



HEAVY MINERALS LIMITED

ACN 647 831 883

Notice of Annual General Meeting

**Annual General Meeting to be held at
Level 8, 216 St Georges Terrace, Perth on Thursday 30 November 2023 commencing at 1:00pm (AWST).**

Important

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their suitably qualified professional adviser prior to voting.

Shareholders are urged to attend the Meeting or vote by lodging the Proxy Form made available with the Notice.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9481 0389 or via email at info@heavyminerals.com.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of the Shareholders of Heavy Minerals Limited ACN 647 831 883 (**Company**) will be held at Level 8, 216 St Georges Terrace, Perth on Thursday 30 November 2023, commencing at 1:00pm (AWST).

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

Business

Annual Report

To receive and consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2023, which includes the Financial Report, the Directors' Report, the Remuneration Report and the Auditor's Report.

Note: there is no requirement for Shareholders to approve the Annual Report.

Resolution 1: Adoption of Remuneration Report

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2023 be adopted by Shareholders, on the terms and conditions beginning at page 9 in the Explanatory Statement."

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

Resolution 2: Re-election of Director – Gregory Jones

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

"That, for the purposes of Listing Rule 14.4 and Article 7.2(a) of the Constitution and, for all other purposes, Gregory Jones retires, and being eligible, is re-elected as a Director, on the terms and conditions beginning at page 10 in the Explanatory Statement."

Resolution 3: Election of Director – Aaron Williams

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

"That, for the purposes of Listing Rule 14.4 and Article 7.6(c) of the Constitution and, for all other purposes, Aaron Williams retires, and being eligible, is elected as a Director, on the terms and conditions beginning at page 11 in the Explanatory Statement."

Resolution 4: 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, approval be given for 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, on the terms and conditions beginning at page 12 in the Explanatory Statement.”

Resolution 5: Ratification of issue of Consideration Shares

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

“That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,750,000 Shares issued to Stocks Digital under Listing Rule 7.1 on the terms and conditions beginning at page 17 in the Explanatory Memorandum.”

Notes:

- The 3,750,000 Shares were issued to Stocks Digital under the Company’s available Listing Rule 7.1 placement capacity and voting “for” this Resolution will allow the Company to refresh its Listing Rule 7.1 placement capacity up to the issue of 3,750,000 Equity Securities.

Resolution 6: Approval to issue Director Options

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 with Listing Rule 10.14, sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 4,500,000 Director Options under the Plan, as follows:

- (a) *1,500,000 Director Options to Adam Schofield (or his nominees);*
- (b) *1,500,000 Director Options to Greg Jones (or his nominees); and*
- (c) *1,500,000 Director Options to Aaron Williams (or his nominees),*

on the terms and conditions beginning at page 18 in the Explanatory Memorandum.”

Resolution 7: Potential Spill Resolution

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

“That, in accordance with section 250V(1) of the Corporations Act and for all other purposes, Shareholders approve the following:

- (a) *the Company holding another meeting of Shareholders within 90 days of this Meeting (**Spill Meeting**);*
- (b) *all Vacating Directors cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated pursuant to Resolution 7(b) being put to the vote at the Spill Meeting,*

on the terms and conditions beginning at page 24 in the Explanatory Memorandum.”

Notes:

- If less than 25% of the votes cast on **Resolution 1** are voted against adoption of the Remuneration Report, the Chair will withdraw this Resolution.
- The Company received **more than 25%** of votes received against the Company's previous remuneration report at the Company's 2022 annual general meeting and therefore the Company is required by Section 250V(1) of the Corporations Act to put this Resolution 7 to Shareholders.
- If you **do not want** a Spill Meeting to take place, you should vote "**against**" Resolution 7. If you want a Spill Meeting to take place, you should vote "**for**" Resolution 7.

By order of the Board

A handwritten signature in black ink, appearing to read 'S Brockhurst', with a stylized horizontal stroke extending to the right.

Stephen Brockhurst
Company Secretary
Heavy Minerals Limited

23 October 2023

EXPLANATORY STATEMENT

Important information

This Explanatory Statement has been prepared for the information of the Shareholders of Heavy Minerals Limited ACN 647 831 883 (**Company**) in connection with the Resolutions to be considered at the Annual General Meeting to be held at Level 8, 216 St Georges Terrace, Perth on Thursday 30 November 2023, commencing at 1:00pm (AWST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company, which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

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

Interpretation

Capitalised terms which are not otherwise defined in this Notice and Explanatory Statement have the meanings given to those terms under the Definitions section. References to “\$” and “A\$” in this Notice and Explanatory Statement are references to Australian currency unless otherwise stated. References to time in this Notice and Explanatory Statement relate to the time in Perth, Western Australia.

Voting exclusions

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

Resolution 4: if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, 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 of their respective associates, or their respective nominees.

Resolution 5: by or on behalf of Stocks Digital (or its nominees), or any person who participated in the issue of the Consideration Shares, or any of their respective associates.

Resolution 6(a): by or on behalf of Adam Schofield (or his nominees), 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, or any of their respective associates.

Resolution 6(b): by or on behalf of Greg Jones (or his nominees), 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, or any of their respective associates.

Resolution 6(c): by or on behalf of Aaron Williams (or his nominees), 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, or any of their respective associates.

However, 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 on the Resolution, 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 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 prohibitions

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 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 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
 - (ii) 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(a) to (c) (inclusive): 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 these Resolutions 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:

- (a) the proxy is the Chair; and
- (b) 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 224 of the Corporations Act, a vote on **Resolution 6(a) to (c) (inclusive)** 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:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) 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.

Resolution 7: In accordance with sections 250BD, 250R and 250V 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.

