geochemistry) and PhD from the University of Leeds, UK.

Dr Wilson does not currently hold any other material directorships.

The Company confirms that it took appropriate checks into Dr Wilson's background and experience and that these checks did not identify any information of concern.

6.3 Board recommendation

Resolution 3 is an ordinary resolution.

The Board (other than Dr Ian Wilson) recommends that Shareholders vote in favour of Resolution 3.

7. Resolution 4 – Approval to issue Options and Performance Rights to Dr Ian Wilson

7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue Options and Performance Rights to Dr Ian Wilson (**Related Party**), or his respective nominees, as follows:

- (a) up to a total of 500,000 Options; and
- (b) up to a total of 500,000 Performance Rights.

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Related Party in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Options and Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Options and Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Options and Performance Rights are to be issued under the Company's Employee Securities Incentive Plan (**Plan**), the terms of which are summarised in Schedule 2.

The Performance Rights will be issued on the terms and conditions set out in Schedule 3.

The Options will be issued on the terms and conditions set out in Schedule 4.

Resolution 4(a) and (b) seeks Shareholder approval pursuant to Listing Rule 10.14 and section 208 of the Corporations Act for the issue of Options and Performance Rights to the Related Party (or his respective nominees) under the Plan as follows:

- (a) up to 500,000 Options; and
- (b) up to 500,000 Performance Rights.

If Resolution 4(a) and (b) are passed, the Company will be able to proceed with the issue of up to 500,000 Options and up to 500,000 Performance Rights to the Related Party (or his nominee).

If Resolution 4(a) and (b) are not passed, the Company will not be able to proceed with the issue of up to 500,000 Options and up to 500,000 Performance Rights to the Related Party (or his nominee) and the Company will need to consider other forms of performance-based remuneration, including by the payment of cash.]

7.2 Listing Rule 10.14

Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 or 10.11 is not required.

7.3 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Options:

- (a) the Options will be issued under the Plan to the Related Party (or his nominees), a Director of the Company;

- (b) Dr Wilson is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1;
- (c) up to a total of 500,000 Options are to be issued to the Related Party (or his nominees);
- (d) the Related Party's current total remuneration package as at the date of this Notice is US\$33,600 per annum;
- (e) the Related Party has not previously been issued Securities under the Plan;
- (f) the Options will be exercisable at \$0.03, each on or before the date of issue. The Options will expire on 30 July 2023;
- (g) the Options will be issued on the terms and conditions set out in Schedule 4;
- (h) the Board considers that Options, rather than Shares, are an appropriate form of incentive because they reward the Related Party for the achievement of financial and non-financial business objectives over a period of up to three years from the date of Listing and are closely aligned to the principle of providing an incentive in delivering shareholder wealth via the improvement in value of the Company's securities;
- (i) the issue price of the Options is nil, and the value attributed by the Company to the Options is \$29,000;
- (j) the Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (k) a summary of the material terms of the Plan is set out in Schedule 2;
- (l) no loan will be provided to the Related Party in relation to the issue of the Options;
- (m) details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 4 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (o) a voting exclusion statement is included in the Notice.

7.4 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the **Performance Rights**:

- (a) the Performance Rights will be issued under the Plan to the Related Party (or his nominees), a Director of the Company;
- (b) Dr Wilson is a related party of the Company by virtue of being a Director and falls into the category stipulated by Listing Rule 10.14.1;

- (c) up to a total of 500,000 Performance Rights are to be issued to the Related Party (or his nominees);
- (d) the Related Party's current total remuneration package as at the date of this Notice is US\$33,600 per annum;
- (e) the Related Party has not previously been issued Securities under the Plan;
- (f) subject to the terms and conditions set out in Schedule 3, the Performance Rights will vest as follows:

