



EASTERN METALS

ASX Announcement

ASX:EMS

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Sydney NSW 2000

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info@easternmetals.com.au

6 June 2024

Eastern Metals Limited ABN 29 643 902 943 (**ASX:EMS**) ("**Eastern Metals**" or "the **Company**") is pleased to provide a Notice of Meeting and Proxy Form for a General Meeting on 10 July 2024.

The General Meeting will be a physical only meeting.

The meeting can be attended in person, and details are as follows:

When: **Wednesday 10 July 2024 at 10.00am AEST (Sydney Time)**

In person: **Level 13, 60 Castlereagh Street, Sydney NSW 2000**

The Notice of Meeting and accompanying Explanatory Statement ("**Meeting Materials**") are being made available electronically to Shareholders.

The Meeting Materials provide more information on the process and to participate in the General Meeting. You can access the Meeting Materials online at the Company's website:

- www.easternmetals.com.au; or
- Our share registry's website www.investorserve.com.au by logging in and selecting 'Company Announcements' from the main menu.

Authorisation for this Announcement

This announcement has been authorised for release by the Company's Disclosure Officers in accordance with its Disclosure and Communications Policy which is available on the Company's website, www.easternmetals.com.au.

Contacts

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EASTERN METALS

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ABN: 29 643 902 943

4 June 2024

Dear Eastern Metals Shareholder,

Notice is hereby given that a General Meeting for Eastern Metals Limited ABN 29 643 902 943 ("**Company**" or "**Eastern Metals**") will be held commencing 10.00am AEST (Sydney Time) on Wednesday 10 July 2024 ("**Meeting**", "**General Meeting**" or "**GM**").

It is a pleasure to invite you, on behalf of the Board, to attend the Company's General Meeting. Eastern Metals has decided to hold the General Meeting **in person only**.

The Meeting can be attended as follows:

When: Wednesday 10 July 2024 at 10.00am AEST (Sydney Time)
In person: Level 13, 60 Castlereagh Street Sydney NSW 2000

The Notice of Meeting and accompanying Explanatory Statement ("**Meeting Materials**") are being made available electronically to Shareholders.

The Meeting Materials provide more information on the process to participate in the General Meeting. This means that:

- You can access the Meeting Materials online at the Company's website on www.easternmetals.com.au or at our share registry's website <https://www.investorserve.com.au> by logging in and selecting Company Announcements from the main menu.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "EMS".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the Proxy Form.
- If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.investorserve.com.au>. If you have not yet registered, you will need your Shareholder information, including SRN/HIN details.
- If you are unable to access the Meeting Materials online please contact our share registry, Boardroom Pty Limited, at enquiries@boardroomlimited.com.au or 1300 737 760 (within Australia) or +61 2 9290 9600 (Outside Australia) between 8:30am and 5:30pm (Sydney Time) Monday to Friday, to arrange a copy.

Attached with the Notice is your Proxy Form. The Company encourages all Shareholders to lodge a directed Proxy Form prior to the meeting.

Important

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations Act 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00pm (AEST, Sydney Time) on Monday 8 July 2024.

For further information, contact:**Ms Ley Kingdom**

Chief Executive Officer

leykingdom@easternmetals.com.au

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BUSINESS OF THE MEETING

Agenda

1 Resolution 1 – Ratification of 16,400,000 Shares Issued under the Placement

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the issue under Listing Rule 7.1 of 16,400,000 Shares, by way of private Placement for a cash issue price of \$0.032 per Share to various sophisticated and professional investors in accordance with the terms set out in the Explanatory Statement, be ratified."

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue of the Shares pursuant to Resolution 1 and any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the Chair to vote on Resolution 1 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 Resolution 1; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

2 Resolution 2 – Approval to issue up to 14,850,000 Shares under the Placement

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of up to 14,850,000 Shares, by way of private Placement for a cash issue price of \$0.032 per Share to various sophisticated and professional investors in accordance with the terms set out in the Explanatory Statement, be approved."

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of the proposed issue of, the proposed issue of the Shares pursuant to Resolution 2 (except a benefit solely by reason of being a holder of Shares) and any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with directions given to the proxy or attorney to vote on Resolution 2 in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the Chair to vote on Resolution 2 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 Resolution 2; and
 - the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

3 Resolution 3 – Approval to issue up to 5,000,000 Broker Options to Taylor Collison

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

"That, for the purposes of Listing Rule 7.1 and for all other purposes, the issue of up to 5,000,000 Broker Options, each having an exercise price of \$0.06 per Share and expiring three (3) years after the date of issuing the Broker Options, to Taylor Collison (or its nominee(s)) in accordance with the terms set out in the Explanatory Statement, be approved."

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Taylor Collison, its nominee(s), any person who is expected to participate in, or obtain a material benefit as a result of, the proposed issue of the Broker Options pursuant to Resolution 3 (except a benefit solely by reason of being a holder of Shares) and any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on Resolution 3 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 Resolution 3; and
 - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

4 Resolution 4 – Approval of the Eastern Metals Limited Employees and Officers Share Option Plan

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 13(b)) and for all other purposes, the employee incentive scheme titled “Eastern Metals Limited Employees and Officers Share Option Plan” attached as Attachment 1 (**Plan**) and the issue of securities under the Plan are approved.”*

Voting exclusion: The Company will disregard any votes cast in favour of Resolution 4 by, or on behalf of, any person who is eligible to participate in the Plan and any of their respective Associates.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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 Resolution 4; and
 - the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

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

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

However, the above prohibition does not apply if:

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

Further, in accordance with the Corporations Act, a vote must not be cast on this Resolution (and will be taken not to have been cast if cast contrary to this restriction) by any participants, or persons who are eligible under the Plan and likely to be extended an offer to participate, in the Plan and their Associates. However, a vote may be cast by such a person if: (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on this Resolution; and (b) it is not cast on behalf of the person or an Associate of the person.

The following notes and the Explanatory Memorandum form part of the Notice of Meeting.

5 Voting and Attendance Entitlement

The Board has determined that those persons who are registered as holding Shares at 7:00pm (AEST, Sydney Time) on Monday 8 July 2024, will be entitled to attend and vote at the Meeting.

Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Shareholders may vote by:

- (a) attending the Meeting in person; or
- (b) appointing a proxy to attend and vote on your behalf, using the enclosed proxy form.

If more than one joint holder of a Share is present at the Meeting (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

6 Action to be Taken by Shareholders

A Shareholder who is entitled to attend and vote at the Meeting may appoint a person, who need not be a Shareholder of the Company, as the Shareholder's proxy to attend and vote on behalf of the Shareholder.

A Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If in respect of any of the items of business you do not

direct your proxy how to vote, you are directing your proxy to vote as he or she decides.

If you mark the abstain box for a particular item you are directing your proxy to not vote on your behalf and your Shares will not be counted in computing the required majority in the event of a poll.

For proxies without voting instructions that are exercisable by the Chair, the Chair intends to vote those proxies in favour of the Resolutions. The Chair will be deemed to be appointed where a signed proxy form is returned that does not contain the name of the proxy or where the person appointed on the form is absent from the Meeting.

A proxy form accompanies this Notice of Meeting. Should you wish to appoint a proxy, please complete the proxy form and return it at least 48 hours before the Meeting, being no later than 10.00am AEST on Monday 8 July 2024.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

Attending the Meeting

If you wish to attend the meeting, please bring this form with you to assist registration.

- Online
<https://www.votingonline.com.au>
- By Fax + 61 2 9290 9655
- By Mail
Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- In Person
Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

7 Corporate Representatives

A Shareholder, which is a corporation, may appoint an individual to act as its representative to attend and vote at the Meeting. The appointment must comply with section 250D of the Corporations Act, meaning that Company will require a Certificate of Appointment of Corporate Representative executed in accordance with section 250D of the Corporations Act. The completed certificate should be lodged with Company's share registry before the Meeting or at the registration desk on the day of the Meeting.

8 Polls

Each of the Resolutions will be considered by way of a poll. Accordingly, every Shareholder shall have one vote for every Share registered in their name as at

7:00pm (AEST, Sydney Time) on Monday 8 July 2024.

9 Required Majority

Each of Resolutions 1 to 4 (inclusive) are Ordinary Resolutions, requiring a simple majority of the votes cast by Shareholders entitled to vote on them.

10 General

All Shareholders are invited to attend the Meeting or, if they are unable to attend in person, to sign and return the proxy form to the Company in accordance with the instructions set out on the proxy form.

Shareholders, their proxy or corporate representatives who plan on attending the Meeting are asked to arrive at the venue at least 30 minutes prior to the time the Meeting is scheduled to commence, so that Shareholders can be checked against the Company's share register, or appointment as proxy, attorney or corporate representative can be verified and their attendance noted.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on ianmorgan@easternmetals.com.au.

Dated: 4 June 2024

By order of the Board

Ian Morgan

Company Secretary

ianmorgan@easternmetals.com.au

11 Explanatory Statement

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in connection with the business to be considered at the Meeting and deciding whether or not to pass the Resolutions. It should be read in conjunction with the accompanying Notice of Meeting.

11.1 Resolution 1 – Ratification of 16,400,000 Shares Issued under the Placement

11.1.1 Capital Raising Background

On 20 May 2024, the Company announced a private share placement of new Shares to raise approximately \$1,000,000 (before expenses) (Placement), which comprised:

- (a) the issue of 16,400,000 Shares (\$524,800) by way of the Placement to sophisticated, professional and institutional investors at an issue price of \$0.032 per Share (Resolution 1); and
- (b) an agreement to subsequently issue 14,850,000 Shares (\$475,200) to sophisticated, professional and institutional investors who also participated in the Placement on the same terms but was made conditional on Shareholder approval being obtained for the Share issues (Resolution 2).

The proceeds of the Placement will be used to accelerate the Company's exploration activities across its highly prospective portfolio of polymetallic projects in the Cobar Basin in NSW and Home of Bullion in the NT, as well as to provide additional working capital. Proposed upcoming work programs include:

- Induced Polarisation (IP) surveys, mapping and field sampling programs along the Woorara Fault, a regional structure associated with Browns Reef, which extends into the Company's 100%-owned EL9136 (Bothrooney);
- IP surveys, mapping and field sampling programs across high-priority areas along strike from the Company's 3.1Mt @ 2.9% CuEq Home of Bullion deposit within the Arunta Project in the NT. This work will be informed by the outcomes of an independent structural review currently being completed by SRK Consulting;
- Preparation of near-term drill targets both at Browns Reef (EL6321) and Home of Bullion (EL23816); and
- General working capital.

11.1.2 Listing Rules 7.1 and 7.1A

As noted in the section of this Explanatory Statement entitled "Capital Raising Background", on 20 May 2024, the Company announced the Placement which included an issue of 16,400,000 Shares to sophisticated, professional and institutional investors. The Shares were issued without Shareholder approval using the Company's placement capacity under Listing Rule 7.1 and Listing Rule 7.1A.

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.

Listing Rule 7.1A provides that a company may seek approval of holders of ordinary securities, by Special Resolution passed at an annual general meeting, to have an additional capacity to issue Equity Securities.

Approval under Listing Rule 7.1A commences on the date of the annual general meeting when approval is obtained and expires on the first to occur of the following:

- (a) The date that is 12 months after the date of the annual general meeting at which the approval is obtained
- (b) The time and date of the company's next annual general meeting
- (c) The time and date of the approval of holders of ordinary securities of a transaction under ASX Listing Rule 11.1.2 or 11.2 (approval of a significant transaction)

The Company may, subject to specified exceptions, issue or agree to issue additional Equity Securities up to 10% of the number of fully paid ordinary securities on issue at the commencement of the same 12-month period as under ASX Listing Rule 7.1.

