

18 September 2023

## DISPATCH OF SCHEME BOOKLET – SCHEME OF ARRANGEMENT WITH DEVELOP GLOBAL LIMITED

Essential Metals Limited (ASX:ESS) (**Essential** or the **Company**) refers to its ASX announcements:

- released on 3 July 2023 in relation to the execution of a Scheme Implementation Deed with Develop Global Limited (ASX:DVP) (**Develop**) under which Develop proposed to acquire all the shares in Essential by way of a scheme of arrangement (**Scheme**) for consideration of 1 new Develop share for every 6.18 Essential shares held by Essential shareholders (**Essential Shareholders**) on the Record Date;<sup>1</sup>
- released on 14 September 2023 in relation to the orders made by the Federal Court of Australia (sitting in Perth) (**Court**) that Essential convene a meeting of Essential Shareholders to consider and vote on the Scheme (**Scheme Meeting**) and approving the dispatch of an explanatory statement providing information about the Scheme, together with the notice of the Scheme Meeting (together, the **Scheme Booklet**), to Essential Shareholders; and
- released on 15 September 2023 in relation to the registration of the Scheme Booklet with the Australian Securities and Investments Commission (**ASIC**).

Essential is pleased to announce today the dispatch of the Scheme Booklet following orders by the Court that Essential convene a Scheme Meeting and the registration of the Scheme Booklet with ASIC.

The attached letter, along with a physical copy of the Scheme Booklet (for shareholders who have elected to receive a hard copy), together with a personalised Proxy Form, the Opt-in Notice (for Small Shareholders) and Foreign Declaration Form (if applicable), has been dispatched today by post to Essential Shareholders who have not elected to receive notices of meeting electronically. The letter contains details on where the Scheme Booklet can be viewed and downloaded, and on the Scheme Meeting.

All other Essential Shareholders who have elected to receive communications via post will receive the attached letter containing instructions about how to view or download a copy of the Scheme Booklet, together with a personalised Proxy Form, the Opt-in Notice (for Small Shareholders) and Foreign Declaration Form (if applicable).

An email containing similar information has been sent to those Essential Shareholders who have elected to receive electronic communications.

The Scheme Booklet, including the Independent Expert's Report, will also be available for viewing and downloading at <https://www.essmetals.com.au/dvpscheme>.

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<sup>1</sup> Other than Ineligible Foreign Holders (being those Essential Shareholders with an address as shown in the Share Register on the Record Date in a place outside of Australia and New Zealand and any other jurisdictions in respect of which Develop reasonably believes that it is not prohibited and not unduly onerous or impractical to implement this Scheme and to issue new Develop shares to an Essential Shareholder with a registered address in such jurisdiction) or Non-electing Small Shareholders (being Essential Shareholders who hold less than a marketable parcel of shares who do not opt-in to receive new Develop shares), who will receive their respective pro rata proportion of the sale proceeds of the new Develop shares which would otherwise have been issued to them under the Scheme. Refer to section 3.11 of the Scheme Booklet for more details.

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*This ASX release has been approved by the Board of Directors.*

**For further information:**

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**LETTER TO SHAREHOLDERS REGARDING SCHEME BOOKLET FOR SCHEME OF ARRANGEMENT**

18 September 2023

Dear Shareholder

**Important information – Scheme Booklet, Independent Expert’s Report and Scheme Meeting**

As announced by Essential Metals Limited (ASX:ESS) (**Essential** or the **Company**) to the ASX on 14 September 2023, the Federal Court of Australia (sitting in Perth) (**Court**) has approved Essential convening a meeting (**Scheme Meeting**) of Essential shareholders (**Essential Shareholders**) to consider and vote on Develop Global Limited's (**Develop**) proposed acquisition of all of the shares in Essential by way of a scheme of arrangement (**Scheme**) consideration of 1 new Develop share for every 6.18 Essential shares held by Essential Shareholders on the Record Date.<sup>2</sup>

You have received this letter, together with a personalised Proxy Form, the Opt-in Notice (for Small Shareholders) and Foreign Declaration Form (if applicable) because:

- you are registered as holding Essential shares and you have elected to receive physical copies of shareholding communications (or otherwise you have not elected to receive shareholding communications electronically); or
- although you have elected to receive shareholding communications electronically, we have been notified that our email communication was unable to be delivered to your nominated email address.

If you have recently sold all of your Essential shares, please disregard this letter.

