



METALSGROVE MINING LIMITED
ACN 655 643 039

18 October 2024

ANNUAL GENERAL MEETING - NOTICE AND PROXY FORM

The Annual General Meeting (**Meeting**) of MetalsGrove Mining Limited (**MetalsGrove** or the **Company**) will be held on Tuesday, 19 November 2024 at 10.00am (WST) at Level 2, 389 Oxford Street, West Perth, Western Australia.

The Notice of Meeting (**Notice**) can be viewed and downloaded at <https://metalsgrove.com.au/asx-announcements/>. The Notice includes information on participating in the Meeting and the business to be considered at the Meeting.

In accordance with section 110E of the Corporations Amendment (Meetings and Documents) Act 2022 (Cth), the Company will not be sending hard copies of the Notice unless a Shareholder has elected to receive documents in hard copy. If you have not elected to receive documents in hard copy, you can still request a hard copy of the Notice by contacting the Company Secretary by telephone on +61 8 9380 6789 or via email at info@metalsgrove.com.au.

If you are unable to attend the Meeting, the Company strongly encourages shareholders to lodge a proxy form prior to the Meeting. Shareholders can lodge their proxy by going to <https://investor.automic.com.au/#loginsah> and logging in with your holder number (HIN/SRN), which you can find on your enclosed personalised proxy form. Your proxy form must be received by 10.00am (WST), Sunday 17 November 2024, being not less than 48 hours before the commencement of the Meeting. Any proxy forms received after that time will not be valid for the Meeting.

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

If you have any difficulties obtaining a copy of the Notice, please contact the Company's share registry, Automic, on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

Yours faithfully

Rebecca Broughton
Company Secretary
MetalsGrove Mining Limited

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 17 November 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au>

PHONE:

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

METALSGROVE MINING LTD
ACN 655 643 039
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)
DATE: Tuesday, 19 November 2024
PLACE: Level 2
389 Oxford Street
Mount Hawthorn, WA 6016

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on Sunday, 17 November 2024.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the Directors report, the Remuneration Report and the auditor's report.

Note: There is no requirement for Shareholders to approve these reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

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

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – HAIDONG CHI

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

“That Haidong Chi, who retires in accordance with clause 15.2 of the Constitution, Listing Rule 14.5 and for all other purposes, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – LIJUN YANG

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

“That Lijun Yang, who retires in accordance with clause 15.4 of the Constitution, Listing Rule 14.5 and for all other purposes, being eligible, offers himself for election, be and is hereby elected as a director of the Company.”

5. RESOLUTION 4 – ELECTION OF DIRECTOR – PETER STERN

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

"That Peter Stern, who retires in accordance with clause 15.4 of the Constitution, Listing Rule 14.5 and for all other purposes, being eligible, offers himself for election, be and is hereby elected as a director of the Company."

6. RESOLUTION 5 – ELECTION OF DIRECTOR – LUKE HUANG

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

"That Luke Huang, who retires in accordance with clause 15.4 of the Constitution, Listing Rule 14.5 and for all other purposes, being eligible, offers himself for election, be and is hereby elected as a director of the Company."

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO LIJUN YANG

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

"That, for the purposes of Listing Rules 10.14 and for all other purposes, Shareholders approve the issue of 4,500,000 Performance Rights to Mr Lijun Yang (or his nominee) under the Plan, in accordance with the terms and conditions described in the Explanatory Statement."

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

8. RESOLUTION 7 – RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

To consider and, if thought fit, to pass, the following resolution as a **special resolution**:

"That, for the purposes of section 136(2) and 648G of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 37 for a period of 3 years from the date of approval of this resolution."

9. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal 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 otherwise on the terms and conditions set out in the Explanatory Statement."