At the Company's annual general meeting held on 22 November 2023, Shareholders resolved to give approval under Listing Rule 7.1A.

The issue of the Shares pursuant to Resolution 1 does not fit within any of the exceptions to Listing Rule 7.1 and Listing Rule 7.1A and, as it has not yet been approved by Shareholders, it effectively uses up parts of the:

- (a) 15% limit in Listing Rule 7.1; and
- (b) 10% limit in Listing Rule 7.1A,

reducing the Company's capacity to issue further equity securities without Shareholder approval under:

- (a) Listing Rule 7.1 for the 12-month period following 24 May 2024; and
- (b) Listing Rule 7.1A for the period following 24 May 2024 until 22 November 2024.

If shareholders subsequently ratify, under Listing Rule 7.4, the previous issue of securities, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule.

Where an eligible entity obtains security holder approval to increase its issuance capacity under rule 7.1A, any ordinary securities issued under that additional issuance capacity are taken to have been approved once their issue has been subsequently ratified under Listing Rule 7.4.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1 and thus the Company is seeking ratification of the Shares issued pursuant to the Placement by Resolution 1.

The Company confirms that the issue and allotment of the Shares issued pursuant to Resolution 1 did not breach Listing Rule 7.1 at the date of issue.

Resolution 1 seeks the ratification of 16,400,000 Shares which were issued by the Company under the Placement using its capacity under Listing Rule 7.1 (8,360,000 Shares) and Listing Rule 7.1A (8,040,000 Shares).

If Resolution 1 is passed, the Shares issued using the Company's 15% Threshold in Listing Rule 7.1 will be excluded in calculating the Company's 15% Threshold 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 date of issue.

If Resolution 1 is not passed, the relevant issues will be included in calculating the Company's 15% Threshold in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue.

Following is a table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company's capital, assuming Resolutions 1 to 3 (inclusive) are passed:

Table 1

	Resolution	Shares Number	Options Number	Total Equity Securities Number	Dilution	Full Dilution
Opening Equity Securities		82,426,245	46,887,701	129,313,946		
Shares	1	16,400,000	-	16,400,000		
Equity Securities on issue at the date of the Notice		98,826,245	46,887,701	145,713,946	86.94%	88.01%
Shares	2	14,850,000	-	14,850,000	13.06%	8.97%
Broker Options	3	-	5,000,000	5,000,000	0.00%	3.02%
		113,676,245¹	51,887,701	165,563,946	100.00%	100.00%

¹ 113,676,245 Shares times 25% equals 28,419,060 Equity Securities (rounded) (refer Table 2).

Following is a table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company's capacity at the date of the Notice when calculating the Company's 15% Threshold in Listing Rule 7.1 and 10% Additional Placement Capacity limit in Listing Rule 7.1A.

Table 2

Number of Equity Securities	Equity Securities	Proposed to be approved	15% Threshold	10% Additional Placement Capacity limit	Total
Capacity at the date of the Notice			4,003,936	202,624	4,206,560
15% Threshold	Shares	8,360,000	9,614,000 ²	836,000 ³	10,450,000
10% Additional Placement Capacity	Shares	8,040,000	1,206,000 ⁴	8,844,000 ⁵	10,050,000
Resolution 1	Shares	16,400,000	10,820,000	9,680,000	20,500,000
Resolution 2	Shares	14,850,000	2,227,500 ⁶	1,485,000 ⁷	3,712,500
Resolution 3	Broker Options	5,000,000	-	-	-
Increased capacity after approval of Resolutions 1 to 3 (inclusive)			17,051,436	11,367,624	28,419,060⁸

11.1.3 Listing Rule 7.5

For the purposes of Listing Rule 7.5, the following information is provided in respect of Resolution 1:

Names of allottees or the basis on which those persons were identified or selected	The Shares issued under the Placement were issued to various professional and sophisticated investors selected by the Company in consultation with the Lead Manager. None of the allottees are Related Parties of the Company. No Director or any of their Associates have participated in or will receive any Shares the subject of Resolution 1.
Number and class of securities issued	The Company has issued 16,400,000 ordinary fully paid shares (Shares). All Shares will, from their date of issue, rank equally with all other ordinary Shares on issue.
Date of issue	The Shares were issued on 24 May 2024.
Issue Price	The issue price for the Shares was \$0.032 per Share. The Company has received a total of \$524,800 from the issue of the Shares to be ratified pursuant to Resolution 1.
Purpose of issue and use of funds	The purpose of the issue of the Shares is described at section 11.1.1 of the Explanatory Statement entitled "Capital Raising Background". The funds raised by the Placement will be used for the purposes outlined in the section 11.1.1 of the Explanatory Memorandum entitled "Capital Raising Background".

² 8,360,000 Shares times (1 plus 15%) equals 9,614,000 Equity Securities.

³ 8,360,000 Shares times 10% equals 836,000 Equity Securities.

⁴ 8,040,000 Shares times 15% equals 1,206,000 Equity Securities.

⁵ 8,040,000 Shares times (1 plus 10%) equals 8,844,000 Equity Securities.

⁶ 14,850,000 Shares times 15% equals 2,227,500 Equity Securities.

⁷ 14,850,000 Shares times 10% equals 1,485,000 Equity Securities.

⁸ 113,676,245 Shares (refer Table 1) times 25% equals 28,419,060 Equity Securities (rounded).

Material terms of agreement	The relevant placement agreement provided that the issue price per Share is \$0.032 and includes various other conditions usual for a placement of this sort.
Voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 1.

11.1.4 Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 1 and advise that they intend to vote any Shares that they own or control in favour of Resolution 1.

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

11.2 Resolution 2 – Approval to issue up to 14,850,000 Shares under the Placement

11.2.1 Background

As noted in the section of this Explanatory Statement entitled “Capital Raising Background”, on page 10, in addition to the Shares already issued pursuant to the Placement a further issue of 14,850,000 Shares (\$475,200) was agreed to be issued to sophisticated, professional and institutional investors who also participated in the Placement on the same terms as proposed for approval under Resolution 1, but was made conditional on Shareholder approval being obtained for the Share issues.

11.2.2 Listing Rules 7.1 and 7.1A

As described above in relation to Resolution 1, subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue or agree to 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.

Exception 17 set out in Listing Rule 7.2 provides that an agreement to issue Equity Securities that is conditional on the holders of the listed company’s ordinary securities approving the issue before the issue is made shall be an exception to this prohibition, provided that if an entity relies on this exception the listed company must not issue the Equity Securities without such approval.

Resolution 2 seeks Shareholder approval for the purpose of Listing Rule 7.1, and all other purposes, for the issue of the Shares to various sophisticated, professional and institutional investors who participated in the Placement.

If Resolution 2 is passed, the Company will be permitted to issue the Shares.

The Shares will also be excluded in calculating the Company’s 15% Threshold 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 date of issue.

As the Company relied on Exception 17 set out in Listing Rule 7.2, the Shares cannot now be issued and included in calculating the Company’s 15% Threshold in Listing Rule 7.1 and 10% Additional Placement Capacity limit in Listing Rule 7.1A.

If Resolution 2 is not passed, the Shares cannot be issued without Shareholder approval. This would mean that the Company could not raise \$475,200 cash from the agreed issue of 14,850,000 Shares, which would limit the Company’s future activities. The Company would have to seek a new source of funds.

A table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company’s capital, assuming Resolutions 1 to 3 (inclusive) are passed is included in Table 1 of this Explanatory Statement.

A table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company’s capacity when calculating the Company’s 15% Threshold in Listing Rule 7.1 and 10% Additional Placement Capacity limit in Listing Rule 7.1A is included in Table 2 of this Explanatory Statement.

11.2.3 Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided in respect of Resolution 2:

Names of allottees or the basis on which those persons were identified or selected	If Resolution 2 is passed, the Shares will be issued to various sophisticated, professional, and institutional investors who participated in the Placement, who were selected in consultation with the Lead Manager. No related party or person who is or was at any time in the 6 months before the Conditional Placement, a substantial 10%+ holder of the Company or any of their respective Associates have participated in, or will receive any Shares pursuant to, the Placement.
Number and class of securities	The maximum number of Shares to be issued pursuant to Resolution 2 is 14,850,000 ordinary fully paid shares (Shares). All Shares will, from their date of issue, rank equally with all other ordinary Shares on issue.
Date of issue	The Shares will be issued as soon as practicable following the Meeting, and in any event, will be issued no later than 3 months after the Meeting.
Issue Price	The issue price for the Shares will be \$0.032 per Share. The Company will receive a total of \$475,200 from the issue of the Shares to be approved pursuant to Resolution 2.
Purpose of issue and use of funds	The purpose of the issue of the Shares is described at section 11.1.1 of the Explanatory Statement entitled "Capital Raising Background". The funds raised by the Placement will be used for the purposes outlined in section 11.1.1 of the Explanatory Memorandum titled "Capital Raising Background".
Material terms of agreement	The relevant placement agreement provided that the issue price per Share is \$0.032 and includes various other conditions usual for a placement of this sort.
Voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 2.

11.2.4 Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 2 and advise that they intend to vote any Shares that they own or control in favour of Resolution 2.

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

11.3 Resolution 3 – Approval to issue up to 5,000,000 Broker Options to Taylor Collison

The Company is a party to an agreement with the Lead Manager to act as lead manager for the Capital Raising (**Lead Manager Agreement**).

For the services provided by the Lead Manager during the Placement, the Company agreed, subject to obtaining Shareholder approval, to issue the Lead Manager, or its nominee(s), with 5,000,000 Options, having an exercise price of \$0.06 and expiry date of three (3) years after their issue date (**Broker Options**).

As described above in relation to Resolutions 1 and 2 (inclusive), subject to a number of exceptions, Listing Rules 7.1 and 7.1A limit the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% and 10% respectively of the fully paid ordinary shares it had on issue at the start of that period.

As mentioned above, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A and, thus, Resolution 3 is seeking approval to issue the Broker Options to Lead Manager.

If Resolution 3 is passed, the Company will be able to issue the applicable number of Broker Options to the Lead Manager.

If Resolution 3 is not passed, then the Company will not be able to issue the Broker Options to the Lead Manager.

A table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company's capital, assuming Resolutions 1 to 3 (inclusive) are passed is included in Table 1 of this Explanatory Statement.

A table summarising the effects of Resolutions 1 to 3 (inclusive) on the Company's capacity when calculating the Company's 15% Threshold in Listing Rule 7.1 and 10% Additional Placement Capacity limit in Listing Rule 7.1A is included in Table 2 of this Explanatory Statement.

11.3.1 Listing Rule 7.3

For the purposes of Listing Rule 7.3, the following information is provided in respect of Resolution 3:

Names of allottees	If Resolution 3 is passed, up to 5,000,000 Broker Options will be issued to Taylor Collison Pty Ltd (or its nominees).
Maximum Number and class of securities	The maximum number of Broker Options proposed to be issued to the Lead Manager (or its nominee(s)) pursuant to Resolution 3) is 5,000,000.
Terms of the securities	The new Broker Options proposed to be issued are unquoted. The Broker Options will: (a) have an exercise price of \$0.06; (b) have an expiry date of three (3) years after their issue date; and

	(c) otherwise have the terms set out in Schedule 2 to this Explanatory Memorandum.
Date of issue	The Broker Options will be issued as soon as practicable following the Meeting, and in any event, will be issued no later than 3 months after the Meeting.
Issue Price	The issue price of the Broker Options is nil as they are being issued for the purpose of satisfying the consideration agreed to be issued to the Lead Manager for acting as lead manager to the Placement.
Purpose of issue and use of funds	The purpose of the issue of the Broker Options is to satisfy the consideration payable to the Lead Manager for acting as lead manager to the Placement. No proceeds will be raised from the issue of the Broker Options. The Company would receive \$300,000 upon exercise of the Broker Options. The funds are intended to be used for the purpose described at section 11.1.1 of the Explanatory Statement entitled "Capital Raising Background".
Material terms of agreement	The Lead Manager Agreement provided: (a) that the Lead Manager would support the Company in undertaking the Placement; (b) that the Lead Manager would receive: (i) A 3% management fee of the Proceeds raised under the Placement announced on 20 May 2024; (ii) A 3% selling fee of the Proceeds raised under the Placement announced on 20 May 2024; and (iii) the Broker Options, subject to Shareholder approval; and (iv) for various other standard conditions for a lead manager agreement of this sort, including various indemnities in favour of the Lead Manager in respect of their role.
Voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 3.