Class	Performance Rights	Performance Milestone	Milestone Date
Class A	166,667	<ul style="list-style-type: none"> The definition of an Inferred JORC Resource at the Eneabba Project of 80Mt @ 97.5% SiO₂; and The definition of an Inferred JORC Resource at the Kaolin Project - 20Mt @ cut off grade of 25% Al₂O₃. 	within 12 months following the date of Listing
Class B	166,667	<ul style="list-style-type: none"> The definition of a Measured JORC Resource at the Eneabba Project of 40Mt @ 97.5% SiO₂; and The definition of a Measured JORC Resource at the Kaolin Project - 20Mt @ cut off grade of 25% Al₂O₃. 	within 24 months following the date of Listing
Class C	166,667	<ul style="list-style-type: none"> Upon completion of a preliminary feasibility study on both the Eneabba Project and Kaolin Project demonstrating an ability to operate both projects as commercially viable enterprises. 	within 36 months following the date of Listing

- (g) the Board considers that Performance Rights are an appropriate form of incentive because they reward the Related Party for the achievement of financial and non-financial business objectives over a period of up to 3 years from the date of Listing and the Related Party will only obtain the value of the Performance Rights upon satisfaction of the relevant milestones;
- (h) the issue price of the Performance Rights is nil and the value attributed by the Company to the Performance Rights is \$36,999;
- (i) the Performance Rights will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (j) a summary of the material terms of the Plan is set out in Schedule 2;
- (k) no loan will be provided to the Related Party in relation to the issue of the Performance Rights;

- (l) details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after Resolution 4 is approved and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (n) a voting exclusion statement is included in the Notice.

7.5 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

The grant of the Options and Performance Rights constitutes giving a financial benefit and Dr Wilson is a related party of the Company by virtue of being a Director.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Options and Performance Rights proposed to be issued to the Related Party pursuant Resolution 4(a) and (b).

7.6 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Options and Performance Rights:

- (a) **Identity of the Related Party to whom Resolution 4(a) and (b) (inclusive) permit financial benefits to be given**

The Options and Performance Rights will be issued to Dr Ian Wilson or his respective nominees.

- (b) **Nature of the financial benefit**

Resolution 4(a) and (b) (inclusive) seeks approval from Shareholders to allow the Company to issue the Options and Performance Rights in the amounts specified in Section 7.1 above to the Related Party or his nominees.

The Options are to be issued in accordance with the Plan in Schedule 2 and otherwise on the terms and conditions in Schedule 4.

The Performance Rights are to be issued in accordance with the Plan in Schedule 2 and otherwise on the terms and conditions in Schedule 3.

The Shares to be issued upon conversion of the Options and Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Options and Performance Rights is in Schedule 5, with a summary below:

500,000 Options	\$29,000
500,000 Performance Rights	\$36,999 (each tranche valued at \$12,333)

(d) **Remuneration of Related Parties**

The Related Party's current total remuneration package as at the date of this Notice is US\$33,600 per annum;

(e) **Existing relevant interests**

At the date of this Notice, the Related Party does not hold any relevant interests in Equity Securities of the Company.

Assuming that each of the resolutions which form part of Resolution 4 are approved by Shareholders, all of the Options and Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interest of the Related Party in the Company would represent approximately 0.2% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.093 per Share on 16 October 2020

¹Lowest: \$0.038 per Share on 7 August 2020

¹The Company re-commenced trading on the ASX on 7 August 2020. Previously, it traded under the ASX ticker code UTR (UltraCharge Limited) and the shares were suspended for an extended period of time.

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.093 per Share on 16 October 2020.

(g) **Dilution**

The issue of the Options and Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Options and Performance Rights vest and are exercised. The potential dilution effect is summarised below:

Security	Proposed Maximum Issue	Dilutionary effect
Options	500,000	0.1%
Performance Rights	500,000	0.1%

The above table assumes the current Share capital structure as at the date of this Notice (being 525,507,522 Shares on 16 October 2020) and that no Shares are issued other than the Shares issued on exercise of the Options and Performance Rights. The exercise of all of the Options and Performance Rights will result in a total dilution of all other Shareholders' holdings of 0.2% on a fully diluted basis (assuming that all Options and Performance Rights are exercised). The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

The Board acknowledges the grant of the Options and Performance Rights to Non-Executive Director, Dr Ian Wilson is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board considers the grant of Options to the Related Party is reasonable in the circumstances for the reasons set out in Sections 7.3(h).