Voting in person

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

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

A Proxy Form is made available with this 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 and in this Notice. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) 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:

- (a) 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);

- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must only vote on a poll;
- (c) 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
- (d) 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:

- (a) 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;
- (b) the appointed proxy is not the chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) 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.

Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1, Resolution 6(a) to (c) (inclusive) and Resolution 7 even though these Resolutions are connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

The Chair intends to exercise all available proxies in favour of all Resolutions (**except Resolution 7, which the Chair intends to exercise all available proxies against**), unless the Shareholder has expressly indicated a different voting intention. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution (under section 224 of the Corporations Act), the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form.

Voting entitlements

In accordance with Regulations 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that the persons eligible to vote at the Meeting are those who are registered Shareholders as at 1:00pm (AWST) on Tuesday, 28 November 2023.

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@heavyminerals.com by 5.00pm (AWST) on Tuesday, 28 November 2023.

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).

REGULATORY INFORMATION

1. 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 2023.

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

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

- (i) ask questions about, or make comments on, the Annual Report and the management of the Company; and
- (ii) 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:

- (i) the preparation and content of the Auditor's Report;
- (ii) the conduct of the audit;
- (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (iv) 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.

A representative of the Company's auditor, Criterion Audit Pty Ltd, will be in attendance at the Meeting to respond to any questions raised of the auditor or on the Auditor's Report.

The Company will not provide a hard copy of the Company's Annual Report to Shareholders unless specifically requested to do so.

2. Resolution 1: Remuneration Report

In accordance with section 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 section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" Resolution which does not bind the Directors or the Company. 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.

The Company's Remuneration Report received a Strike at the 2022 annual general meeting which was taken into consideration by the Board, and as a result, the Board completed a comprehensive review of the executive remuneration framework to consider any changes deemed necessary by the Board to its remuneration structure. The Board is committed to achieving a better balance between improving the overall position of the Company and rewarding its Key Management Personnel accordingly.

If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that this may result in the re-election of the Board pursuant to Resolution 7. In the event that the Company does not receive a second Strike, Resolution 7 will be withdrawn.

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

Additional information

Resolution 1 is an ordinary resolution.

Given the personal interests of all Directors in the outcome of this Resolution, the Board declines to make a recommendation to Shareholders regarding Resolution 1.

3. Resolution 2: Re-election of Director – Gregory Jones

ASX Listing Rule 14.4 and Article 7.2(a) of the Constitution both provide that a Director (excluding the Managing Director) must not hold office past the third annual general meeting following that Director's appointment or three years, whichever is longer, without submitting himself/herself for re-election.

Pursuant Article 7.3, a director who retires in accordance with Article 7.2(a) of the Constitution holds office until the conclusion of the meeting at which that director retires but is eligible for re-election and that re-election takes effect at the conclusion of the meeting.

Mr Gregory Jones was appointed as a Non-Executive Director on 21 February 2021. Accordingly, Mr Jones retires at the Meeting, and being eligible, seeks re-election pursuant to Resolution 2.

If Resolution 2 is approved, Mr Jones will be re-elected as a Non-Executive Director.

If Resolution 2 is not approved, Mr Jones will not be re-elected as a Non-Executive Director.

Gregory Jones

Mr Gregory Jones has over 26 years' experience primarily as a mineral sands Geologist. Most of his career has been with Iluka Resources in senior resource estimation/management roles and in the capacity of Competent Person for the reporting and management of Mineral Resources and Ore Reserves. Mr Jones has helped develop a number of new discoveries into reportable Mineral Resources including Jacinth-Ambrosia. He is a 20 year member of the AusIMM, holding the grade of Fellow, sitting on review committees and has published multiple technical and resource estimation mineral sands papers. For the past seven years, Mr Jones has held various consulting roles, firstly establishing GNJ Consulting Pty Ltd specialising in geological, geometallurgical and resource estimation consulting services to the mineral sands sector, then joining IHC Robbins where he is currently the Commercial & Business Development Manager.

Mr Jones does not currently hold any other material directorships, other than as disclosed in this Notice.

Mr Jones has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

Independence

If elected, the Board does not consider Mr Gregory Jones to be an independent director by virtue of Mr Jones providing exploration consultancy services to the Company via GNJ Consulting Pty Ltd (of which Mr Jones is a director) and IHC Robbins Pty Ltd (of which Mr Jones is an employee).

Board recommendation

The Board (other than Mr Gregory Jones who has a personal interest in the outcome of this Resolution) support the re-election of Mr Jones on the basis of Mr Jones' skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Jones) recommends Shareholders vote in favour of the re-election of Mr Jones.

Additional information

Resolution 2 is an ordinary resolution.

4. Resolution 3: Election of Director – Aaron Williams

Article 7.6(a) of the Constitution provides that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Article 7.6(c) of the Constitution and Listing Rule 14.4 both provide that a Director appointed under Article 7.6(a) must not hold office without election past the next annual general meeting of the Company following the Director's appointment.

Article 7.6(c) of the Constitution provides that a Director who retires in accordance with Article 7.6(c) holds office until the conclusion of the Meeting but is eligible for election at the Meeting.

Mr Aaron Williams was appointed as a Non-Executive Director on 29 August 2023. Accordingly, Mr Williams retires at this Meeting and, being eligible and offering himself for election, seeks election pursuant to Resolution 3.

If Resolution 3 is passed, Mr Williams will be elected as a Non-Executive Director of the Company.

If Resolution 3 is not passed, Mr Williams will not be elected as a Non-Executive Director of the Company.