11.3.2 Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 3 and advise that they intend to vote any Shares that they own or control in favour of Resolution 3.

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

11.4 Resolution 4 – Approval of the Eastern Metals Limited Employees and Officers Share Option Plan

11.4.1 Background

In late 2022 Division 1A of Part 7.12 of the Corporations Act was introduced to govern Employee Share Plans. It is therefore considered appropriate for the Company to adopt a new plan to comply with those provisions.

Also as set out elsewhere in this Explanatory Statement, Listing Rule 7.1 prohibits, subject to certain qualified exceptions, the Company from issuing Equity Securities in excess of the 15% Threshold and 10% Additional Placement Capacity.

ASX Listing Rule 7.2 (Exception 13) provides that the general prohibitions contained in Listing Rule 7.1 and 7.1A do not apply to the issue of Equity Securities under the Plan, if, in the three (3) years before the date of the relevant issue, Shareholders have approved the issue of Equity Securities under a share scheme as an exception to Listing Rule 7.1.

Accordingly, for the purposes of ASX Listing Rule 7.2 (Exception 13) and for all other purposes, the Company is seeking approval for any future issues under the Plan.

The main purpose of the Plan is to enable the Company to offer an additional reward to Directors, employees and consultants for providing their dedicated and ongoing commitment and effort to the Company. The Plan is a reward plan designed to increase the motivation of the Company's personnel and create a stronger link between increasing Shareholder value and personnel reward.

11.4.2 Summary of the Eastern Metals Limited Employees and Officers Share Option Plan

A summary of the material terms of the Plan is set out at Annexure B.

11.4.3 ASX Listing Rules 7.1 and 7.2 Exception 13

A summary of ASX Listing Rule 7.1 is set out in paragraph 11.1.2, while the exception within ASX Listing Rule 7.2 (Exception 13) is discussed above in paragraph 11.4.1.

11.4.4 Corporations Act

The Corporations Act restricts the Company from giving certain "benefits" to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act) on ceasing their employment with the Company (Termination Benefits), in the absence of prior shareholder approval unless an exemption applies.

The term "benefit" is defined broadly in the Corporations Act and includes benefits arising from the Board exercising its discretion under the rules of the Plan.

Under the terms of the Plan and subject to the Listing Rules, the Board possesses the discretion to vary the terms or conditions of securities issued in accordance with the Plan. As a result of this discretion, the Board has the power to determine that some or all of a participant's Plan Securities will not be forfeited in the event of the participant ceasing employment or office before the vesting of the relevant Plan Security.

The exercise of this discretion by the Board may constitute a Termination Benefit for the purposes of the Corporations Act. Accordingly, Resolution 4 also seeks Shareholder approval, for the Company to provide these Termination Benefits to participants in the Plan.

This approval is being sought in respect of any current or future participant in the Plan, and the Termination Benefits that may arise if and when any participants cease to be employed or engaged by the Company.

11.4.5 Effect of Resolution 4

Resolution 4 seeks Shareholder approval for the issue of securities under the Plan to be an exception from Listing Rules 7.1 and 7.1A for a period of three (3) years.

If Shareholders approve this Resolution, any issue of Shares or Options under the Plan (Plan Securities) over the three (3) years after the date of the Meeting (up to the maximum number set out in paragraph 11.4.6(c) below) will not use up a portion of the Company's 15% Threshold and 10% Additional Placement Capacity when that issue is made. This means that the Company will preserve its flexibility to issue Equity Securities without seeking Shareholder approval if and when it grants Plan Securities under the Plan.

It should be noted that if Resolution 4 is passed, the Company will only be able issue Plan Securities under the Plan to eligible participants who are unrelated parties without seeking prior Shareholder approval. Any proposed issue of Plan Securities to a Director or related party, or any of their associates, under the Plan will require prior Shareholder approval under ASX Listing Rule 10.14

If Shareholders do not approve this Resolution, the Company may still decide in future to grant Plan Securities to eligible employees and consultants who are unrelated parties under the Plan, but each such issue will not be exempt from Listing Rule 7.1 and will use up a portion of the Company's 15% Threshold and 10% Additional Placement Capacity at the relevant time made (unless another exemption from Listing Rule 7.1 is applicable). The issue of Plan Securities under the Plan in those circumstances would therefore reduce the Company's ability to issue Equity Securities without seeking Shareholder approval.

11.4.6 Technical Information Required by Listing Rule 7.2 Exception 13 and Section 200E of the Corporations Act

Pursuant to and in accordance with ASX Listing Rule 7.2 Exception 13 and section 200E of the Corporations Act, the following information is provided in relation to this Resolution:

- (a) a summary of the Plan is set out in Annexure B;
- (b) the following unlisted Options have been previously granted under the Previous Plan:

Date Granted	Expiry Date of the Options	Vesting Date of the Options	Exercise Price of the Equity Securities	Number of Options
17 February 2022	17 February 2025	17 February 2025	\$0.30	300,000
7 December 2022	7 December 2025	7 December 2022	\$0.30	666,666
7 December 2022	7 December 2025	7 December 2023	\$0.30	666,666
7 December 2022	7 December 2025	7 December 2024	\$0.30	666,668
7 July 2023	9 June 2026	7 July 2023	\$0.10	600,000
23 August 2023	31 December 2026	23 August 2023	\$0.10	2,000,000
				4,900,000

- (c) the maximum number of Plan Securities to be issued under the Plan (other than issues otherwise expressly approved by Shareholders) for the three years following approval under this Resolution is as follows:

- (i) Excluding any Plan Securities that are issued to the Company's Senior Managers or Directors, the number of Plan interests (that involve monetary consideration – i.e. on the exercise of the option) issued over a three-year period must not exceed 5% of the Company's issued share capital; and
 - (ii) Excluding any Plan Securities that are issued to the Company's Senior Managers or Directors, the Company will not make an offer under the Plan if it would result in the aggregate of the number of Shares which would be issued under an outstanding offer under the Plan and the total number of Shares issued in the previous five (5) years under the Plan, exceeding 5% of the total number of Shares issued at the time of the proposed offer.
- (d) A voting exclusion is included in the Notice in relation to Resolution 4;
- (e) Details regarding the Termination Benefits being approved under this Resolution are as follows:
- (i) The Plan contains provisions setting out the treatment of unexercised Plan Securities, including the Board's discretion to waive any vesting conditions attaching to those Options or to deem a person as being a Good Leaver.
 - (ii) As noted above, the exercise of these discretions by the Board will constitute a "benefit" for the purposes of the restrictions contained in the Corporations Act's regarding Termination Benefits; and
- (f) The value of these Termination Benefits will be affected by various matters, and, therefore the value of the Termination Benefits cannot be determined in advance. The value of a particular benefit resulting from the exercise of the Board's discretion under the Plan will depend on factors such as the Company's share price at the time of the exercise of this discretion and the number of Plan Securities that the Board decides to waive the vesting conditions in respect of. Some of the factors that may affect the value of the Termination Benefits are as follows:
- (i) the nature and extent of any vesting conditions waived by the Board;
 - (ii) the number of vesting conditions that have been satisfied at the time that the Board exercises this discretion; and
 - (iii) the number of unexercised Plan Securities that the participant holds at the time that this discretion is exercised.

It is anticipated no more than 10,000,000 Plan Securities will be issued over the forthcoming period of 3 years and then only if such an issue would comply with the Corporations Act and the Listing Rules.

11.4.7 Directors' Plan Securities

Directors are eligible to be offered Plan Securities under the Plan, however, any proposed grant of Plan Securities to a Director or their Associates requires prior Shareholder approval under Listing Rule 10.14 before it can be made, and the passing of this Resolution will not enable the Company to issue any equity securities to a Director or their Associates.

11.4.8 Recommendation

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 4 and advise that they intend to vote any Shares that they own or control in favour of Resolution 4.

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

12 Glossary

10% Additional Placement Capacity means Equity Securities issued by the Company pursuant to Listing Rule 7.1A.

15% Threshold means the restriction on the issue of Equity Securities contained in Listing Rule 7.1, which prohibits the Company (subject to certain exceptions), from issuing or agreeing to issue Equity Securities representing more than 15% of the number of ordinary shares on issue 12 months prior to the intended date of issue, in the absence of prior Shareholder approval.

\$, AUD, cents mean Australian currency, unless disclosed otherwise.

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

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

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

Board means the current board of directors of the Company.

Broker Options means 5,000,000 Options issued to the nominees of Taylor Collison. Terms and conditions of the Options are summarised in Annexure A Rights of the **Broker Options** below.

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

Chair or **Chairman** means the chair of the Meeting.

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

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

Company means Eastern Metals Limited ABN 29 643 902 943.

Constitution means the constitution of the Company.

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

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Statement means the explanatory statement accompanying the Notice.

GM, General Meeting or Meeting means the general meeting of the Company convened by this Notice.

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

Lead Manager means Taylor Collison.

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

Option means an option providing the right to be issued one Share upon payment of an exercise price within the exercise period, at the election of the option holder.

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

Placement means the Company's cash placement to raise \$1,000,000 through the issue of 31,250,000 new Shares at issue price of \$0.032 per Share announced on 20 May 2024.

Plan means the Eastern Metals Limited Employee Share Option Plan Rules, as summarised in Annexure B Summary of the Eastern Metals Limited Employee Share Option Plan Rules.

Previous Plan means the Eastern Metals Limited Employees and Officers Share Option Plan dated 31 May 2021.

Plan Securities means Shares and Options issued in accordance with the Plan.

Proceeds means the gross amount raised under the Placement regardless of which investors those funds are received from and whether the funds are received or arranged by the Company, the Lead Manager or a third party.

Proxy Form means the proxy form accompanying the Notice.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Special Resolution means a Shareholders' resolution with at least 28 clear days of notice. For the resolution to pass, at least 75% of the votes cast must be in favour.

Sydney Time means the time observed in Sydney, NSW Australia.

Taylor Collison means Taylor Collison Limited (ACN 008 172 450 AFSL 247083), sole lead manager and bookrunner to the Placement.

Annexure A Rights of the Broker Options

The rights and liabilities attaching to the ownership of the Broker Options arise from a combination of the terms and conditions set out in the Broker Options terms, the Corporations Act, the Constitution, statute, the Listing Rules and general law.

A summary of the significant rights and liabilities attaching to the Broker Options is set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Broker Option holders.