The Board considers the grant of Performance Rights to the Related Party is reasonable in the circumstances for the reasons set out in Sections 7.4(g).

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Options and Performance Rights (including fringe benefits tax).

(j) **Director recommendations**

The Directors, other than Dr Ian Wilson who declines to make a recommendation to Shareholders in relation to Resolution 4(a) and (b) (inclusive) due to his material personal interest in the outcome of the resolutions, recommend that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of the Options and Performance Rights is a reasonable benefit to recognise the experience, past achievements and performance of Dr Ian Wilson;
- (ii) if all the Options are exercised, based on the exercise price of \$0.03, the Company will receive \$15,000 (assuming the cashless exercise facility is not used);

- (iii) the grant of the Options and Performance Rights will further align the interests of Dr Ian Wilson with those of Shareholders to increase shareholder value;
- (iv) the issue of the Options and Performance Rights with incentives to focus on superior performance in creating Shareholder value;
- (v) the grant of the Options and Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Dr Ian Wilson; and
- (vi) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Options and Performance Rights upon the terms proposed.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4(a) and (b) (inclusive).

7.7 **Board recommendation**

Each of the resolutions which form part of Resolution 4 is an ordinary resolution.

The Board (other than Dr Ian Wilson) recommends that Shareholders vote in favour of Resolution 4.

8. **Resolution 5 – Approval of 10% Placement Facility**

8.1 **General**

Listing Rule 7.1 limits the ability of a listed entity from issuing or agreeing to issue Equity Securities over a 12 month period which exceeds 15% of the number of fully paid ordinary Shares it had on issue at the start of the 12 month period (**Relevant Period**).

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of the number of fully paid ordinary Shares it had on the issue at the start of the Relevant Period through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 5 seeks Shareholder approval by way of a **special** resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.2(f) below). The number of Equity Securities to 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 8.2(c) below).

8.2 Listing Rule 7.1A

(a) Is the Company an eligible entity?

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$46 million, based on the closing price of Shares \$0.093 on 16 October 2020.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 5 will be withdrawn.

(b) What Equity Securities can be issued?

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 eligible entity.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities; Shares.

(c) How many Equity Securities can be issued?

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

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

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months:

- (1) under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- (2) 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 12 month 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 7.4;

- (3) under an agreement to issue securities within Rule 7.2 exception 16 where:
 - the agreement was entered into before the 12 month period; or
 - the agreement or issue was approved, or taken under the Listing Rules to be approved, under Listing Rule 7.1 or 7.4; and
- (4) with Shareholder approval under Listing Rule 7.1 or 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval;

(B) plus the number of partly paid shares that became fully paid in the 12 months; and

(C) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual 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 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

Any Equity Securities issued under Listing Rule 7.1A 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 Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) **When can Equity Securities be issued?**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) **What is the effect of Resolution 5?**

The effect of Resolution 5 will be to allow the Directors of the Company to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the Listing Rules 7.1 and 7.1A during the 10% Placement Period without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A. The Company will therefore remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

8.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 8.2(f) above).

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(b) **Minimum issue price**

Where the Company issues Equity Securities under the 10% Placement Facility, it will only do so for cash consideration and the issue price will be not less than the Minimum Issue Price (refer to Section 8.2(e) above).

(c) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue Equity Securities under the 10% Placement Facility for cash consideration in order to raise funds for continued investment in the

Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital.