GENERAL BUSINESS

10. To transact any other business which may lawfully be brought forward.

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter 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:
 - (i) does not specify the way the proxy is to vote on this Resolution; and

expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 6 – Issue of Performance Rights to Lijun Yang

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

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

Voting Exclusion Statement

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of the following persons:

Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Plan (including Mr Lijun Yang) or an associate of that person or those persons or nominee of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting by proxy

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

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

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

Shareholders and their proxies should be aware that:

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

Voting in person

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

How the Chair will vote available proxies

The Chair of the Meeting intends to vote all available proxies in favour of all of the Resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related Resolutions.

Default to the Chair

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 8 9380 6789.

Dated: 9 October 2024

By Order of the Board

Rebecca Broughton
Company Secretary

All Resolutions will be determined by poll.

EXPLANATORY STATEMENT

This Explanatory Statement, which should be read in conjunction with the accompanying Notice, has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the requirements of the Company's Constitution and the Corporations Act, the Company's audited financial statements for the financial year ended 30 June 2024, together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report will be tabled at the Meeting. Shareholders will have the opportunity of discussing the Annual Report, make comments and raise queries in relation to the Annual Report.

Representatives from the Company's auditors, Hall Chadwick WA Audit Pty Ltd, will be available to take Shareholders questions and comments about the conduct of the audit and the preparation and content of the audit report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://metalsgrove.com.au>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved,

other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 1%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – HAIDONG CHI

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Haidong Chi, who has served as a Director since 7 January 2022 and was last elected on 2 November 2022, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Chi is one of the early co-founders of Kimberly Metals Group and KMG Mining Pty Ltd. Mr Chi has been the Managing Director of that company's business operations, liaising with key relevant stakeholders, driving strategic company growth, and responsible for the overall performance of the business for more than 20 years.

Mr Chi has strong experience in market insights, strategic advice, business operations, financial performance, investments and ventures. He has delivered valued outcomes and maintained positive relations with business partners, shareholders and relevant authorities. Mr Chi has also served as a Vice President of US Capital Holdings Group, a US based private equity investment company that specialises in assisting Chinese companies gain access to international markets.

3.3 Independence

If re-elected the Board considers Haidong Chi will be a non-independent Director.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Haidong Chi will be re-elected to the Board as a non-executive Director.

In the event that Resolution 2 is not passed, Haidong Chi will not join the Board as a non-executive Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

3.5 Board recommendation

The Board has reviewed Haidong Chi's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports his reelection and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – LIJUN YANG

4.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Lijun Yang was first appointed by the Board as a non-executive director on 11 April 2024 and retires at the end of this Meeting, being the first shareholders meeting since his appointment, and now seeks election. On 15 April 2024, Mr Yang was appointed by the Board as the Company's Chief Executive Officer (CEO) and Managing Director.

4.2 Qualifications and other material directorships

Mr Yang received his bachelor's degree in Geology from Changchun Institute of Geology in 2004, and later received his master's degree in geology, petrology and mineral deposits from China University of Geosciences in 2011. He is currently a member of the Australian Association of Geologists (MAIG) and a member of the World Society of Economic Geologists (MSEG). Mr Yang has 15+ years (5 yrs in China and 10+ yrs in Australia) of professional experience in geology and mineral exploration as well as project assessment in different commodity projects in both China and Australia. Mr Yang is bilingual in English and Mandarin and a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Mr Yang served as exploration geologist, exploration manager, Executive Director and consultant to the board of KalNorth Gold Mines Limited (KGM) which was a Perth based ASX listed gold exploration company in 2013-2019. He was responsible for and involved in all exploration programs planning, budgeting, fund raising and daily management of KGM's gold exploration projects.

Mr Yang is the founder of consulting company Gold Geological Consulting Pty Ltd and Australia Mines Focus Pty Ltd which provide technical and corporate consulting services to local and overseas clients.

4.3 Independence

If elected Lijun Yang will be a non-independent Director in his capacity as the Company's Managing Director and CEO.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, Lijun Yang will be elected to the Board as a Director and will continue in his role of Managing Director and CEO.