Broker Options will be issued subject to the following terms and conditions:

a) Entitlement

Each Broker Option entitles the holder to subscribe for one (1) Share upon exercise of the Broker Option.

b) Expiry Date

The Broker Options are exercisable on or before three (3) years of the date of issue and will, except to the extent earlier exercised, lapse on that date.

c) Notice of Exercise

The Broker Options may be exercised by notice in writing to the Company on or before the 'Expiry Date' by delivering a duly completed form of notice of exercise to the Company at any time prior to the expiry date, together with a cheque or by making a direct deposit to a bank account in the name of the Company for the exercise price of \$0.06 per Broker Option.

d) Holding Statements

Holding statements will be issued for the Broker Options. Both the option holding statement and the notice of exercise are required to be duly completed and sent to the Company or the Company's Share Registry when exercising the Broker Options. If there are more Broker Options on a holding statement as, prior to the expiry date the Broker Options have been exercised in part, the Company will issue another holding statement for the balance of the Broker Options held and not yet exercised.

e) Exercise Price

The price for exercise of each Broker Option is \$0.06 per Broker Option.

f) Dividends

The Broker Option holders do not participate in any dividends unless the Broker Options are exercised, and the resultant Shares of the Company are issued prior to the record date to determine entitlement to dividends.

g) Listing

The Company does not intend to seek listing of the Broker Options on ASX.

h) Issue of Shares

Upon a valid exercise of the Broker Options the Company will issue Shares ranking *pari passu* with the then issued Shares. In the event that the Company is listed on ASX at the time of exercise, the Company shall apply for listing of the resultant Shares issued upon exercise of any Broker Option on the ASX.

i) Transfer

The Broker Options may be transferred at any time.

j) Reconstruction

In the event of any reconstruction (including consolidation, subdivision, reduction, or return) of the issued capital of the Company:

- (i) the number of Broker Options, the Exercise Price of the new Broker Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Broker Options which are not conferred on shareholders of the Company: and
- (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the new Broker Options will remain unchanged.

k) Pro-rata Issue

If there is a pro rata issue (except a bonus issue), the Exercise Price of the Broker Option may be reduced according to the following formula.

$$O^n = O - E [P - (S + D)] N + 1$$

Where:

O^n = the new exercise price of the Broker Option.

O = the old exercise price of the Broker Option.

E = the number of underlying securities into which one Broker Option is exercisable.

P =

- where the Company is listed on ASX at the time of the pro-rata issue, the volume weighted average market price per security of the underlying securities during the five (5) trading days ending on the day before the ex-right date or the ex-entitlements date; and
- otherwise, market price per security determined by the accountant for the Company.

S = the subscription price for a security under the pro rata issue.

D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

Bonus Issue: If there is a bonus issue to the holder of Shares, the number of Shares over which the Broker Option is exercisable may be increased by the number of Shares which the option holder would have received if the new Broker Option had been exercised before the record date for the bonus issue.

Participation in new issues: Broker Option holders do not have any right to participate in new issues of securities in the Company made to the Company's shareholders generally. The Company will, where and only to the extent required pursuant to the ASX Listing Rules, provide new Broker Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to the Company's shareholders generally) to exercise the new Broker Options, in accordance with the requirements of the ASX Listing Rules.

Change of terms: The terms of the Broker Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the new Broker Options shall not be changed to reduce the Exercise Price, increase the number of Broker Options, or change any period for exercise of the new Broker Options.

Annexure B Summary of the Eastern Metals Limited Employee Share Option Plan Rules

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

- (i) **Eligible Person** means a person that is an Employee, or another person, determined by the Board as eligible to participate in the Plan from time to time.
- (ii) **Employee** means an employee, consultant, contractor or director of the Company.
- (iii) **Board to make grant of Options:**

The Board may, from time to time, in its absolute discretion:

 - (A) grant, or offer to grant, to an Eligible Employee; or
 - (B) invite Eligible Employees to apply for a grant of,

Options on the terms of the Plan and such additional terms and conditions, including any Performance Conditions, as the Board determines (**Offer**).
- (iv) **Option** means an option to subscribe for and be allotted one Share, subject to and on the terms and conditions set out in the Plan's rules.
- (v) **Exercise Price** means, in relation to an Option, the amount payable by the relevant Participant on exercise of the Option, as determined by the Board and specified in an offer document.
- (vi) **Expiry Date** means, in relation to an Option, the date on which the Option will lapse if it is not exercised before then, as determined by the Board and specified in an offer document.
- (vii) **Vesting Date** means the date when an Option is to vest, as determined by the Board and advised to the Participant.
- (viii) **Participant** means:
 - (A) an Eligible Employee; or
 - (B) where an Eligible Employee has nominated a permitted nominee, the permitted nominee,

who is granted an Option under the Plan.
- (ix) **Cessation of Employment**
 - (A) **Unvested Options**
 - (i) An unvested Option held by a Participant will lapse immediately on the Relevant Person ceasing to be an Employee of the Company for any reason, unless as otherwise determined by the Board.
 - (ii) The Board may, in its discretion:
 - I. determine the treatment of the unvested Options held by a Participant;
 - II. determine that all or some of those unvested Options are not to lapse and/or are to vest,

where the Relevant Person ceases to be an Employee of the Company due to a Qualifying Reason.
 - (iii) The Board will give written notice to each Participant of the number of Options that vest.
 - (B) **Forfeiture of Shares allocated on vesting of Options**

The Board may, at its absolute discretion, determine that a Participant will forfeit its interest in any Shares that are allocated to the Participant on vesting or exercising of Options if before the issuance of the Shares so allocated, the Relevant Person:

- (i) is dismissed for cause;
- (ii) resigns from their office as an Employee; or
- (iii) is terminated in circumstances that, in the opinion of the Board, involve a failure by the Relevant Person to meet performance objectives in connection with their employment or engagement with the Company.

(C) When a person ceases to be an Employee

For the purposes of the Plan and unless otherwise determined by the Board by notice in writing to the relevant Participant, a Relevant Person does not cease to be an Employee of the Company until such time as the Relevant Person is no longer an Employee (as relevant) of the Company.

- (x) **Performance Conditions** means one or more performance-related or service-related conditions which must be satisfied before an Option vests, as determined by the Board and advised to the Participant.
- (xi) **Permanent Disablement** means the disablement of a Relevant Person with effect that, in the Board's opinion, it is likely to be permanent and will prevent the Relevant Person continuing in their employment with the Company that employs or engages the Relevant Person.

(xii) **Relevant Person** means:

- (A) in respect of a Participant that is an Eligible Employee, that Participant; or
- (B) in respect of a Participant that is a Permitted Nominee of an Eligible Employee, that Eligible Employee.

(xiii) **Qualifying Reason** means:

- (A) the death, Permanent Disablement, Retirement or redundancy of the Relevant Person as determined by the Board in its absolute discretion; or
- (B) any other reason with the approval of the Board.

- (xiv) **Retirement** means the termination of a Relevant Person's employment or engagement with the Company at the normal retirement age or at any other time, including early retirement, with the Company's consent but excluding dismissal or resignation.

(xv) **Title to Options**

Unless the Board determines otherwise, Options may not be registered in any name other than that of the Participant.

(xvi) **Prohibition against hedging**

- (A) A Participant must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the Participant may alter the economic benefit to be derived from Options that remain subject to the Plan rules, irrespective of future changes in the market price of Shares.
- (B) With respect to Options, where a Participant enters, or purports to enter, into any scheme, arrangement or agreement, the Options will immediately lapse.

(xvii) **No Security Interest**

- (A) A Participant may not create a security interest over any of its Options, or any interest in its Options.
- (B) Where a Participant purports to create a security interest over, or transfer, assign, sell, dispose of or otherwise deal with, an Option or any interest in the Option, the Option immediately lapses.

(xviii) **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):

- (A) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
- (B) no change will be made to the Exercise Price.

(xix) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.

(xx) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the holders of Options may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstructions.

(xxi) **Quotation of Options**

The Company will not apply for quotation of the Options to ASX.

(xxii) **Transferability**

The Options are not transferable.

(xxiii) **Alternate satisfaction of Options**

Subject to the terms and conditions set out in the offer document for an Option, the Board may determine that, on exercise of that Option, the Participant will receive a cash payment in full satisfaction of the Shares that would otherwise be allocated on exercise of that Option (after deduction of any amount required by law to be withheld).

(xxiv) **Cashless Exercise Mechanism**

Subject to the terms and conditions set out in the offer document for an Option, the Board may determine that the Participant may elect not to be required to provide payment of the aggregate exercise price for the number of Options specified in an Exercise Notice.

(xxv) **Takeover bid or scheme of arrangement**

- (A) If an Event occurs prior to the vesting of an Option, then the Board may, in its absolute discretion, determine whether:
 - (i) some or all unvested Options vest or lapse (whether subject to conditions or not);
 - or

- (ii) some or all of the unvested Options remain subject to the applicable Performance Conditions (or substitute Conditions),

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the exercise period that has elapsed at that time.

- (B) An event occurs where:

- (i) a takeover bid is made for the Company and the Board resolves to recommend the bid; or
- (ii) a takeover bid is made for the Company and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued shares in the Company; or
- (iii) a court convenes a meeting of shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of the shares in the Company may change; or
- (iv) any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over the Company. **(Event)**

(xxvi) **Amendment of the Plan rules**

- (A) Subject to the Listing Rules and the law:

the Board may, at any time, amend, add to, vary, omit from or substitute any of the Plan rules; and

any change made may be given such retrospective effect as is specified in the written instrument or resolution by which the change is made.

- (B) Subject to clause (C), the consent of a Participant is required for any change to the Rules or Option Terms which prejudicially affects the rights of the Participant in relation to the Options.

- (C) Notwithstanding clause (B), the Board may change the Rules and/or the Option Terms without the written the Participant's consent:

for the purpose of complying with or conforming to present or future State or Commonwealth legislation (including, without limitation, the Corporations Act and ASIC Instruments) and the Listing Rules (as applicable);

to correct any manifest error or mistake; or

to take into consideration possible adverse tax implications for the Company or Participants arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

- (D) As soon as reasonably practicable after making any amendment, the Company must provide written notification to any Participant who is affected by the amendment.

ATTACHMENT 1 – Eastern Metals Limited Employees and Officers Share Option Plan

Employee Share Option Plan Rules

Eastern Metals Limited (ACN 643 902 943)

Dated

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Employee Share Option Plan Rules

Operative provisions

1. Purpose

The purpose of the Plan is to:

- (a) align the interests of Eligible Employees more closely with those of shareholders of the Company;
- (b) assist in the reward, retention and motivation of Eligible Employees in the interests of the Company; and
- (c) provide Eligible Employees with the opportunity to acquire Options, and ultimately Shares (on exercise), in accordance with these Rules.

2. Definitions and interpretation

2.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions have the following meaning:

Application means an application for Options, completed, signed, and delivered to the Company, in accordance with Rules 4.5(a) and 4.6(a) (as applicable).

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means a class order, legislative instrument or individual instrument issued by ASIC, including ASIC Corporations (Employee Share Schemes) Instrument 2022/1021 (if applicable).

ASX means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange or the securities exchange conducted by that entity, as appropriate.

Board means the directors of the Company, or a committee appointed by the Board for the purposes of the Plan.

Business Day means a day that is not a Saturday, Sunday or public holiday in Sydney, New South Wales.

Certificate has the meaning given to that term in Rule 4.7.

Company means Eastern Metals Limited (ACN 643 902 943).

Constitution means the constitution of the Company, as amended from time to time.

Control has the meaning given to it in the Corporations Act.

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

Employee means an employee, consultant, contractor or director of any Group Company.

Eligible Employee means a person that is an Employee, or another person, determined by the Board as eligible to participate in the Plan from time to time.

ESS Interest has the meaning given in section 1100M of the Corporations Act.

Event has the meaning given to that term in clause 8.1(b).

Exercise Price means, in relation to an Option, the amount payable by the relevant Participant on exercise of the Option, as determined by the Board and specified in an Offer Document.