(d) **Risk of economic and voting dilution**

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities 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 on the issue date,

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

If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company may be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 8.2(c) above) as at the date of the Notice (**Variable A**), with:

- (i) two examples where Variable A has increased, by 50% and 100%; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.047 50% decrease in Current Market Price	\$0.093 Current Market Price	\$0.186 100% increase in Current Market Price
525,507,522 Shares Variable A	10% Voting Dilution	52,550,752 Shares	52,550,752 Shares	52,550,752 Shares
	Funds raised	\$2,443,610	\$4,887,220	\$9,774,440
788,261,283 Shares 50% increase in Variable A	10% Voting Dilution	78,826,128 Shares	78,826,128 Shares	78,826,128 Shares
	Funds raised	\$3,665,415	\$7,330,830	\$14,661,660

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.047 50% decrease in Current Market Price	\$0.093 Current Market Price	\$0.186 100% increase in Current Market Price
1,051,015,044 Shares 100% increase in Variable A	10% Voting Dilution	105,101,504 Shares	105,101,504 Shares	105,101,504 Shares
	Funds raised	\$4,887,220	\$9,774,440	\$19,548,880

Notes:

- The table has been prepared on the following assumptions:
 - the issue price is the current market price \$0.093, being the closing price of the Shares on ASX on 16 October 2020, being the latest practicable date before finalising this Notice;
 - Variable A is 578,058,274, comprising:
 - 525,507,522 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and
 - a total of 52,550,752 Shares issued if Resolution 5 is passed at the Meeting.
 - the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The number of Shares on issue (ie Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
- 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 under 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, not under the 15% placement capacity under Listing Rule 7.1.

(e) Allocation policy

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

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) 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 the Notice but may include existing substantial Shareholders and/or new investors who are not related parties of or associates of a related party of the Company.

(f) **Issue of Equity Securities in the past 12 months**

The Company obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting, held on 21 November 2018 and did not renew its 10% Placement Facility at its annual general meeting in 2019. Accordingly, in the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has not issued or agreed to issue Equity Securities under Listing Rule 7.1A.

(g) **Voting exclusion statement**

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in any such issue.

However, in the event that between the date of the Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A to one or more existing Shareholders, those Shareholders' votes will be excluded under the voting exclusion statement in the Notice.

8.4 Board recommendation

Resolution 5 is a **special resolution** and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 5.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
10% Placement Facility	has the meaning given in Section 8.1.
10% Placement Period	has the meaning given in Section 8.2(f).
Annual Report	means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2020.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor's Report	means the auditor's report on the Financial Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Clause	means a clause of the Constitution
Closely Related Party	means: <ul style="list-style-type: none">(a) a spouse or child of the member; or(b) has the meaning given in section 9 of the Corporations Act.
Company	means Suvo Strategic Minerals Limited (ACN 140 316 463).
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended or modified from time to time.
Director	means a director of the Company.
Directors' Report	means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Eneabba Project	means the project on exploration licence E70/5001 and the three exploration applications E 70/5322, E 70/5323 and E 70/5324 if granted.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.
Kaolin Project	two exploration licences in Western Australia, E 70/5332 and E 70/5333, which will form part of the Mt Marshall Kaolin Project if granted and one

exploration licence in Western Australia, E 70/5334, which will form the Cadoux South Kaolin Project if granted.

Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Listing	means 7 August 2020, being the date the Shares were reinstated to quotation on the ASX.
Listing Rules	means the listing rules of ASX.
Market Price	means the published closing price of the Shares on the ASX market on the date of issue of the relevant Shares.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 8.2(e).
Notice	means this notice of annual general meeting.
Plan	means the Company's Employee Securities Incentive Plan 2019.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report of the Company contained in the Directors' Report.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Strike	means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.
Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
WST	means Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 Terms and Conditions of Employee Securities Incentive Plan

1. Summary of the Company's Employee Securities Incentive Plan

The Company's Employee Securities Incentive Plan (**Plan**) was adopted by the Board on 28 February 2020. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours.

A summary of the terms of the Plan is set out below:

(a) Eligibility

Participants in the 2020 Incentive Plan consist of:

- (i) a Director (whether executive or non-executive) of the Company and any associated body corporate of the Company (each a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a group company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming a under subparagraphs (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options or Performance Rights (together, Awards) under the 2020 Incentive Plan (Eligible Participant).