In the event that Resolution 3 is not passed, Lijun Yang will not join the Board as a Director. The Company will have to seek suitably qualified candidates to join the Company. As an

additional consequence his continuation in the role of CEO may be uncertain, this may detract from the Board and Company's ability to execute on its strategic vision.

4.5 Board recommendation

The Board has reviewed Lijun Yang's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports his election and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – PETER STERN

5.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Peter Stern was appointed by the Board as a Director on 15 April 2024 and retires at the end of this Meeting, being the first shareholders meeting since his appointment, and now seeks election.

5.2 Qualifications and other material directorships

A geologist by formal training, Mr Stern is a career investment banker, having worked in the corporate advisory divisions of each of Macquarie Bank, UBS and Deutsche Bank for an aggregate 12 years prior to establishing and working for Metropolis Corporate Advisory Services in 2000.

Mr Stern is an experienced company director, including roles as Non-Executive Director of Astral Resources NL and Troy Resources Limited, amongst other roles.

5.3 Independence

If elected the Board considers Peter Stern will be an independent Director.

5.4 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, Peter Stern will be elected to the Board as a non-executive Director.

In the event that Resolution 4 is not passed, Peter Stern will not join the Board as a non-executive Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

5.5 Board recommendation

The Board has reviewed Peter Stern's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports his election and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 – ELECTION OF DIRECTOR – LUKE HUANG

6.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Luke Huang was appointed by the Board as a Director on 4 September 2024 and retires at the end of this Meeting, being the first shareholders meeting since his appointment, and now seeks election.

6.2 Qualifications and other material directorships

Luke Huang is an accomplished Investment Director with extensive experience in Australia's resource operation and investment industry. Mr Huang has a solid background in economics and finance, demonstrated by his leadership as the Managing Director at Au Xingao Investment, where he successfully resolved challenging litigation and secured significant assets for his company.

Mr Huang holds a Chartered Financial Analyst qualification and is proficient in financial analysis, portfolio management, and risk measurement. His career is marked by his ability to build and manage efficient teams, his strategic oversight of resource portfolios, and his fluency in both English and Chinese, enabling effective communication in diverse business environments.

6.3 Independence

If elected the Board considers Luke Huang will be an independent Director.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, Luke Huang will be elected to the Board as a non-executive Director.

In the event that Resolution 5 is not passed, Luke Huang will not join the Board as a non-executive Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

6.5 Board recommendation

The Board has reviewed Luke Huang's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports his election and recommends that Shareholders vote in favour of Resolution 5.

7. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO LIJUN YANG

7.1 General

Resolution 6 seeks Shareholder approval for the grant of 4,500,000 Performance Rights to Mr Lijun Yang (or his nominee) under the Company's Employee Incentive Securities Plan (Plan) on the terms and conditions described in this Explanatory Statement (Performance Rights).

On 22 April 2024, the Company announced its intention to issue the Performance Rights to Mr Yang including the key terms subject to Shareholder approval. The Performance Rights will be issued to Mr Yang under the terms of the Plan approved by Shareholders at the AGM on 2 November 2022, with the performance hurdles and vesting criteria as noted below to align with current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company.

The purpose of the issue of the Performance Rights is to provide a performance linked incentive component in the remuneration package for Mr Yang to motivate and reward his performance as a Managing Director and CEO and also to provide cost effective remuneration, enabling the Company to spend a greater proportion of its cash reserves on its exploration activities than it would if alternative cash forms of remuneration were given to Mr Yang. A significant portion of his total remuneration is placed at-risk to better align his interests with those of Shareholders, to encourage the production of long-term sustainable growth and to assist with his retention. The Board believes the proposed incentive arrangements the subject of this Resolution are an efficient and appropriate tool to align the interest of Mr Yang with those of Shareholders.