Expiry Date means, in relation to an Option, the date on which the Option will lapse if it is not exercised before then, as determined by the Board and specified in an Offer Document.

Group means the Company, any Subsidiary and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

Group Company means any company or entity that is a member of the Group.

Listing Rules means the listing rules, market rules and operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including the official listing rules of the ASX.

Offer has the meaning given to that term in clause 4.1(a).

Offer Document has the meaning given to it in Rule 4.3.

Offer for Monetary Consideration means, with respect to an Offer for the issue, sale or transfer of Options under this Plan where either or both of the following apply:

- (a) the Options are offered for issue or sale in return for monetary consideration, and the Options will be acquired by the Participant who pays for the Options; or
- (b) monetary consideration is to be provided by the Participant on the exercise of the Options or Performance Rights.

Official List means the official list of entities that ASX has admitted and not removed.

Option means an option to subscribe for and be allotted one Share, subject to and on the terms and conditions set out in these Rules.

Option Terms has the meaning given to it in Rule 5, and includes the terms of grant of Options set out in Schedule 1.

Participant means:

- (a) an Eligible Employee; or
- (b) where an Eligible Employee has nominated a Permitted Nominee pursuant to Rule 4.6, the Permitted Nominee,

who is granted an Option under the Plan.

Performance Conditions means one or more performance-related or service-related conditions which must be satisfied before an Option vests, as determined by the Board and advised to the Participant pursuant to Rule 4.3.

Performance Period means the period in respect of which a Performance Condition is to be satisfied before an Option vests, as determined by the Board and advised to the Participant pursuant to Rule 4.3.

Permanent Disablement means the disablement of a Relevant Person with effect that, in the Board's opinion, it is likely to be permanent and will prevent the Relevant Person continuing in their employment with the Group Company that employs or engages the Relevant Person.

Permitted Nominee means, in respect of an Eligible Employee:

- (a) a spouse, parent, child or sibling of that individual the Eligible Employee;
- (b) a company whose members comprise no persons other than the Eligible Employee and/or their Relatives;
- (c) a company Controlled by the Eligible Employee and/or their Relatives; or
- (d) corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993 (Cth)) where the Eligible Employee is a director of the trustee, and the self-managed superannuation fund is an "associate" of the Eligible Employee, as that term is defined in section 318 of the Income Tax Assessment Act 1936 (Cth).

Plan means this Employee Share Option Plan as in force and amended from time to time.

Qualifying Reason means:

- (a) the death, Permanent Disablement, Retirement or redundancy of the Relevant Person as determined by the Board in its absolute discretion; or
- (b) any other reason with the approval of the Board.

Relevant Person means:

- (a) in respect of a Participant that is an Eligible Employee, that Participant; or
- (b) in respect of a Participant that is a Permitted Nominee of an Eligible Employee, that Eligible Employee.

Retirement means the termination of a Relevant Person's employment or engagement with a Group Company at the normal retirement age or at any other time, including early retirement, with the Group Company's consent but excluding dismissal or resignation.

Rules means these rules of the Plan, as amended from time to time.

Security Interest means any interest, right or power that in substance secures payment or performance of any obligation, for example a mortgage, a charge, or a security interest under the Personal Property Securities Act 2009 (Cth).

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

Subsidiary has the meaning given to it in section 9 of the Corporations Act.

Tax means all kinds of taxes, duties, imposts, deductions, charges and withholdings imposed by a government, together with interest and charges.

Tax Act means the Income Tax Assessment Act 1997 (Cth).

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Vesting Date means the date when an Option is to vest, as determined by the Board and advised to the Participant pursuant to Rule 4.3(e) or otherwise provided in Rules 4.9, 4.10, 5.2, 6, 7, and/or 8 (as applicable).

2.2 Interpretation

In these Rules:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these Rules and, unless the context requires otherwise;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) a reference in the Plan to a Clause is a reference to a clause in a Schedule to the Plan;
- (e) the word 'includes' in any form is not a word of limitation;
- (f) other parts of speech and grammatical forms of a word or phrase defined in these Rules have a corresponding meaning;
- (g) where a consent or approval is required under these Rules, the requirement will, unless something else is clearly intended, means the prior written consent or approval;
- (h) a reference to a party to these Rules includes that party's executors, administrators, successors and permitted assigns;
- (i) the transfer by a Relevant Person from one Group Company to another does

not constitute cessation of employment or engagement;

- (j) reference to any document is a reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (k) a reference to any legislation or any provision of any legislation includes:
 - (i) all regulations, orders or instruments issued under the legislation or provision;
 - (ii) any modification, consolidation, amendment, re-enactment, replacement or codification of such legislation or provision; and
- (l) any reference in the Plan to any enactment or the Listing Rules is a reference to that enactment or those Listing Rules (and to all regulations or instruments issued under them) in force at the time that an invitation or grant (as the case may be) is made under the Plan unless expressed to the contrary in the Rules determined otherwise by the Board pursuant to Rule 10.2 or required at law.

2.3 Income Tax Assessment Act

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

2.4 Corporations Act

- (a) This Plan is a plan to which Division 1A of Part 7.12 of the Corporations Act applies (subject to the conditions to that Act) except to the extent an Offer Document provides otherwise.
- (b) Any Offer made under or pursuant to this Plan is an Offer made under Subdivision C of Division 1A of Part 7.12 of the Corporations Act (subject to the conditions to that Act) except to the extent an Offer Document provides otherwise.

3. Commencement and Operation

3.1 Commencement

This Plan will commence on the date determined by resolution of the Board.

3.2 Operation

The Plan must be operated in accordance with these Rules which bind each Group Company and each Participant.

4. Grant of Options and Issue of Shares

4.1 Board to make grant of Options

- (a) The Board may, from time to time, in its absolute discretion:

- (i) grant, or offer to grant, to an Eligible Employee; or
- (ii) invite Eligible Employees to apply for a grant of,

Options on the terms of this Plan and such additional terms and conditions, including any Performance Conditions, as the Board determines (**Offer**).

(b) Notwithstanding Rule 4.1(a), the Board may decide:

- (i) not to proceed with a grant of Options; or
- (ii) to reject an application for Options,

that is the subject of an Offer, where an Eligible Employee does not satisfy any relevant Performance Conditions imposed by the Board (which may include that the Eligible Employee continues to be an Employee of, or otherwise retained by, the Group) at the time of the actual grant or receipt of applications for a grant of Options under the Offer.

(c) Unless the Board determines otherwise, no payment is required for the grant of Options.

4.2 **Personal Offer**

Subject to Rule 4.6, an Offer is personal and is not assignable.

4.3 **Information to be provided – Options**

Each Offer made or to be made by the Board to an Eligible Employee pursuant to Rule 4.1(a) must specify the following information regarding Options (Offer Document):

- (a) name and address of the Eligible Employee to whom the Offer was made;
- (b) the date of the Offer;
- (c) the number of Options available to the Eligible Employee or the method for determining the number;
- (d) whether the Options will be subject to any Performance Conditions, and if so, details of any applicable Performance Conditions and the applicable Performance Period;
- (e) details of the applicable Vesting Date(s);
- (f) the period or periods during which Options may be exercised and the manner of exercise of the Options;
- (g) the Exercise Price payable on exercise of an Option (if any);
- (h) the date, time and circumstances when Options lapse and becomes unable to be exercised;

- (i) the period during which the Eligible Employee may accept the Offer, as determined by the Board (**Application Period**);
- (j) any other relevant terms and conditions to be attached to the Options or Shares acquired on exercise of Options (including for example, any restrictions on transfer of the Shares); and
- (k) such other information and documents as may be required by the Corporations Act (including, any applicable ASIC Instruments) and the Listing Rules.

The Board may also include in the Offer Document such other specific terms and conditions applicable to the Offer (if any) which are not inconsistent with these Rules.

The Offer Document must be substantially in the form of Schedule 2 (Template Offer Document), or such form as otherwise approved by the Board from time to time.

4.4 **Required documents for Offer**

The Company will send an Offer Document to an Eligible Employee together with:

- (a) an application form;
- (b) a copy of this Plan or a summary of this Plan (in which case this Plan will be made available on request, free of charge);
- (b) any other explanatory material which the Company wishes to distribute; and
- (c) any other documents and information required by the Corporations Act or Listing Rules.

4.5 **Acceptance of application - Options**

- (a) To accept an Offer, an Eligible Employee must complete, sign and return the application form (in the form attached to the Offer Document or in such other form as may be approved by the Board) (**Application**), within the Application Period specified in the Offer Document.
- (b) An Eligible Employee who is granted, or who applies for a grant of, Options pursuant to an Offer is deemed to have agreed to be bound by the terms of these Rules, any additional terms specified in the terms of Offer and, on allocation of Shares (on exercise of an Option), to have agreed to become a member of the Company (and to be bound by the constitution of the Company).
- (c) Following receipt by the Company of an Application, subject to Rule 4.1(b), the Company will grant Options to that Eligible Employee or their Permitted Nominee (as applicable).

4.6 **Permitted Nominees**

- (a) An Eligible Employee that receives an Offer Document may nominate a Permitted Nominee to receive and hold the Options on their behalf by:

- (i) providing details of the Permitted Nominee on the Application; and
 - (ii) having the Permitted Nominee signed the Application and agreed to be bound by the terms of these Rules, any additional terms specified in the terms of the Offer and, on allocation of Shares (on exercise of an Option), to become a member of the Company (and to be bound by the constitution of the Company).
- (b) The Board may, in its absolute discretion and without providing an explanation, decide whether or not a Permitted Nominee nominated by an Eligible Employee will be granted the Options.
 - (c) The Board may, in its absolute discretion, require the Eligible Employee to provide further information in relation to their Permitted Nominee.
 - (d) Where the Board decides not to grant the Options to a Permitted Nominee under an Offer, the Board will grant the Options to the Eligible Employee instead, and the Eligible Employee is deemed to have accepted the Offer personally.
 - (e) Where the Board decides, in its absolute discretion, to grant the Options to an Eligible Employee's Permitted Nominee under an Offer, the Eligible Employee is deemed to have renounced its Offer in favour of the Permitted Nominee.
 - (f) Where a Permitted Nominee has been nominated to receive and hold the Options and the Permitted Nominee is not a spouse, parent, child or sibling of that individual of an Eligible Employee, the Eligible Employee must immediately notify as soon as he or she becomes aware of any transaction which may result in them ceasing to Control (alone or jointly with their Relatives) their Permitted Nominee.

4.7 **Option statement or certificate**

The Company will, within ten Business Days after the Participant is granted the Options, deliver to each Participant:

- (a) a statement in the form the Board decides evidencing the grant of the Options; or
- (b) if required by the Constitution or otherwise by law, a certificate evidencing the grant of the Options in accordance with the Constitution or law,

(Certificate).

4.8 **Title to Options**

Unless the Board determines otherwise, Options may not be registered in any name other than that of the Participant.

4.9 **Prohibition against hedging**

- (a) A Participant must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the Participant may

alter the economic benefit to be derived from Options that remain subject to these Rules, irrespective of future changes in the market price of Shares.

- (b) With respect to Options, where a Participant enters, or purports to enter, into any scheme, arrangement or agreement described in Rule 4.9(a), the Options will immediately lapse.

4.10 **No Security Interest**

- (a) A Participant may not create a Security Interest over any of its Options, or any interest in its Options.
- (b) Where a Participant purports to create a Security Interest over, or transfer, assign, sell, dispose of or otherwise deal with, an Option or any interest in the Option, the Option immediately lapses.