Aaron Williams

Mr Aaron Williams is a renowned international expert in the garnet industry and his extensive experience and expertise will be invaluable as the Company works towards developing its industrial garnet mining operations. Aarons' distinguished career spans over three decades. From 2002 until 2011, he oversaw mining operations, head office functions, and international sales & marketing and distribution operations for GMA, the world's largest garnet producing group based in Western Australia. He also established the group's American business unit in Houston, Texas. From 2012 to 2020, Aaron co-founded and managed a Malaysian and later Saudi Arabian based manufacturer and distributor of abrasive blasting equipment, blast media abrasives, and related surface preparation consumables. More recently, he founded and manages a blast media distribution business in Malaysia, looking after Southeast Asian maintenance and fabrication yards. Aaron is Board Director (Global Centre) for the Association for Material Protection and Performance (AMPP), 2022-2025 and is an AMPP Certified Coatings Inspector. He holds a Bachelor's degree in Accounting and Finance and a Master of Business Administration from the University of Western Australia, and until recently was an Australian CPA.

Mr Williams does not currently hold any other material directorships, other than as disclosed in this Notice.

Mr Williams has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

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

Independence

If elected, Mr Aaron Williams is considered by the Board (with Mr Williams abstaining) to be an independent Director. Mr Williams is not considered by the Board to hold any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.

Board recommendation

The Board (other than Mr Aaron Williams who has a personal interest in the outcome of this Resolution) support the election of Mr Williams on the basis of Williams' skills, qualifications and experience and his contributions to the Board's activities, the Board (other than Mr Williams) recommends Shareholders vote in favour of the election of Mr Williams.

Additional information

Resolution 3 is an ordinary resolution.

5. Resolution 4: Approval of 10% Placement Facility

The Company seeks Shareholder approval to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period (**Relevant Period**) after the Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The exact 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 (see below).

Resolution 4 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).

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

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval in Listing Rule 7.1.

Listing Rule 7.1A

(a) 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 \$6.1 million, based on the closing price of Shares \$0.105 on 23 October 2023.

(b) Equity Securities that 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) Maximum number of Equity Securities which may 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” = the number of fully paid ordinary shares on issue at the commencement of the Relevant Period:

- (A) plus the number of fully paid shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- (B) plus the number of fully paid ordinary shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (C) plus the number of fully paid ordinary shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- (D) plus the number of any other fully paid ordinary shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- (E) plus the number of partly paid shares that became fully paid Shares in the Relevant Period; and
- (F) less the number of fully paid ordinary shares cancelled in the Relevant Period.

“D” = is 10%.

“E” = is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

The actual number of Equity Securities that may be issued under Listing Rule 7.1A is calculated at the date of issue of the Equity Securities in accordance with the above formula.

(d) **Interaction with Listing Rule 7.1**

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

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be 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).

Specific information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

- (a) The approval will be valid for the period commencing on the date of the Meeting and expires on the first to occur of the following:
 - (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; and
 - (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2,

(10% Placement Period).

- (b) 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.
- (c) The Company intends to use any funds raised towards continued exploration and expenditure on the Company's current assets, acquisition of new assets or investments (including expenses associated with such acquisitions) and/or general working capital.
- (d) There is a risk of economic and voting dilution to existing Shareholders in approving the 10% Placement Facility, including the risks 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 when Shareholders approve the 10% Placement Facility; 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.

If this Resolution 4 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.

The table below shows the potential dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this 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.

| | | Dilution | | |
|--|------------------------------|------------------------------------|------------------------------|-----------------------------------|
| Variable 'A' in Listing Rule 7.1A.2 | Issue price per Share | \$0.0525 (50% decrease) | \$0.105 (Current) | \$0.21 (100% increase) |
| (Shares on issue) | | | | |
| 57,623,565 (Current) | 10% voting dilution | 5,762,357 | 5,762,357 | 5,762,357 |
| | Funds raised | \$302,524 | \$605,047 | \$1,210,095 |
| 86,435,348 (50% increase) | 10% voting dilution | 8,643,534 | 8,643,534 | 8,643,534 |
| | Funds raised | \$453,786 | \$907,571 | \$1,815,142 |
| 115,247,130 (100% increase) | 10% voting dilution | 11,524,713 | 11,524,713 | 11,524,713 |
| | Funds raised | \$605,047 | \$1,210,095 | \$2,420,190 |

Notes:

- (i) The table has been prepared on the following assumptions:
- (A) The Company issues, or agrees to issue, the maximum number of Equity Securities available under the 10% Placement Facility.
- (B) No convertible securities have been exercised before the date of the issue of the Equity Securities.
- (C) 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%.
- (D) 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.
- (E) The issue price is the current market price \$0.105, being the closing price of the Shares on ASX on 23 October 2023, being the last day that the Company's Shares were traded on the ASX before this Notice was printed.
- (F) Variable A comprises of 57,623,565 existing Shares on issue as at the date of this Notice, 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.

- (ii) The number of Shares on issue (i.e. 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.
 - (iii) 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%.
 - (iv) 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.
 - (v) 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) The Company's policy for allocating Equity Securities issued under the 10% Placement Facility will be determined on a case-by-case basis depending upon the purpose, and prevailing market conditions at the time, of any issue and having regard to factors including but not limited to the following:
- (i) The fundraising methods available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate.
 - (ii) The effect of the issue of the Equity Securities on the control of the Company.
 - (iii) The financial situation and solvency of the Company.
 - (iv) Advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- (f) The Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the 12 months preceding the date of this Notice.
- (g) At the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holders to participate in any such issue. However, in the event that between the date of this 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.

Board recommendation

Resolution 4 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 recommend that Shareholders vote in favour of Resolution 4.