Subject to Shareholder approval, the Performance Rights will be issued in three tranches as follows:

	Number	Vesting Period	Vesting (Milestone) Condition
Tranche 1	1,500,000	12 months from the date of shareholders' approval received (ie 12 November 2025)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.10 over 20 consecutive Trading Days
Tranche 2	1,500,000	24 months from the date of shareholders' approval received (ie 12 November 2026)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.20 over 20 consecutive Trading Days
Tranche 3	1,500,000	36 months from the date of shareholder's approval received (ie 12 November 2027)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.40 over 20 consecutive Trading Days

The value of the Performance Rights (using Hoadley's Hybrid Employee Stock Option [ESO] pricing model) has been independently calculated as follows:

Tranche	\$
1	94,784
2	92,886
3	76,628
Total	264,298

Refer to Schedule 2 for further information on the valuation.

Under the accounting standard AASB 2 Share based Payments, the Company will recognise the value of each tranche of the Performance Rights as noted above (subject to any adjustment as a result of changes to the variables in the pricing model on the date of the Meeting) in the income statement from the Meeting date to the vesting date.

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) 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 issue of Performance Rights to Lijun Yang (or his nominee) will constitute giving a financial benefit and Lijun Yang is a related party of the Company by virtue of being a Director.

The Directors (other than Lijun Yang) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Performance Rights, because the issue of Performance Rights constitutes reasonable remuneration payable to Mr Yang.

7.3 Listing Rule 10.14

Under Listing Rule 10.14, a company must not issue or agree to issue equity securities to a director under an employee incentive scheme, unless it first obtains shareholder approval. Accordingly, the Company seeks shareholder approval under Listing Rule 10.14 for the grant of the Performance Rights to Mr Yang. As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required as per Exception 14 of Listing Rule 7.2.

7.4 Listing Rule 10.15

Specific information required by Listing Rule 10.15 is provided as follows:

(a) The Performance Rights will be granted to Mr Lijun Yang, Managing Director and Chief Executive Officer (or his nominee), who falls under Listing Rule 10.14.1, as a Director.

(b) Mr Yang is proposed to receive 4,500,000 Performance Rights, on the terms and conditions set out in this Explanatory Statement, and otherwise on the terms and conditions of the Plan.

(c) Mr Yang's current annual remuneration is \$270,000 exclusive of statutory superannuation.

(d) Mr Yang has not been issued any securities previously under the Plan. He holds 5 million Shares and 5 million listed options in the Company, which securities he acquired via an underwriting of the Company's entitlement offer in May 2024.

(e) A summary of the material terms of the Performance Rights, an explanation of why they are being granted and the value the Company attributes to the Performance Rights (and its basis) are detailed above, with further information in Schedules 1 and 2.

(f) In accordance with Listing Rule 10.15.7, the Company will grant the Performance Rights within three years of the date of the Meeting, but anticipates their grant shortly following the Meeting.

(g) The Performance Rights, and any Shares issued on exercise, are being granted for a nil price per security, as part of Mr Yang's remuneration package. Accordingly, no loan will be made in relation to the acquisition (or exercise) of the Performance Rights.

(h) A summary of the Plan rules is set out in Schedule 1 of this Notice.

(i) 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 the approval was obtained under Listing Rule 10.14.

(j) As at 25 September 2024, being the last practical date prior to finalisation of this Notice, Mr Yang is the only person that is covered by Listing Rule 10.14 declared by the Board to be eligible to participate in the Plan.

(k) Any additional person covered by Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the Plan after this resolution is approved and who were not named in this Notice will not participate until approval is obtained under that rule.

(l) A voting exclusion statement for this Resolution is included in the Notice.

7.5 Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Yang under the Plan shortly after the date of the Meeting.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Yang under the Plan and other substitute remuneration will need to be paid to him.

7.6 Directors' Recommendation

The Directors (other than Mr Yang) unanimously recommend that Shareholders vote in favour of Resolution 6. Mr Yang has an interest in the outcome of this Resolution and therefore does not consider it appropriate to make a recommendation to Shareholders.