4.11 **Shareholders' approval**

Notwithstanding Rule 4.1(a), to the extent required by the Listing Rules or the Corporations Act, the grant of Options under this Plan generally or to any particular Eligible Employees or their Permitted Nominee is subject to receipt of any necessary shareholder or other regulatory approvals under:

- (a) the Corporations Act or any other law applicable to the Company; and
- (b) for so long as the Company is listed on the ASX, the applicable Listing Rules.

4.12 **Overriding restrictions on grant and exercise**

Notwithstanding anything else in these Rules or in the terms of any Option, an Option may not be offered, granted or exercised if to do so:

- (a) would contravene the Corporations Act or the Listing Rules (as applicable); or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Participant's country of resident or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances.

5. **Option Terms**

5.1 **Option Terms**

An Option:

- (a) must be granted on the terms set out in Schedule 1; and
- (b) may be granted on such other additional terms, conditions or restrictions, not being inconsistent with these Rules or the terms set out in Schedule 1, as the Board determines either generally or in relation to particular Option,

(these are the **Option Terms**).

5.2 Vesting of Options

- (a) Where an Option granted under this Plan is subject to a Performance Condition or Performance Conditions:
 - (i) the Option will not vest, and will not become exercisable, unless each Performance Condition applicable to the Option (if any) has been satisfied, or waived by the Board in its absolute discretion, within the relevant Performance Period; and
 - (ii) as soon as reasonably practicable after the end of the relevant Performance Period, the Board will determine whether and to what extent any Performance Condition has been satisfied or waived.
- (b) The Board may, in its absolute discretion, determine that an Option vests and becomes exercisable prior to the date specified by the Board in the Offer Document.

5.3 Alternate satisfaction of Options

Notwithstanding any other provisions in this Plan, the Board may determine that, on exercise of a vested Option, the Participant will receive a cash payment in full satisfaction of the Shares that would otherwise be allocated on exercise of that Option (after deduction of any amount required by law to be withheld).

5.4 Nature of rights attached to Option

- (a) A Participant does not have a legal or beneficial interest in any Shares by virtue of acquiring or holding an Option. A Participant's rights under the Options are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividend or other shareholder benefits until its Options have vested and been exercised and Shares have been allocated to the Participant as a result of the exercise of those Options.
- (b) An Option does not confer on its holder any right or entitlement to:
 - (i) receive notice of, or to vote or attend at, a meeting of the shareholders of the Company;
 - (ii) receive any dividends declared by the Company;
 - (iii) receive any return of capital, whether in winding up or on a reduction of capital of the Company or otherwise; nor
 - (iv) participate in the surplus profits or assets of the Company on within up of the Company,

unless and until the Option is exercised and the holder of the Option holds Shares as a result of the exercise.

5.5 Inconsistency

To the extent of any inconsistency between the Option Terms and these Rules, these

Rules prevail.

6. Cessation of Employment

6.1 Unvested Options

- (a) An unvested Option held by a Participant will lapse immediately on the Relevant Person ceasing to be an Employee of the Group for any reason, unless as otherwise determined by the Board in accordance with Rule 6.1(b).
- (b) Notwithstanding Rule 6.1(a), the Board may, in its discretion:
 - (i) determine the treatment of the unvested Options held by a Participant;
 - (ii) without limiting Rule 6.1(b)(i), determine that all or some of those unvested Options are not to lapse under Rule 6.1(a) and/or are to vest,

where the Relevant Person ceases to be an Employee of the Group due to a Qualifying Reason.

- (c) The Board will give written notice to each Participant of the number of Options that vest pursuant to this Rule 6.1.

6.2 Forfeiture of Shares allocated on vesting of Options

The Board may, at its absolute discretion, determine that a Participant will forfeit its interest in any Shares that are allocated to the Participant on vesting or exercising of Options if before the issuance of the Shares so allocated, the Relevant Person:

- (a) is dismissed for cause;
- (b) resigns from their office as an Employee; or
- (c) is terminated in circumstances that, in the opinion of the Board, involve a failure by the Relevant Person to meet performance objectives in connection with their employment or engagement with the relevant Group Company.

6.3 When a person ceases to be an Employee

For the purposes of this Plan and unless otherwise determined by the Board by notice in writing to the relevant Participant, a Relevant Person does not cease to be an Employee of the Group until such time as the Relevant Person is no longer an Employee (as relevant) of any Group Company.

7. Fraud, Dishonesty or Material Misstatement

7.1 Action of Participant

Where, in the opinion of the Board, a Participant or former Participant (or, where the Participant is a Permitted Nominee of an Eligible Employee, the Eligible Employee):

- (a) acts fraudulently or dishonestly; or

- (b) is in breach of their obligations to the Group; or
- (c) is convicted of a criminal offence or is guilty of any other wilful or recklessly indifferent conduct which, in the opinion of the Board, may injure or tend to injure the reputation and/or the business or operations of a Group Company; or
- (d) is knowingly involved in a material misstatement of financial statements,

then the Board may determine that:

- (e) the Performance Conditions and/or Performance Period applying to the Options should be reset or altered (as the case may be);
- (f) all or any Options of the Participant that have not vested or have vested but not been exercised, will lapse;
- (g) the offer of all or any Options, will lapse;
- (h) all or any Shares held by the Participant following exercise of Options are forfeited; and/or
- (i) where Shares that have been allocated to the Participant on exercise of Options have been sold, that the Participant repay all or part of the net proceeds of such a sale to the Company.

7.2 **Actions of others**

Where, in the opinion of the Board, an Option vests, or may vest, as a result of the fraud, dishonesty, breach of obligations or knowing material misstatement of financial statements by an Employee other than the Participant, the Board may determine that the Option has not vested and may, subject to applicable laws, determine any treatment in relation to the Option (including resetting Performance Conditions, deeming Shares to be forfeited and/or new Options be granted) to ensure that no unfair benefit is obtained by a Participant as a result of the actions of another person.

8. **Change of Control - Options**

8.1 **Takeover bid or scheme of arrangement**

- (a) If an Event occurs prior to the vesting of an Option, then the Board may, in its absolute discretion, determine whether:
 - (i) some or all unvested Options vest or lapse (whether subject to conditions or not); or
 - (ii) some or all of the unvested Options remain subject to the applicable Performance Conditions (or substitute Conditions),

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the Period that has elapsed at that time.

- (b) An Event occurs where:
 - (i) a Takeover Bid is made for the Company and the Board resolves to recommend the bid; or
 - (ii) a Takeover Bid is made for the Company and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued shares in the Company; or
 - (iii) a court convenes a meeting of shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of the shares in the Company may change; or
 - (iv) any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over the Company.

8.2 Acquisition of shares in another company

If a company (**Acquiring Company**) obtains control of the Company and the Company, the Acquiring Company and the Participant agree, a Participant may be provided with securities in the Acquiring Company or its parent or its subsidiary in substitution for Options, on substantially the same terms and subject to substantially the same conditions as the Options, but with appropriate adjustments to the number and kind of securities the subject of the Options.

8.3 Notification of vesting

The Board will give written notice to each Participant of the extent to which Options vest pursuant to this Rule 8.

9. Compliance with laws

9.1 Application

- (a) These Rules and the Eligible Employee's entitlements under the Plan are subject to:
 - (i) the Listing Rules, for so long as the Company is listed on the ASX; and
 - (ii) the Constitution, the Corporations Act or any other applicable laws or regulations, including but not limited to ASIC Instruments.
- (b) Notwithstanding any other Rule, every provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC, ASIC Instruments or the Listing Rules (as applicable) in respect of the Plan that is required to be included in these Rules in order for the exemption or modification to have effect is deemed to be contained in these Rules. To the extent that any provision deemed by this Rule to be contained in these Rules is inconsistent with any other provision in these Rules, the deemed provision will prevail.

9.2 Plan Limits

Notwithstanding any other Rules, no Option may be offered under the Plan if to do so would contravene the Corporations Act, the Listing Rules or ASIC Instruments from time to time relating to employee share schemes.

9.3 Issue cap for Offers for Monetary Consideration

- (a) An Offer for Monetary Consideration must comply with the applicable requirements of section 1100Q of the Corporations Act.
- (b) Without limiting clause 9.3(a), the Company must reasonably believe, at the time of making an Offer for monetary consideration, that:
 - (i) the total number of Shares that are, or are covered by, the ESS Interests of the Company that may be issued under the Offer; and
 - (ii) the total number of Shares that are, or are covered by the ESS Interests of the Company that have been issued, or could have been issued, under Offers made in connection with the Plan at any time during the 3 year period ending on the day the Offer is made,

does not exceed the percentage referred to in clause 9.3(c) of the number of those Shares actually issued by the Company (whether in connection with the Plan or otherwise) as at the start of the day the Offer is made.

- (c) The percentage is:
 - (i) if the Constitution specifies an issue cap percentage, then that percentage; or
 - (ii) if clause 9.3(c)(i) does not apply, the greater of:
 - (A) 5%; and
 - (B) the percentage (if any) specified by the regulations for the purposes of section 1100V(2)(b) of the Corporations Act.
- (d) For the purposes of Listing Rule 7.2 Exception 13, the maximum number of Securities that may be issued under the Plan is 10,000,000 Plan Securities over the forthcoming period of three (3) years, or such number as is otherwise approved by Shareholders from time to time and then only if such an issue would comply with the Corporations Act and the Listing Rules.

10. Administration of Plan

10.1 Amendment of the Rules

- (a) Subject to this Rule 10.1, Listing Rules and the law:
 - (i) the Board may, at any time, amend, add to, vary, omit from or substitute any of these Rules; and

- (ii) any change made pursuant to this Rule 10.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the change is made.
- (b) Subject to Rule 10.1(b), the consent of a Participant is required for any change to the Rules or Option Terms which prejudicially affects the rights of the Participant in relation to the Options.
- (c) Notwithstanding Rule 10.1(b), the Board may change the Rules and/or the Option Terms without the written the Participant's consent:
 - (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation (including, without limitation, the Corporations Act and ASIC Instruments) and the Listing Rules (as applicable);
 - (ii) to correct any manifest error or mistake; or
 - (iii) to take into consideration possible adverse Tax implications for the Company or Participants arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.
- (d) As soon as reasonably practicable after making any amendment under this Rule 10.1, the Company must provide written notification to any Participant who is affected by the amendment.

10.2 Board powers

The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Plan and may:

- (a) delegate to any person for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan consistent with these Rules, including the application forms and any other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) waive any provision of the Plan (including this Rule 10.2), or any term or condition (including a Condition or other restriction) relating to the Options or Shares (to be issued on exercise of Options);
- (e) determine to suspend or cease operation of the Plan at any time and take any actions required to affect the winding up of the Plan;
- (f) act or refrain from acting at its discretion under these Rules or concerning the Plan or the Options or Shares held under the Plan; and

- (g) waive any breach of a provision of the Plan.

10.3 **No fiduciary capacity**

The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests or another person or as requested by another person and will not be under any fiduciary obligation to another person.

10.4 **Costs**

- (a) The Company must pay all the expenses, costs and charges incurred in operating the Plan.
- (b) The Company is not responsible for any duties or Taxes which may become payable in connection with the grant of Options, the issue and allotment of Shares on exercise of Options or any other dealing with Options or Shares.

10.5 **Enforcement**

These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Options granted under the Plan, will be deemed to form a contract between the Company and the Participant.

10.6 **Participants bound**

Participants issued with Options under this Plan are bound by this Plan and by the Constitution of the Company.