6. Resolution 5: Ratification of Issue of Consideration Shares

General

S3 Consortium Pty Ltd (ACN 135 239 968) trading as Stocks Digital (**Stocks Digital**) provided marketing and content services to the Company (**Marketing Services**) pursuant to a client contract dated 9 July 2023 (**Client Contract**). On 14 July 2023, pursuant to the Client Contract, the Company issued 3,750,000 Shares under its available Listing Rule 7.1 placement capacity to Stocks Digital as partial consideration for the provision of the Marketing Services (**Consideration Shares**).

Resolution 5 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares.

Summary of material terms of Client Contract

Pursuant the Client Contract Stocks Digital agreed to provide the Marketing and Content provision Services to the Company over a 36 month period in consideration for \$425,000 in fees comprising:

- (a) the Consideration Shares; and
- (b) \$42,500 payable in cash (being the GST component).

The Client Contract otherwise contains terms and conditions considered standard for an agreement of this nature.

Listing Rules 7.1, 7.1A and 7.4

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 shares it had on issue at the start of that period.

The issue of the Shares does not fit within any of the exceptions to Listing Rules 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 29 November 2022.

The issue of the Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A.

The effect of Shareholders passing Resolution 5 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity under Listing Rule 7.1 and the additional 10% annual placement capacity under Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

If Resolution 5 is passed, 3,750,000 Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, 3,750,000 Consideration Shares will continue to be included in the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, to the extent of 3,750,000 Equity Securities for the 12 month period following the issue of the Consideration Shares.

Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Consideration Shares:

- (a) The Shares were issued to S3 Consortium Pty Ltd (ACN 135 239 968) trading as Stocks Digital.
- (b) A total of 3,750,000 Consideration Shares were issued using the Company's available placement capacity under Listing Rule 7.1.
- (c) The Consideration Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue.
- (d) The Consideration Shares were issued on 14 July 2023.
- (e) The Consideration Shares were issued for nil cash consideration.
- (f) The Consideration Shares were issued as partial consideration for the Marketing Services at a deemed issue price of approximately \$0.1133 per Consideration Share. There were no proceeds from the issue of the Consideration Shares.
- (g) A summary of the material terms of the Client Contract are set out above.
- (h) A voting exclusion statement is included in the Notice.

Additional information

Resolution 5 is an ordinary resolution.

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

7. Resolution 6: Approval of issue of Director Options

General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 4,500,000 unquoted Options (**Director Options**) to the Directors (or their respective nominees) as follows:

| Tranche | Exercise Price | Milestone | Expiry Date | Number of Director Options | | |
|-----------|----------------|---|--------------------------------|----------------------------|---------------|----------------|
| | | | | Adam Schofield | Gregory Jones | Aaron Williams |
| Tranche A | \$0.20 | Upon the Company announcing a positive Preliminary Feasibility Study evidencing a ratio of net present value (NPV-8%) to capital of greater than 2.5 at the Port Gregory Project. | 3 years from the date of issue | 250,000 | 250,000 | 250,000 |
| Tranche B | \$0.25 | Upon the Company announcing a positive Bankable Feasibility Study evidencing a ratio of net present value (NPV-8%) to | 3 years from the date of issue | 250,000 | 250,000 | 250,000 |

| | | | | | | |
|-------------------------------|---|--|--------------------------------|------------------|------------------|------------------|
| | | capital of greater than 2.5 at the Port Gregory Project. | | | | |
| Tranche C | \$0.30 | The Company raising a minimum \$3,000,000 via the grant of a Royalties at the Company's Port Gregory Project prior to a final investment decision at the Port Gregory Project. | 3 years from the date of issue | 500,000 | 500,000 | 500,000 |
| Tranche D | 33% of the VWAP of the Company's Shares over 5 consecutive trading days, on which Shares were actually traded, immediately prior to the date of issue | Upon the Company announcing a JORC Code 2012 compliant Mineral Resource at the Company's Red Hill Garnet Project of at least an inferred classification of >3mt contained garnet at a minimum grade of not less than 4% total heavy mineral. | 3 years from the date of issue | 500,000 | 500,000 | 500,000 |
| Director Options Total | | | | 1,500,000 | 1,500,000 | 1,500,000 |

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 Directors in seeking to achieve growth of the Company's projects and in the creation of Shareholder value. .

The Board has taken into account the Strike at the Company's 2022 annual general meeting and has completed a comprehensive review of the executive remuneration framework (as discussed in the explanatory notes in Resolution 1), and as a result, the Board believes that the issue of these Director Options will align the interests of the Directors with those of the Company and its Shareholders. In addition, the Board also believes that incentivising with Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Director Options to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Director Options are to be issued under the Plan (a summary of the material terms of the Plan is in Schedule 3) and are subject to the terms and conditions in Schedule 1.

Resolution 6(a), (b) and (c) seeks Shareholder approval pursuant to Listing Rule 10.14 and section 208 of the Corporations Act for the issue of up to 4,500,000 Director Options to the Directors (or their respective nominees) under the Plan.

Listing Rule 10.14

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme, unless Shareholder approval is provided:

- (i) a director of the company (Listing Rule 10.14.1);

- (j) an associate of a director the company (Listing Rule 10.14.2); or
- (k) a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders (Listing Rule 10.14.3).

The proposed issue of the Director Options falls within Listing Rule 10.14.1 (or Listing Rule 10.14.2 if a Director elects for the Director Options to be issued to their respective nominees) and therefore requires the approval of Shareholders under Listing Rule 10.14.

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

If Resolution 6(a), (b) and (c) are passed, the Company will be able to proceed with the issue of the Director Options.

If Resolution 6(a), (b) and (c) are not passed, the Company will not be able to proceed with the issue of the Director Options to the Directors (or their respective nominees) and the Company will proceed with other forms of performance-based remuneration, which may include incentives in the form of cash bonuses.