The Chairman intends to exercise all undirected proxies in favour of Resolution 6.

8 RESOLUTION 7 – RENEWAL OF PROPORTIONAL TAKEOVER APPROVAL PROVISIONS

8.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply the company's constitution is modified by omitting the provisions. A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders).

The Company's Constitution, which was adopted in February 2022 provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

To comply with the Corporations Act, the proportional takeover provisions contained in clause 37 of the Constitution must be renewed by Shareholders in general meeting at least every 3 years to remain in place. The Directors are seeking Shareholder approval to renew this clause.

Resolution 7 is a special resolution which will enable the Company to modify its Constitution by renewing clause 37 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the existing wording of clause 37.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

8.2 Information required by section 648G of the Corporations Act

(a) Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

(c) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) Potential advantages and disadvantages of proportional takeover provisions

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

The potential advantages of the proportional takeover provisions for Shareholders include:

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

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- proportional takeover bids may be discouraged;
- lost opportunity to sell a portion of their Shares at a premium; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

8.3 Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision in Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

9. RESOLUTION 8 – APPROVAL OF 7.1A MANDATE

9.1 General

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$10.3 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 25 September 2024).

Resolution 8 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 8 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 8 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

9.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 8:

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;

- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 9.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for the acquisition of new projects, continued exploration expenditure on the Company's current projects for corporate administration and working capital purposes.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 8 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 25 September 2024.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	\$0.049 50% decrease	Issue Price \$0.098 Issue Price	\$0.1470 50% increase
		Funds Raised			
Current	105,420,000 Shares	10,542,000 Shares	\$516,558	\$1,033,116	\$1,549,674

50% increase	158,130,000 Shares	15,813,000 Shares	\$774,837	\$1,549,674	\$2,324,511
100% increase	210,840,000 Shares	21,084,000 Shares	\$1,033,116	\$2,066,232	\$3,099,348

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 105,420,000 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing market price of the Shares on the ASX on 25 September 2024 (being \$0.098).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Performance Rights or options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Performance Rights or quoted options, it is assumed that those quoted Performance Rights or quoted options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) Allocation policy under the 7.1A Mandate

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;

- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 November 2023 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 12 November 2023, the Company has not issued any Equity Securities pursuant to the Previous Approval.

9.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 9.1.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (q) a spouse or child of the member;
- (r) a child of the member's spouse;
- (s) a dependent of the member or the member's spouse;
- (t) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (u) a company the member controls; or
- (v) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means MetalsGrove Mining Ltd (ACN 655 643 039).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share.

Plan means the Company's Employee Incentive Securities Plan approved by the Shareholders on 2 November 2022.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2023.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

A summary of the terms and conditions of the Performance Rights proposed for issue to Lijun Yang under Resolution 6 and the Plan is set out below:

Key terms of the Performance Rights:

- (a) **Milestones:** The milestones attaching to the Performance Rights (**Milestone**) are as follows:

	Number	Vesting Period	Vesting (Milestone) Condition
Tranche 1	1,500,000	12 months from the date of shareholders' approval received (ie 12 November 2025)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.10 over 20 consecutive Trading Days
Tranche 2	1,500,000	24 months from the date of shareholders' approval received (ie 12 November 2026)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.20 over 20 consecutive Trading Days
Tranche 3	1,500,000	36 months from the date of shareholder's approval received (ie 12 November 2027)	The Company's daily volume weighted average price of Shares (as that term is defined in the ASX Listing Rules) is equal to or exceeds \$0.40 over 20 consecutive Trading Days

- (b) **Vesting:** The Performance Rights will vest upon the satisfaction of the applicable Milestone.
- (c) **Issue and conversion price:** The Performance Rights will be issued at a nil price and any Shares issued upon conversion (subject to satisfaction of vesting criteria) will also be at a nil price.
- (d) **Conversion:** Each Performance Right will, at the election of the holder, convert into one Share.
- (e) **Expiry Date:** Each Performance Right shall otherwise expire on 31 December 2027 (**Expiry Date**). If the relevant Milestone attached to the Performance Right has been achieved by the Expiry Date, all unconverted Performance Rights of the relevant tranche will automatically lapse at that time.