10.7 **Notices**

- (a) A notice or other communication under or concerning the Plan is validly given:
 - (i) by the Company to an Eligible Employee or Participant (as the case may be), if delivered physically or electronically to the addressee or sent by prepaid post to that person's last known residential address, or
 - (ii) sent to that person physically or by email at their place of work or posted on an internet or intranet site maintained by or for the Company and accessible by the Eligible Employee or Participant (as the case may be); and
 - (iii) by an Eligible Employee or Participant (as the case may be) to the Company if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (unless the Board specifies another address for a particular purpose).

Any notice required to be given to a Permitted Nominee is validly given if it is provided to the relevant Eligible Employee in accordance with Rule 10.7(a)(i).

(b) Delivery of notices:

Subject to Rule 10.7(a)(i), a notice or other communication will be deemed to have been served:

- (i) if delivered by hand, at the time of delivery;
- (ii) if sent by facsimile or electronic mail, on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery; or
- (iii) if posted, and provided it is properly addressed and stamped, 3 Business Days after mailing in Australia and 10 Business Days after mailing outside Australia.

10.8 Terms of employment not affected

- (a) The rights and obligations of an Eligible Employee under the terms of their office, employment or contract with the Group are not affected by their participation in the Plan.
- (b) Participation in the Plan will only be offered to an Eligible Employee at the discretion of the Board. There is no guarantee of future offers being made under the Plan.
- (c) These Rules do not form part of, and will not be incorporated into, any contract of an Eligible Employee.

10.9 Non-residents of Australia

- (a) The Board may, at any time, amend, add to, vary, omit from or substitute any of these Rules to ensure compliance with the requirements of, or impact of, any law or regulation in any jurisdiction outside of Australia. This Rule 10.9 applies notwithstanding anything in this Plan.
- (b) This Rule 10.9 applies in relation to any Participant who holds Options under the Plan from time to time and who is resident or may become resident in any jurisdiction outside Australia.
- (c) Any different rules that may apply must be notified to each affected Participant in writing.
- (d) For the purposes of clarification, any different rules that are adopted under Rule 10.9(a) may have an adverse impact on the Participant. However, any different rules that may apply must comply, to the extent legal and practicable, with the basic principles of the Plan.

10.10 Personal information

Each Eligible Employee and Permitted Nominee consents to the Company or its agents (and each of their related parties) collecting, holding and using personal information (including an Eligible Employee's or Permitted Nominee's tax file number) that the Eligible Employee or Permitted Nominee (as applicable) provides in the

application to participate in the Plan or otherwise provides to the Company or its agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Plan in accordance with these Rules, including providing relevant information to:

- (a) the Plan manager or another entity that manages or administers the Plan on behalf of the Company;
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) the trustee of any employee trust;
- (d) any Government department or body; and
- (e) any other person or body as required or authorised by law.

10.11 Miscellaneous

- (a) The Participant does not have any rights under this Plan to compensation or damages in consequence of the exercise by the Company of any right, power or discretion which results in the Participant ceasing to have title to the Options or Shares (issued on exercise of Options).
- (b) Except as otherwise expressly provided in these Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the terms of the Plan and in the exercise of any power or discretion under these Rules.

10.12 Severance

Any provision of these Rules which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability. This will not invalidate the remaining provisions of these Rules nor affect the validity or enforceability of the provision in any other jurisdiction.

10.13 Governing Law

The rules and conditions of this Plan are governed by the law in force in New South Wales.

10.14 No representation as to share price

- (a) None of the Company, its directors, officers or employees represents that the Company's share price will attain, maintain or exceed the Exercise Price. A Participant who chooses to exercise any Option does so at their own risk in that he may suffer financial detriment if the Company's share price falls.
- (b) Each Eligible Employee acknowledges that:
 - (i) any advice given by the Company in relation to the Options or the Shares does not take into account an Eligible Employee's objectives, financial situation and needs; and

- (ii) each Eligible Employee should consider obtaining their own financial product advice from a person who is licensed by ASIC to give such advice.

10.15 **Advice**

Participants should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of, or relating to, participating in the Plan.

10.16 **Error in allocation**

If any Option is provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient will have no right or interest, and will be taken never to have had any right or interest, in that Option and any such Options will immediately lapse or be forfeited.

11. **Taxation**

11.1 **No liability**

Neither the Group Companies nor any of their directors, officers, employees, representatives, advisers or agents:

- (a) take any responsibility or assume any liability for the tax liabilities of Participants as a consequence of their participation in the Plan or the grant of any Option; or
- (b) represent or warrant that the Plan will have any particular tax or financial consequences or that the Participant will gain any Tax or financial advantage by participating in the Plan.

11.2 **Tax reimbursement**

The Board may, at the time of an Offer, provide that the Eligible Employee is required to reimburse the Company in the event that any Group Company is obliged to account for Tax in connection with, or as a result of, the grant or transfer of the Options to the Eligible Employee or their Permitted Nominee.

12. **Non-Exclusivity**

12.1 **Non-exclusivity**

This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible Employees, nor will it preclude any Group Company from authorising or approving other forms of incentive compensation for Employees of any Group Company.

12.2 **Relationship to other equity plans**

Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any Group Company, except as specifically provided in the terms of that other plan.

13. Suspension or Termination of the Plan

13.1 Suspension

The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

13.2 Termination

The Plan continues in operation until the earlier of the date:

- (a) the Board decides to end it; and
- (b) the Company's removal from the Official List.

13.3 Effect of suspension / termination

If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

13.4 Cancellation

Notwithstanding any other provisions of these Rules, but subject at all times to any applicable laws and regulations, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Options granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Options may be cancelled in the manner agreed between the Company and the Participant.

Schedule 1: Terms of Grant of Options

Each Option entitles the holder to subscribe for one (1) ordinary share (**Share**) in the Company, subject to and on the following terms and conditions:

- (a) **Entitlement:** Each Option entitles the holder to subscribe for one Share on exercise of the Option.
- (b) **Expiry Date:** Each Option will expire at 5.00pm (Sydney time) on the expiry date as set out in the relevant offer document for the Option (**Expiry Date**).
- (c) **Exercise Price:** Each Option will have the relevant exercise price as set out in the relevant offer document for the Option (**Exercise Price**).
- (d) **Vesting, exercise period and lapsing:** Subject to the terms of the offer document for the relevant Option (including any performance conditions and vesting conditions set out therein (**Performance Conditions**)):
 - (i) each Option vests on the vesting date as set out in the offer document for that Option (**Vesting Date**);
 - (ii) each vested Option may be exercised at any time after the Vesting Date for the Option and prior to 5pm (Sydney time) on the Expiry Date;
 - (iii) each unvested Option is not exercisable prior to the Vesting Date;
 - (iv) each unexercised Option (whether vested or unvested) will lapse automatically and immediately after the earlier of:
 - (A) 5pm on its Expiry Date; or
 - (B) failure to satisfy the Performance Conditions attached or applicable to that Option (if any), unless otherwise waived by the Board in its absolute discretion.
- (e) **Exercise Notice and payment:** Options may be exercised by filling out and signing a notice in writing to the Company, in the form required by the Company from time to time (**Exercise Notice**) together with payment to the Company of the Exercise Price for each Option being exercised. Any Exercise Notice for 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. Cheques paid in connection with the exercise of Options must be in Australian currency, made payable to the company and crossed "Not Negotiable".

If a Participant does not deliver a signed Exercise Notice and pay the Exercise Price (if any) to or as directed by the Company in relation to the Option(s) by the Expiry Date, the Option(s) will automatically be forfeited.
- (f) **Shares issued on exercise:** Shares issued on exercise of Options will rank equally in all respects with then existing fully paid ordinary shares in the Company.

- (g) **Quotation of Shares:** Provided that the Company is quoted on the official list of ASX Limited at the time, application will be made by the Company to ASX Limited for quotation of the Shares issued pursuant to the exercise of the Options.
- (h) **Timing of issue of Shares:** Within 5 business days after the receipt of an Exercise Notice the Company will allot and issue the Shares pursuant to the exercise of the Options. The Company makes no representation that the Shares will be freely tradeable on issue and the holder acknowledges that the Shares may be subject to the on-sale restrictions contained in sections 706 and 707 of the *Corporations Act 2001* (Cth). In these circumstances, the holder agrees not to trade the Shares for so long as the Shares are subject to such restrictions.
- (i) Shareholder and regulatory approvals:
- (i) Notwithstanding any other provision of these terms and conditions, exercise of Options into Shares will be subject to the Company obtaining all required (if any) Shareholder and regulatory approvals for the purpose of issuing Shares to the holder.
 - (ii) If exercise of the Options would result in any person being in contravention of section 606 of the *Corporations Act 2001* (Cth) then the exercise of each Option that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606 of the *Corporations Act 2001* (Cth).
 - (iii) Holders must give notification to the Company in writing if they consider that the exercise of the Options may result in the contravention of section 606 of the *Corporations Act 2001* (Cth), failing which the Company will be entitled to assume that the exercise of the Options will not result in any person being in contravention of section 606 of the *Corporations Act 2001* (Cth).
- (j) **Participation in new issues:** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least four business days after the issue is announced. This is intended to give the holders of Options the opportunity to exercise their Options prior to the announced record date for determining entitlements to participate in any such issue.
- (k) **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 holder would have received if the holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.

- (l) **Adjustment for rights issue:** If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.
- (m) **Adjustments for reorganisation:** If there is any reconstruction of the issued share capital of the Company, the rights of the holders of Options may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstructions.
- (n) **Quotation of Options:** The Company will not apply for quotation of the Options to ASX Limited.
- (o) **Transferability:** The Options are not transferable.
- (p) **Alternate satisfaction of Options:** Subject to the terms and conditions set out in the offer document for an Option, the Board may determine that, on exercise of that Option, the Participant will receive a cash payment in full satisfaction of the Shares that would otherwise be allocated on exercise of that Option (after deduction of any amount required by law to be withheld).

Schedule 2: Template Offer Document

[insert date]

[insert name of Eligible Employee]
[insert address of Eligible Employee]

By email: [insert email address]

Dear [insert name]

Eastern Metals Limited – Employee Share Option Plan

1. Background

On behalf of the board of directors of Eastern Metals Limited (ACN 643 902 943) (**Company**) I am pleased to invite you to participate in the Company's Employee Share Option Plan (**Plan**).

The objectives of the Plan are to:

- a. align the interests of Eligible Employees more closely with those of shareholders of the Company
- b. assist in the reward, retention and motivation of Eligible Employees in the interests of the Company; and
- c. provide Eligible Employees with the opportunity to acquire Options, and ultimately shares.

Enclosed is a copy of the Plan. Terms used in this offer letter have the same meaning as used in the Plan. To the extent that there is any inconsistency between the Plan and the terms of this offer letter, this offer letter prevails.

2. Offer

The Company invites you to apply for the number of Options described in the table below under the Plan, on the terms and conditions in this offer letter and the Plan (this is the **Offer**).

This Offer is made under Division 1A of Part 7.12 of the Corporations Act. Please read the terms and conditions set out below and the Plan carefully before accepting the Offer.

Key details:

Number of Options	[insert number of Options available to the Eligible Employee or the method for determining the number]
Performance Conditions	The Offer [is/is not] subject to the following Performance Conditions: [insert details of any Performance Conditions and applicable Performance Period (if any)]
Performance Period	[insert applicable Performance Period (if any)]

Vesting Date(s)	[insert]
Expiry Date	5:00pm on [insert date]
Exercise Price (per Option)	[insert]
Nature of rights attached to Option	Please see Rule 5.4 of the Plan.

3. Acceptance of the Offer

This Offer is personal to you and may only be accepted by you. Other than as specifically provided in this Offer you may not in whole or in part assign, transfer or in any other manner, deal with the Offer.

This Offer remains open for acceptance by you from the date of this letter (being the date of the Offer) until 5:00pm on [insert date] (**Application Period**) at which time this Offer will close and lapse.