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 Director Options:

- (a) The Director Options will be issued under the Plan to Directors Adam Schofield, Gregory Jones and Aaron Williams (or their respective nominees).
- (b) The Directors are related parties of the Company by virtue of each being a Director of the Company and fall into the category stipulated by Listing Rule 10.14.1. In the event the Director Options are issued to a respective nominee of the Directors, that person will fall into the category stipulated by Listing Rule 10.14.2.
- (c) A maximum of 4,500,000 Director Options will be issued to Messrs Schofield, Jones and Williams (or their respective nominees) in the proportions set out on pages 19-20 above.
- (d) The Directors current total annual remuneration package as at the date of this Notice is set out below:

| Director | Salary and fees (inclusive of superannuation) |
|-----------------|--|
| Adam Schofield | \$57,000 |
| Gregory Jones | \$113,000 |
| Aaron Williams | \$53,000 |

- (e) No Securities have been issued to the Directors (or their respective nominees) since the Plan was first adopted by Shareholders on 29 November 2022.
- (f) The Director Options will be issued on the terms and conditions in Schedule 1.

- (g) The Board considers that the Director Options are an appropriate form of incentive because they reward the Directors for their ongoing support to the Company. Additionally, the issue of Options instead of cash is a prudent means of conserving the Company's available cash reserves.
- (h) A valuation of the Director Options is in Schedule 2.
- (i) The Director Options are intended to be issued to the Directors (or their respective nominees) as soon as practicable following the receipt of approval at the Meeting and in any event, will be issued no later than three years after the date of the Meeting if the required approval is received.
- (j) The Director Options will have an issue price of nil as they will be issued as part of the Directors respective remuneration packages. No funds will be raised via the issue of the Director Options, however, upon exercise of the of the Director Options, the Company will raise up to \$937,500 (before costs) assuming the Tranche D Director Options exercise price is \$0.10 each (being the Share price as at 20 October 2023).
- (k) A summary of the material terms of the Plan is in Schedule 3.
- (l) No loan will be provided in relation to the issue of the Director Options.
- (m) Details of any Securities issued under the Plan will be published in the annual report of the Company relating to a 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 6(a), (b) and (c) are approved and who were not named in the Notice will not participate until approval is obtained under that rule.
- (o) A voting exclusion statement is included in the Notice.

Section 195 of the Corporations Act

Section 195(1) of the Corporations Act prohibits a director of a public company who has a material personal interest in a matter that is being considered at a meeting of directors from being present while the matter is being considered at the meeting or voting on the matter. If there is not a quorum of directors who are eligible to vote on a matter because of the operation of section 195(1) of the Corporations Act, one or more directors may call a general meeting and the general meeting may deal with the matter.

The Directors have a personal interest in the outcome of each of their respective Resolutions under Resolution 6(a), (b) and (c) and have exercised their right under section 195(4) of the Corporations Act to put the issue of the Director Options to the Directors to Shareholders to resolve.

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:

- (p) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (q) 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 proposed issue of the Director Options constitutes giving a financial benefit to related parties of the Company.

Notwithstanding the Directors consider the issue of Director Options under Resolution 6(a), (b) and (c) to be reasonable remuneration, given the personal interests of the Directors in the outcome of this Resolution, the Board is seeking Shareholder approval pursuant to Chapter 2E of the Corporations Act in respect of the issue of the Director Options.

Information required under 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 Director Options:

(a) **Identity of the related parties to whom Resolution 6(a), (b) and (c) permit financial benefits to be given**

The Director Options will be issued under the Plan to Directors Adam Schofield, Gregory Jones and Aaron Williams (or their respective nominees).

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

Resolution 6(a), (b) and (c) seek Shareholder approval to allow the Company to issue the Director Options in the amounts specified above to the Directors (or their respective nominees).

The Director Options are to be issued in accordance with the Plan (a summary of the material terms of the Plan is in Schedule 3) and otherwise on the terms and conditions set out in Schedule 1.

The Shares to be issued upon exercise of the Director Options 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) **Board recommendations**

Given the personal interests of all the Directors in the outcome of Resolution 6(a), (b) and (c), the Board declines to make a recommendation to Shareholders in relation to Resolutions.

(d) **Valuation of financial benefit**

A valuation of the Director Options is in Schedule 3.

(e) **Remuneration of relevant Directors**

The total annual remuneration arrangements current for the Directors as at the date of this Notice is set out on page 21 above.

(f) **Existing relevant interest of relevant Directors**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

| Director | Shares | Options | Performance Rights |
|----------------|-----------|-----------|--------------------|
| Adam Schofield | 4,170,323 | 1,000,000 | 500,000 |
| Gregory Jones | 2,079,078 | 1,000,000 | 500,000 |

| | | | |
|----------------|-----|-----|-----|
| Aaron Williams | Nil | Nil | Nil |
|----------------|-----|-----|-----|

Assuming that Resolution 6(a), (c) and (c) are approved by Shareholders, all of the Director Options are issued, vest, and are converted into Shares, and no other Equity Securities are issued or converted, the interests of the Directors in the Company would (based on the Share capital as at the date of this Notice) represent:

| Director | Interest in the Share capital of the Company |
|----------------|--|
| Adam Schofield | 9.13% |
| Gregory Jones | 5.76% |
| Aaron Williams | 2.41% |

(a) **Dilution**

The issue of the Director Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Director Options are converted to Shares. The potential dilution if all of the Director Options vest and are exercised into Shares is 7.24%. This figure assumes the current Share capital structure as at the date of this Notice and that no Shares are issued other than the Shares issued on conversion of the Director Options.

The conversion of all of the Director Options will result in a total dilution of all other Shareholders' holdings of 5.88% on a fully diluted basis assuming that all Options and Performance Rights (including the Director Options) are converted). The actual dilution will depend on the extent that additional Shares are issued by the Company.