Summary of the Plan

Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.

Purpose - The purpose of the Plan is to:

- 1.1.1 assist in the reward, retention and motivation of Eligible Participants;
- 1.1.2 link the reward of Eligible Participants to Shareholder value creation; and
- 1.1.3 align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options, Performance Rights or other Convertible Securities (Securities).

Plan Administration - The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth)). The Board may delegate its powers and discretion.

Eligibility, invitation and application - The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any

(or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

Grant of Securities - The Company will, to the extent that it has accepted a duly completed application, grant the Participant (being an Eligible Participant who has been granted any Security under the Plan) the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

Rights attaching to Convertible Securities - A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right). Prior to a Convertible Security being exercised, the holder:

- (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan;
- (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;
- (c) is not entitled to receive any dividends declared by the Company; and
- (d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).

Vesting of Convertible Securities - Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

Exercise of Convertible Securities and Cashless Exercise - To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

Timing of issue of Shares and quotation of Shares on exercise - As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

Restrictions on dealing with Convertible Securities - A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.

Listing of Convertible Securities - A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.

Forfeiture of Convertible Securities - Convertible Securities will be forfeited in the following circumstances:

- (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant;
- (b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;
- (c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;
- (d) on the date the Participant becomes insolvent; or
- (e) on the Expiry Date.

Change of control - If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

Adjustment of Convertible Securities - If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Plan Shares - Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights. The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.

Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.

Rights attaching to Plan Shares - All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

Disposal restrictions on Plan Shares - If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

General Restrictions on transfer of Plan Shares - If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act. Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.

Buy-Back - Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy. Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.

Employee Share Trust - The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.

Maximum number of Securities - The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).

Amendment of Plan - Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

Plan duration - The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Income Tax Assessment Act - The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

SCHEDULE 2 – VALUATION OF PERFORMANCE RIGHTS

	Performance Rights		
	Tranche 1	Tranche 2	Tranche 3
Number of Performance Incentive Rights	1,500,000	1,500,000	1,500,000
Share price	\$0.098	\$0.098	\$0.098
Exercise price	\$0.000	\$0.000	\$0.000
Grant date	25-Sep-24	25-Sep-24	25-Sep-24
Start of measurement/vesting period	25-Sep-24	25-Sep-24	25-Sep-24
Measurement/vesting date	25-Sep-25	25-Sep-26	25-Sep-27
Measurement/vesting period (years)	1.00	2.00	3.00
Remaining measurement/vesting period (years)	1.00	2.00	3.00
Expiry date	31-Dec-27	31-Dec-27	31-Dec-27
Life of the Performance Rights (years)	3.28	3.28	3.28
Volatility	112.3%	116.3%	106.1%
Risk-free rate	4.24%	3.55%	3.47%
Dividend yield	0.00%	0.00%	0.00%
Market Condition/Non-Market Condition	Market	Market	Market
Value per Performance Right	\$0.063	\$0.062	\$0.051
Value of Performance Rights	\$94,784	\$92,886	\$76,628

Notes:

1. Valuation used the Hoadley's Hybrid ESO model - Single Share Price Target Consecutive Days to calculate the value per right as outlined above.
2. Grant date, start and end of vesting periods based on 25 September 2024, being the date on which the preparation of this Notice was finalised.
3. Risk Free Rate has been used using the RBA government bonds rates as at 25 September 2024
4. Historical volatility for Tranche 1 and 2 have been based on the Company's historical share price movement. For Tranche 3, since the Company has not been listed for 3 years, volatility is based on the average historical 3 year volatility of comparable companies per Capital IQ.