You may apply for the Options by filling out the Application Form (Attachment 1) and returning to the Company Secretary before the end of the Application Period.

Under the Plan, you may give the Board a written renunciation notice (pursuant to the Application Form) nominating a Permitted Nominee in whose favour you wish to renounce the Offer. Please discuss this with the Company Secretary if you have any queries.

By signing the Application Form, you (or your Permitted Nominee) acknowledge that no grant of Options will be made to you to the extent that it would contravene the Company's Constitution, Corporations Act, ASX Listing Rules or any other applicable law.

[If the Options have an exercise price of nil: On receipt of a signed copy of the Application Form, and its acceptance by the Company, the Company will grant the Options to you (or your Permitted Nominee) together with a certificate for the Options.]

[If the Options have an exercise price: On receipt of a signed copy of the Application Form, its acceptance by the Company and the expiry of the waiting period described below, the Company will grant the Options to you (or your permitted nominee) together with a certificate for the Options.]

In accordance with the requirements of section 1100Y(1) of the Corporations Act, you may not acquire the Options until a minimum of 14 days after receiving this Offer. Accordingly, the grant of Options will occur no sooner than [insert date]. You may withdraw your acceptance at any time before that date by the provision of written notice to the Company Secretary.]

4. Exercise of Options

The Options may be exercised on or before the Expiry Date (subject to the satisfaction of any applicable Performance Conditions). If the Options are not exercised by the Expiry Date, the Options will lapse and become unable to be exercised.

Schedule 1 of the Plan sets out the terms and conditions that apply to the grant of Options, including how the Options may be exercised. A copy of the exercise notice is attached to this Offer (Annexure 2).

5. Disclaimer

This Offer is for your exclusive use and is a personal offer to you. It is not to be copied or circulated to any other person by you other than your professional advisers.

This Offer is not a prospectus under the Corporations Act, and it has not been lodged with the Australian Securities and Investments Commission.

The information contained in this Offer is being provided on a confidential basis to you solely for the purpose of evaluating the Offer.

No assurance can be given by the Company as to the accuracy or completeness of the information in this Offer.

No responsibility or liability (including in negligence) is assumed by the Company for such information or for updating any such information or to inform you of any new information of which the Company may become aware.

The provision of this Offer is not and should not be considered as a recommendation in relation to an investment in the Company, or that an investment in the Company is a suitable investment for you.

6. Advice

This Offer does not purport to provide all of the information you may require in order to evaluate an investment in the Company. The Company in making the Offer is not giving you any financial, legal, tax or investment advice.

There are legal and tax consequences associated with participation in the Plan. You should ensure that you consider and understand these consequences before accepting this Offer.

Any advice given by or on behalf of the Company is general advice only and does not take into account any your objectives, financial situation and needs. You should consider obtaining your own financial product advice from an independent person who is licensed to give such advice.

7. Taxation considerations

Subdivision 83A-C of the Income Tax Assessment Act 1997, which enables tax deferral on options, may apply (subject to the conditions in that Act) to Options granted to you under this Offer.

You are advised to seek independent professional advice regarding the tax consequences of the grant of Options and the acquiring and disposing of any Shares that are issued on exercise of Options under the Plan in light of current tax laws in your country of residence and your particular investment circumstances.

8. Sale of Shares

You should be aware that there are restrictions imposed by general law and the Corporations Act on dealing in shares by persons who possess material information likely to

affect the value of the shares and which is not generally available. These laws may restrict the acquisition or disposal of shares by you during the time you have such information.

Shares which are allocated to you on exercise of Options will be subject to the terms of the Company's securities trading policy (a copy of which is enclosed with this Offer).

9. Previous disclosure documents

In the 12-month period prior to the date of this Offer, the Company has issued the following disclosure documents under Part 6D.2 of the Corporations Act for the offer of Options which are of the same class as the Options being offered under this Offer:

- [insert], which may be viewed and downloaded at [insert]; and
- [insert], which may be viewed and downloaded at [insert].]

10. Corporations Act Section 1100Z

For the purposes of section 1100Z of the Corporations Act:

- a. This offer document does not include any misleading or deceptive statements or omissions that would result in the offer document being misleading or deceptive
- b. The Company (as offeror) will provide each Participant with an updated offer document as soon as practicable if, during the Application Period, it becomes aware that the offer document has become out of date, or is otherwise not correct, in a material respect
- c. Persons mentioned in items 2, 3 and 4 of the table below must notify the offeror (in writing) as soon as practicable if, during the application period for the offer, the person becomes aware that:
 - a material statement in the offer document is misleading or deceptive; or
 - information was omitted from those documents that has resulted in one or more of those documents being misleading or deceptive; or
 - a new circumstance has arisen during the application period which means the ESS offer document is out of date, or otherwise not correct, in a material respect.
- d. A Participant who suffers loss or damage from an out of date or deceptive or misleading statement or omissions or a failure to provide required documents, can recover damages in accordance with the following table:

Item	A participant may recover loss or damage suffered as a result of a contravention of ...	from these people ...
1	a term of the offer covered by any of the following paragraphs: (a) para (1)(a) (misleading or deceptive statements and omissions); (b) para (1)(b) (out of date ESS offer document); (c) para (1)(c) (out of date option or incentive right information)	the body corporate or responsible entity making the offer

Item	A participant may recover loss or damage suffered as a result of a contravention of ...	from these people ...
2	a term of the offer covered by any of the following paragraphs: (a) para (1)(a) (misleading or deceptive statements and omissions); (b) para (1)(b) (out of date ESS offer document); (c) para (1)(c) (out of date option or incentive right information)	each director of the body corporate or responsible entity making the offer
3	a term of the offer covered by any of the following paragraphs: (a) para (1)(a) (misleading or deceptive statements and omissions); (b) para (1)(b) (out of date ESS offer document); (c) para (1)(c) (out of date option or incentive right information)	a person named, with their consent, in an ESS offer document, any supporting information or the terms of the offer as a proposed director of the body corporate or responsible entity of a registered scheme whose ESS interests are being offered
4	a term of the offer covered by para (1)(a) (misleading or deceptive statements and omissions)	a person named, with their consent, in the ESS offer document or the terms of the offer as having made: (a) the misleading or deceptive statement; or (b) a statement on which the misleading or deceptive statement is based
5	a term of the offer covered by para (1)(d) or (e) (failure to notify body corporate or responsible entity of misleading or deceptive statement and omissions or new circumstances)	the person mentioned in item 2, 3 or 4 of this table who failed to notify the body corporate or responsible entity in accordance with the term covered by para (1)(d) or (e)

The persons referred to in the table above will not be liable for loss or damage suffered by a Participant because of misleading or deceptive statements or omissions, or a failure to provide updated documents if:

- a. the person made all inquiries (if any) that were reasonable in the circumstances and after doing so, believed on reasonable grounds that the statement was not misleading or deceptive; or
- b. the person did not know that the statement was misleading or deceptive; or
- c. the person placed reasonable reliance on information given to the person by someone other than a director, employee or agent of the issuer; or
- d. for a person mentioned in items 3 and 4 of the table above, the person proves that they publicly withdrew their consent to being named in the document in that way; or
- e. the contravention arose because of a new circumstance that has arisen since the ESS offer document was prepared and the person proves that they were not aware of the matter.

11. Risks

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Options offered under the Plan, and Shares issued on exercise of the Options.

As with any investment in shares there can be no guarantee that the market value of the Company's Shares will not fall in the future. There is also no assurance as to future dividends or distributions since these are dependent on earnings and the financial condition of the Company.

The above is general information only in relation to the risks of acquiring and holding the Options.

12. Ascertaining the market price of Shares

You can ascertain the market price of the Company's Shares from time to time on the ASX website (www.asx.com.au) under the Company's ASX code EMS or alternatively you may contact the Company Secretary of the Company who can provide this information.

Should you have any queries in relation to this Offer, please contact [insert] on [insert] or by email at [insert].

Yours faithfully

[insert name]

[insert position]

Eastern Metals Limited

Enclosures:

- Employee Share Option Plan
- Securities Trading Policy
- [insert other]

Annexure 1: Application Form

Eastern Metals Limited (ACN 643 902 943) (**Company**) has invited you (or your Permitted Nominee), by an offer letter dated [insert] (**Offer**), to apply for the grant under its Employee Share Option Plan (**Plan**) of certain Options.

The person below applies for [insert] Options under the terms of this Offer, this Application Form and the Plan.

If you are seeking Board approval to renouncing to your Nominee as permitted by the Offer and the Plan, please provide your Nominee's details below:

Full Name: _____

Address: _____

Ph: _____ Email: _____

Tax file number(s) or exemption:

CHESS HIN (where applicable):

In applying for the grant of Options under this Offer, the person below and, where applicable, the Permitted Nominee, acknowledges and agrees:

- a. to be entered on the register of holders of options in the Company as the holder of the Options applied for;
- b. to be entered on the register of shareholders in the Company as the holder of any Shares issued on the exercise of the Options;
- c. to be bound by the terms of the Constitution of the Company;
- d. to be bound by the terms and conditions of the Plan;
- e. to be bound by the terms and conditions of this Offer;
- f. that a copy of the full terms of the Plan has been provided to it;
- g. that, by completing this Application Form, it agrees to appoint the Company Secretary as its attorney to complete and execute any documents and do all acts on its behalf which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan (if applicable);
- h. that any tax liability arising from the Company accepting its application for Options under the Plan, the Company granting the Options or the issue of Shares on conversion of the Options is its responsibility and not that of the Company; and
- i. to the holding, processing, use and disclosure of personal information by the Company for any purpose related to the operation of the Plan, including without

limitation, to providing its tax file number to a share plan administrator in connection with its participation in the Plan (if applicable).

Date: [insert]

Signed by [insert name] in the presence)
of:)
)

Signature of [insert name]

Signature of Witness

Name of Witness in full

[Where your Permitted Nominee is an individual]

Signed by [insert name] in the presence)
of:)
)

Signature of [insert name]

Signature of Witness

Name of Witness in full

[Where your Nominee is a company]

Executed by [insert] (ACN [insert]) in
accordance with section 127(1) of the
Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director

Name of Director/Secretary

Annexure 2: Notice of Exercise of Options

To: The Company Secretary
Eastern Metals Limited (ACN 643 902 943)

I/we _____ of
_____ being registered holder(s)
of Options as set out in the certificate registered holder(s) of Options as set out on the
certificate/statement annexed to this notice, exercise _____ (*insert number*)
Options.

I/ We authorise and direct the Company to register me/us as the holder(s) of the Shares to
be allotted to me/us and I/we agree to accept such Shares subject to the provisions of the
Constitution of the Company.

Dated: _____

Signed by [insert name] in the presence of:)
)
)

Signature of [insert name]

Signature of Witness

Name of Witness in full

Executed by [insert] (ACN [insert]) in
accordance with section 127(1) of the
Corporations Act 2001 (Cth):

Signature of Director

Signature of Director/Secretary

Name of Director

Name of Director/Secretary



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (Sydney time) on Monday, 8 July 2024.**

🖥 TO APPOINT A PROXY ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/emsgm2024>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting therefore by **10:00am (Sydney time) on Monday, 8 July 2024.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/emsgm2024>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Eastern Metals Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the **Level 13, 60 Castlereagh Street, Sydney NSW 2000 on Wednesday, 10 July, 2024 at 10:00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 4 I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 4 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Ratification of 16,400,000 Shares Issued under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue up to 14,850,000 Shares under the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue up to 5,000,000 Broker Options to Taylor Collison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Eastern Metals Limited Employees and Officers Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2024