(b) Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the 2020 Incentive Plan and upon such additional terms and conditions as the Board determines (**Offer**).

(c) Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

The maximum number of Securities that may be issued under the Plan, should it be approved, is 56,233,806 securities (being 10% of the total number of Shares on issue

following completion of the Acquisitions and assuming the Minimum Subscription is raised under the Public Offer).

(d) Issue price

Unless the Awards are quoted on the ASX, Awards issued under the 2020 Incentive Plan will be issued for no more than nominal cash consideration.

(e) Exercise Price

The Board may determine the Option exercise price (if any) for an Option offered under that Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(f) Vesting Conditions

In respect of any Award, any condition set out in the Offer which must be satisfied (unless waived in accordance with the 2020 Incentive Plan) before that Award can be exercised or any other restriction on exercise of that Award specified in the Offer or in the 2020 Incentive Plan (**Vesting Conditions**).

(g) Vesting

The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the 2020 Incentive Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being a Relevant Person ceasing to be an Eligible Participant due to:
 - (A) death or total or permanent disability of a Relevant Person;
 - (B) retirement or redundancy of a Relevant Person;
 - (C) a Relevant Person suffering severe financial hardship;
 - (D) any other circumstance stated to constitute “special circumstances” in the terms of the relevant Offer made to and accepted by the Participant;
 - (E) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the Relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant;
- (ii) a change of control occurring; or

- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(h) Lapse of an Award

An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant.
- (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vii) the expiry date of the Award.

(i) Cashless exercise facility

If an Eligible Participant wishes to exercise some or all of their vested Options, they may, subject to Board approval, elect to pay the Option Exercise Price by using a cashless exercise facility, which entitles an Eligible Participant to set-off the Option exercise price against the number of Shares which the Participant is entitled to receive upon exercise of the Options as follows:

- (i) the aggregate total Option exercise price otherwise payable in respect of all vested Options exercised, less the aggregate total market value of Shares as at the date the vested Option is exercised that would otherwise be issued or transferred on exercise of the vested Options; and
- (ii) divided by the market value of a Share as at the date the vested Option is exercised.

(j) Not transferrable

Awards are only transferrable in special circumstances or a change of control, and in either case with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the Participant's legal personable representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(k) Shares

All shares issued on exercise of an Award under the 2020 Incentive Plan will rank equally in all respects with the shares of the same class for the time being on issue except as regards any rights attaching to such shares by reference to a record date prior to the date of their issue.

(l) Sale Restrictions

The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(m) No Participation Rights

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(n) Change in exercise price of number of underlying securities

An Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.

(o) Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(p) Trust

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the 2020 Incentive Plan to effect the establishment of such a trust and the appointment of such a trustee.

Schedule 3 Terms and Conditions of Performance Rights

The grant of the Performance Rights are subject to the terms and conditions below:

(a) **Milestone**

- (i) one third of the Director Performance Rights held by each holder of the Director Performance Rights (**Holder**) will convert into Shares upon satisfaction of the following milestones within 12 months following the date of listing:
 - (A) the definition of an Inferred JORC Resource at the Eneabba Project of 80Mt @ 97.5% SiO₂; and
 - (B) the definition of an Inferred JORC Resource at the Kaolin Project - 20Mt @ cut off grade of 25% Al₂O₃;
- (ii) one third of the Director Performance Rights held by each Holder will convert into Shares upon satisfaction of the following milestones within 24 months following the date of listing:
 - (A) the definition of a Measured JORC Resource at the Eneabba Project of 40Mt @ 97.5% SiO₂; and
 - (B) the definition of a Measured JORC Resource at the Kaolin Project - 20Mt @ cut off grade of 25% Al₂O₃;
- (iii) one third of the Director Performance Rights held by each Holder will convert into Shares upon completion of a preliminary feasibility study on both the Eneabba Project and Kaolin Project demonstrating an ability to operate both projects as commercially viable enterprises within 36 months following the date of listing,

(each a **Milestone**).