No funds will be raised via the issue of the Director Options, however, upon exercise of the of the Director Options, the Company will raise up to \$937,500 (before costs) assuming the Tranche D Director Options exercise price is \$0.10 each (being the Share price as at 20 October 2023).

(b) **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: \$0.22 per Share on 10 July 2023

Lowest: \$0.091 per Share on 18 September 2023

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.105 per Share on 23 October 2023.

(c) **Corporate governance**

The Board acknowledges that the grant of the Director Options to Messrs Adam Schofield, Gregory Jones and Aaron Williams who are each non-executive Directors, is contrary to the guidelines in Box 8.2 of the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**), which provides that non-executive directors should not

receive performance-based remuneration as it may lead to bias in their decision-making and compromise their objectivity. However, it is considered reasonable in the circumstances to offer these Director Options to Messrs Schofield, Jones and Williams for the reasons provided above. The Board considers that the grant of these Director Options does not affect the independence of Mr Williams for the purposes of Recommendation 2.3, as there are no individual performance-based milestones (only the Company's general Share price performance) attaching to the Director Options.

(d) **Taxation consequences**

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

(e) **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 6(a), (b) and (c).

Additional information

Resolution 6(a), (b) and (c) are separate ordinary resolutions.

Given the personal interests of all the Directors in the outcome of Resolution 6(a), (b) and (c) the Board declines to make a recommendation to Shareholders in relation to Resolution 6(a), (b) and (c).

8. Resolution 7: Spill Resolution

General

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw this Resolution.

The Company **received more than 25% of votes received against the Company's previous remuneration report at the Company's 2022 annual general meeting** and therefore is required by Section 250V(1) of the Corporations Act to put this Resolution 7 to Shareholders as set out in Section 2 above.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of this Meeting. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting. Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

Shareholders should be aware that the convening of a spill meeting will result in the Company incurring material additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

Moreover, Shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to the existing major Shareholders of the Company exercising their voting rights to reappoint the existing Directors of the Company without any changes to the composition of the Board.

In the Board's view it would be inappropriate to remove all of the non-executive Directors in the circumstances. However, the Board recognises that Shareholders can remove a Director by a majority Shareholder vote at any time for any reason.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director if any) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

In deciding on how to vote on Resolution 7, the Board suggests that Shareholders take the following factors into account:

- (a) **Response to first strike** – the Board has taken action to address concerns expressed by Shareholders relating to the Company’s remuneration framework (as noted in the explanatory notes for Resolution 1 above);
- (b) **Potential loss of Directors’ leadership, skills and knowledge** – the Company has benefited from the clear focus and leadership each Director provides as part of the Board and to the Company as a whole;
- (c) **Disruption to the Company** – If Resolution 7 is passed, this will create instability in the leadership of the Company and potentially have a negative impact on the Company’s ability to implement its critical strategic review and strategy. The Board has been integral in developing and overseeing this strategy; and
- (d) **Additional costs** – holding a Spill Meeting will incur substantial additional cost to the Company.

Additional information

Resolution 7 is an ordinary resolution.

Given the personal interests of all Vacating Directors in the outcome of Resolution 7, the Board declines to make a recommendation to Shareholders regarding Resolution 7.

If you **do not want** a Spill Meeting to take place, you should vote “**against**” Resolution 7. If you want a Spill Meeting to take place, you should “for” Resolution 7.

DEFINITIONS

In this Notice of Meeting and Explanatory Statement, the following terms have the following meanings:

10% Placement Facility has the meaning in Section 5.

10% Placement Period has the meaning in Section 5.

Annual Report means the annual report of the Company for the financial year ended 30 June 2023.

Article means an article of the Constitution.

ASIC means the Australian Securities and Investments Commission.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Auditor's Report means the auditor's report contained in the Annual Report.

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

Board means the board of Directors.

Chair means the chairperson of the Meeting.

Client Contract has the meaning given in Section 6.

Closely Related Party means a spouse or child of the member; or has the meaning given in section 9 of the Corporations Act.

Company means Heavy Minerals Limited (ACN 647 831 883).

Consideration Shares means the 3,750,000 Shares issued to Stocks Digital, the subject of Resolution 5.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Director means a director of the Company.

Director Options has the meaning given in Section 7.

Directors' Report means the directors' report contained in the Annual Report.

Equity Securities has the meaning as in the Listing Rules.

Explanatory Statement means this explanatory statement incorporated in this Notice.

Financial Report means the financial report contained in the Annual Report.

JORC Code 2012 means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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 the ASX.

Marketing Services has the meaning given in Section 6.

Meeting, General Meeting or Annual General Meeting means the Annual General Meeting of Shareholders to be held at Level 8, 216 St Georges Terrace, Perth on Thursday 30 November 2023, commencing at 1:00pm (AWST).

Minimum Issue Price has the meaning in Section 4.

Notice of Meeting or Notice means the notice of annual general meeting incorporating this Explanatory Statement.

Option means an option, giving the holder the right, but not an obligation, to acquire a Share at a predetermined price and at a specified time in the future.

Plan means the means the existing employee incentive scheme of the Company known as the "Heavy Minerals Limited Employee Securities Incentive Plan".

Proxy Form means the proxy form attached to this Notice.

Recommendations has the meaning given in Section 7.

Relevant Period means the 12 month period immediately preceding the date of the issue or agreement.

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution contained in the Notice.

Section means a section of the Explanatory Statement.

Securities means any Equity Securities of the Company (including Shares, Options and/or Performance Rights).

Share means an ordinary fully paid share in the Company.

Shareholder means a holder of a Share.

Spill Meeting means, subject to the Remuneration Report receiving a Strike at this Meeting, the meeting of Shareholders to held within 90 days of this Meeting.

Stocks Digital means S3 Consortium Pty Ltd (ACN 135 239 968) trading as Stocks Digital.

Strike has the meaning in Section 2.

Vacating Directors means all Directors of the Company who were directors when the resolution to approve the Remuneration Report for the year ended 30 June 2022 was passed and were not a managing director who may, in accordance with the Listing Rules, continue to hold office indefinitely without being re-elected.

VWAP has the meaning given to the term 'volume weighted average market price' in the Listing Rules.

Schedule 1: Terms and Conditions of Director Options

The terms and conditions of the Director Options (**Options**) are as follows:

- (a) (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) (**Expiry Date**): Each Option will expire at 5:00pm (AEST) on the date that is three (3) years from the date of issue (**Expiry Date**). Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) (**Exercise Period**): The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (d) (**Exercise Price**): The exercise price of each option is set out below (**Exercise Price**):

| Tranche | Exercise Price | Milestone | Expiry Date | Number of Director Options | | |
|-----------|---|---|--------------------------------|----------------------------|---------------|----------------|
| | | | | Adam Schofield | Gregory Jones | Aaron Williams |
| Tranche A | \$0.20 | Upon the Company announcing a positive Preliminary Feasibility Study evidencing a ratio of capital to net present value of greater than 2.5 at the Port Gregory Project. | 3 years from the date of issue | 250,000 | 250,000 | 250,000 |
| Tranche B | \$0.25 | Upon the Company announcing a positive Bankable Feasibility Study evidencing a ratio of capital to net present value of greater than 2.5 at the Port Gregory Project. | 3 years from the date of issue | 250,000 | 250,000 | 250,000 |
| Tranche C | \$0.30 | The Company raising a minimum \$3,000,000 via the grant of a royalty at the Company's Port Gregory Project prior to a final investment decision at the Port Gregory Project. | 3 years from the date of issue | 500,000 | 500,000 | 500,000 |
| Tranche D | 33% of the VWAP of the Company's Shares over 5 consecutive trading days, on which Shares were actually traded, immediately prior to the date of issue | Upon the Company announcing a JORC Code 2012 compliant Mineral Resource at the Company's Red Hill Garnet Project of at least inferred classification of >3mt contained garnet at a minimum grade of not less than 4% total heavy mineral. | 3 years from the date of issue | 500,000 | 500,000 | 500,000 |

| | | | |
|-------------------------------|------------------|------------------|------------------|
| Director Options Total | 1,500,000 | 1,500,000 | 1,500,000 |
|-------------------------------|------------------|------------------|------------------|

(e) **(Change in Exercise Price):** There will be no change to the Exercise Price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).

(f) **(Notice of Exercise):** Subject to the satisfaction of the relevant Vesting Condition (as set out in paragraph (d)) the Options may be exercised 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.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at 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)**.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.

(g) **(Quotation of the Options):** The Company will not apply for quotation of the Options on any securities exchange.

(h) **(Timing of issue of Shares on exercise):** Within 5 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)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act 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 (h)(ii) 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 the sale of the Shares does not require disclosure to investors.

(i) **(Transferability):** The Options are not transferable, except with prior written approval of the Company.

(j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(k) **(Cashless exercise of Options):** The holder of Options may elect not to be required to provide payment of the Exercise Price for the number of Options specified in a Notice of Exercise but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date.

- (l) **(Takeovers prohibition):**
 - (i) the issue of Shares on exercise of the Options is subject to and conditional upon the issue of the relevant Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) the Company will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Shares on exercise of the Options.
- (m) **(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 Listing Rules at the time of the reconstruction.
- (n) **(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.
- (o) **(Entitlement to dividends):** The Options do not confer any entitlement to a dividend, whether fixed or at the discretion of the directors, during the currency of the Options without exercising the Options.
- (p) **(Entitlement to capital return):** The Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise, and similarly do not confer any right to participate in the surplus profit or assets of the Company upon a winding up, in each case, during the currency of the Options without exercising the Options.
- (q) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holder will be varied in accordance with the Listing Rules.
- (r) **(Adjustment for bonus issues of Shares):** 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):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (s) **(Voting rights):** The Options do not confer any right to vote at meetings of members of the Company, except as required by law, during the currency of the Options without first exercising the Options.
- (t) **(Constitution):** Upon the issue of Shares on exercise of the Options, the holder agrees to be bound by the Company's constitution.

Schedule 2: Valuation of Director Options

Using a Black & Scholes option model and based on the assumptions set out below, the Director Options were ascribed the following value:

| Assumptions: | Adam Schofield | Greg Jones | Aaron Williams |
|---|--|--|--|
| Tranche 1 | | | |
| Valuation date | 17 October 2023 | 17 October 2023 | 17 October 2023 |
| Market price of Shares | \$0.105 | \$0.105 | \$0.105 |
| Exercise price | \$0.20 | \$0.20 | \$0.20 |
| Expiry date (length of time from issue) | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue |
| Risk free interest rate | 3.95% | 3.95% | 3.95% |
| Volatility (discount) | 120% | 120% | 120% |
| Indicative value per Option | \$0.069 | \$0.069 | \$0.069 |
| Total Value of all Options | \$17,250 | \$17,250 | \$17,250 |
| Tranche 2 | | | |
| Valuation date | 17 October 2023 | 17 October 2023 | 17 October 2023 |
| Market price of Shares | \$0.105 | \$0.105 | \$0.105 |
| Exercise price | \$0.25 | \$0.25 | \$0.25 |
| Expiry date (length of time from issue) | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue |
| Risk free interest rate | 3.95% | 3.95% | 3.95% |
| Volatility (discount) | 120% | 120% | 120% |
| Indicative value per Option | \$0.065 | \$0.065 | \$0.065 |
| Total Value of all Options | \$16,250 | \$16,250 | \$16,250 |
| Tranche 3 | | | |
| Valuation date | 17 October 2023 | 17 October 2023 | 17 October 2023 |
| Market price of Shares | \$0.105 | \$0.105 | \$0.105 |
| Exercise price | \$0.30 | \$0.30 | \$0.30 |

| | | | |
|---|--|--|--|
| Expiry date (length of time from issue) | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue |
| Risk free interest rate | 3.95% | 3.95% | 3.95% |
| Volatility (discount) | 120% | 120% | 120% |
| Indicative value per Option | \$0.061 | \$0.061 | \$0.061 |
| Total Value of all Options | \$30,500 | \$30,500 | \$30,500 |