(b) **Notification to Holder**

The Company shall notify the Holder in writing when the Milestone has been satisfied.

(c) **Consideration**

The Director Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the conversion of the Director Performance Rights.

(d) **Conversion**

Subject to paragraph (m) and satisfaction of the Milestone, each Director Performance Right will, at the election of the Holder, convert into one Share.

(e) **Lapse of a Director Performance Right**

If:

- (i) the Milestone attaching to a Director Performance Right has not been satisfied within the period required under the relevant Milestone; or
- (ii) the Director Performance Rights have not converted into Shares 5 years of the Company's admission to the Official List,

(**Expiry Date**), it will automatically lapse and the Holder shall have no entitlement to the Shares pursuant to those Director Performance Rights.

(f) Share ranking

All Shares issued upon the conversion of Director Performance Rights will upon issue rank pari passu in all respects with other Shares.

(g) Application to ASX

The Director Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Director Performance Right on ASX within the time period required by the ASX Listing Rules.

(h) Transfer of Director Performance Rights

The Director Performance Rights are not transferable.

(i) Participation in new issues

A Director Performance Right does not entitle a Holder (in their capacity as a Holder of a Director Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(j) Reorganisation of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(k) Adjustment for bonus issue

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Director Performance Right will be increased by the number of Shares or other securities which the Holder would have received if the Holder had converted the Director Performance Right before the record date for the bonus issue.

(l) Dividend and Voting Rights

The Director Performance Rights do not confer on the Holder an entitlement to vote (except as otherwise required by law) or receive dividends (whether fixed or at the discretion of directors).

(m) Deferral of conversion if resulting in a prohibited acquisition of Shares

If the conversion of a Director Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Director Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Director Performance Right would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Director Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Director Performance Right will not result in any person being in contravention of the General Prohibition; and

- (ii) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (i) within seven days if the Company considers that the conversion of a Director Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Director Performance Right will not result in any person being in contravention of the General Prohibition.

(n) No rights to return of capital

A Director Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) Rights on winding up

A Director Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(p) No other rights

A Director Performance Right gives the Holder no 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.

Schedule 4 Terms and Conditions of Options

The grant of the Options are subject to the terms and conditions below

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (k) below, the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on the date which is 3 years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time following the date of issue and will expire on the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

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

(f) Exercise Date

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

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (ii) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

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

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

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

Schedule 5 Company's valuation of the Options and Performance Rights

Options

Description	Value
Underlying security spot price	\$0.074
Exercise price	\$0.03
Valuation date	13-Oct-20
Expiry date	30-Jul-23
Life of Options	2.79 years
Volatility	100%
Risk-free rate	0.145%
Number of Options	500,000
Valuation per Option	\$0.058
Valuation of 500,000 Options	\$29,000

Performance Rights

Description	Tranche A	Tranche B	Tranche C
Underlying security spot price	\$0.074	\$0.074	\$0.074
Exercise price	Nil	Nil	Nil
Valuation date	13-Oct-20	13-Oct-20	13-Oct-20
Commencement date	07-Aug-20	07-Aug-20	07-Aug-20
Measurement date (vesting date)	07-Aug-21	07-Aug-22	07-Aug-23
Expiry date	07-Aug-25	07-Aug-25	07-Aug-25
Performance period	1 year	2 years	3 years
Remaining performance period	0.82 of a year	1.82 years	2.82 years
Life of Performance Rights	5 years	5 years	5 years
Remaining life of Performance Rights	4.82 years	4.82 years	4.82 years
Volatility	110%	110%	110%
Dividend yield	Nil	Nil	Nil
Risk-free rate	0.140%	0.140%	0.140%
Number of Performance Rights	166,667	166,667	166,667
Valuation per Performance Right	\$0.074	\$0.074	\$0.074
Valuation per tranche	\$12,333	\$12,333	\$12,333

The Options and Performance Rights were independently valued by BDO Corporate Finance (WA) Pty Ltd.

Proxy Voting Form

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

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **10.00am (WST) on Sunday, 22 November 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

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

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