Tranche 4

| | | | |
|---|--|--|--|
| Valuation date | 17 October 2023 | 17 October 2023 | 17 October 2023 |
| Market price of Shares | \$0.105 | \$0.105 | \$0.105 |
| Exercise price | 33% premium to 5-day VWAP @ grant ⁽²⁾ | 33% premium to 5-day VWAP @ grant ⁽²⁾ | 33% premium to 5-day VWAP @ grant ⁽²⁾ |
| Expiry date (length of time from issue) | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue | the date immediately before the date of 3 years from the date of issue |
| Risk free interest rate | 3.95% | 3.95% | 3.95% |
| Volatility (discount) | 120% | 120% | 120% |
| Indicative value per Option | \$0.074 | \$0.074 | \$0.074 |
| Total Value of all Options | \$37,000 | \$37,000 | \$37,000 |

Notes:

1. The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.
2. The exercise price will be equal to a 33% premium to the 5-day VWAP before the date of grant of the Director Options. The valuation above assumes an indicative exercise price of \$0.1471 which is a 33% premium to the 5-day VWAP prior to 17 October 2023, the actual exercise price (and as a result, the valuation of the Director Options) may be higher or lower depending on the 5-day VWAP of the Company's Shares prior to the date of grant of the Director Options.

Schedule 3: Summary of material terms of the Plan

A summary of the material terms and conditions of the Plan is set out below:

- (a) **(Eligible Participant):** A person is eligible to participate in the Plan (**Eligible Participant**) if they have been determined by the Board to be eligible to participate in the Plan from time to time and are an “ESS participant” (as that term is defined in Division 1A) in relation to the Company or an associated entity of the Company.

This relevantly includes, amongst others:

- (i) an employee or director of the Company or an individual who provides services to the Company;
- (ii) an employee or director of an associated entity of the Company or an individual who provides services to such an associated entity;
- (iii) a prospective person to whom paragraphs (i) or (ii) apply;
- (iv) a person prescribed by the relevant regulations for such purposes; or
- (v) certain related persons on behalf of the participants described in paragraphs (i) to (iv) (inclusive).

- (b) **(Maximum allocation):** The Company must not make an offer of Securities under the Plan in respect of which monetary consideration is payable (either upfront, or on exercise of convertible securities) where:

- (i) the total number of Plan Shares (as defined in paragraph (m) below) that may be issued or acquired upon exercise of the convertible securities offered; plus
- (ii) the total number of Plan Shares issued or that may be issued as a result of offers that were both received in this jurisdiction (as defined in section 9 of the Corporations Act) and made under an employee share scheme (as defined in section 1100L(1) of the Corporations Act) at any time during the previous 3 year period,

would exceed 5% of the total number of Shares on issue at the date of the offer or such other limit as may be specified by the relevant regulations or the Company’s Constitution from time to time.

The maximum number of equity securities proposed to be issued under the Plan for the purposes of Listing Rule 7.2, Exception 13 will be as approved by Shareholders from time to time (**ASX Limit**). This means that, subject to the following paragraph, the Company may issue up to the ASX Limit under the Plan without seeking Shareholder approval and without reducing its placement capacity under Listing Rule 7.1.

The Company will require prior Shareholder approval for the acquisition of equity securities under the Plan to Directors, their associates and any other person whose relationship with the Company or a Director or a Director’s associate is such that, in ASX’s opinion, the acquisition should be approved by Shareholders. The issue of Securities with Shareholder approval will not count towards the ASX Limit.

- (c) **(Purpose):** The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and

- (iii) 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 Securities.
- (d) **(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, subject to compliance with applicable laws and the Listing Rules. The Board may delegate its powers and discretion.
- (e) **(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 Securities on such terms and conditions as the Board decides. An invitation issued under the Plan will comply with the disclosure obligations pursuant to Division 1A.

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.

A waiting period of at least 14 days will apply to acquisitions of Securities for monetary consideration as required by the provisions of Division 1A.

- (f) **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the successful applicant (**Participant**) the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (g) **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (h) **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities 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.
- (i) **(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 below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

At the time of exercise of the Convertible Securities, and subject to Board approval, 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.

- (j) **(Delivery of Shares on exercise of Convertible Securities):** 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.
- (k) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (l) **(Change of control):** If a change of control event occurs in relation to the Company, 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 Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- (m) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, **(Plan Shares)** will rank pari passu in all respects with the Shares of the same class. 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.
- (n) **(Disposal restrictions on Securities):** If the invitation provides that any Plan Shares or Convertible Securities 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.
- (o) **(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 allotment 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.

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.

- (p) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (q) **(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.

- (r) **(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.

- (s) **(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 securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.

Proxy Voting Form

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

Your proxy voting instruction must be received by **01.00pm (AWST) on Tuesday, 28 November 2023**, 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/#/loginsah> or scan the QR code below using your smartphone

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



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