### [Scheme Booklet](#)

The Scheme Booklet is enclosed for those Essential Shareholders who have requested a hard copy, and for the remaining Essential Shareholders, the Scheme Booklet, and other information pertaining to the proposed Scheme, is available online for viewing and downloading from <https://www.essmetals.com.au/dvpscheme/> or on Essential’s ASX Market announcement page at <https://www2.asx.com.au> under Essential’s ticker code ‘ESS’.

**The Scheme Booklet contains important information in relation to the Scheme, and you are encouraged to either access it online, or request a hard copy. You should carefully read and consider the Scheme Booklet in its entirety, including the materials accompanying it, before deciding on how to vote at the Scheme Meeting.**

Unless otherwise defined, capitalised terms used in this letter have the meaning given to them in the Scheme Booklet.

### [Independent Expert’s Report](#)

The Scheme Booklet includes a copy of the Independent Expert’s Report prepared by BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**). The Independent Expert has concluded that, in the absence of a superior

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<sup>2</sup> Other than Ineligible Foreign Holders (being those Essential Shareholders with an address as shown in the Share Register on the Record Date in a place outside of Australia and New Zealand and any other jurisdictions in respect of which Develop reasonably believes that it is not prohibited and not unduly onerous or impractical to implement this Scheme and to issue new Develop shares to an Essential Shareholder with a registered address in such jurisdiction) or Non-electing Small Shareholders (being Essential Shareholders who hold less than a marketable parcel of shares who do not opt-in to receive new Develop shares), who will receive their respective pro rata proportion of the sale proceeds of the new Develop shares which would otherwise have been issued to them under the Scheme. Refer to section 3.11 of the Scheme Booklet for more details.

offer, the Scheme is not fair but reasonable and in the best interests of Essential Shareholders. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

## Recommendation of Essential Directors

The Essential Directors unanimously recommend that Essential Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Essential Shareholders. Subject to those same qualifications, each of the Essential Directors will vote, or procure the voting of, all Essential shares in which they have a relevant interest, in favour of the Scheme.<sup>3</sup>

## Scheme Meeting

The Scheme Meeting will be held in person at 9:00am (AWST) on Wednesday, 18 October 2023 at the Quest Apartment Hotels, 54 Kings Park Road, West Perth WA 6005. All Essential Shareholders registered as at 5:00pm (AWST) on Monday, 16 October 2023 will be eligible to vote at the Scheme Meeting and are encouraged to do so. Further information on how to participate in and vote at the Scheme Meeting is set out in the Scheme Booklet.

## Voting and Forms

Essential Shareholders may vote:

- (a) **In person**, by attending the Scheme Meeting. Essential Shareholders who wish to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting by properly identifying themselves;
- (b) **By proxy**:
  - (1) use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone:



(Note: Login & Click on 'Meetings'. Use the Holder Number as shown at the top of the Proxy Voting Form); or

<sup>3</sup> In considering the unanimous recommendation and intentions of the Essential Board to vote in favour of the Scheme, Essential Shareholders should have regard to section 1.2 of the Scheme Booklet (in relation to the unanimous recommendation of the Essential Board). Essential Shareholders should also note: (1) sections 10.2, 10.3 and 10.5 of the Scheme Booklet, which concerns the treatment of Essential Performance Rights held by Mr Timothy Spencer and Essential Options held by all Directors in connection with the Scheme. The consideration that may be provided under the Option Cancellation Deeds if the Scheme proceeds are 90,545 Develop Shares to Mr Timothy Spencer (with an indicative value of \$266,202 based on the closing price of Develop Shares on the Last Practicable Date), 60,363 Develop Shares to Mr Craig McGown (with an indicative value of \$177,467 based on the closing price of Develop Shares on the Last Practicable Date), 36,219 Develop Shares to Mr Paul Payne (with an indicative value of \$106,484 based on the closing price of Develop Shares on the Last Practicable Date) and 66,653 Develop Shares to Mr Warren Hallam (with an indicative value of \$195,960 based on the closing price of Develop Shares on the Last Practicable Date). All unvested Performance Rights held by Mr Timothy Spencer will vest should the Court approve the Scheme on the Second Court Date and a cash payment of \$90,000 will be made to Mr Timothy Spencer in lieu of a grant of FY24 Performance Rights should the Scheme become Effective (refer sections 10.2 and 10.10 of the Scheme Booklet); (2) Mr Warren Hallam and Mr Craig McGown each have an immaterial indirect pre-existing beneficial interest in Develop Shares (refer section 10.6 of the Scheme Booklet); (3) Mr Craig McGown was a director of Develop from 8 February 2021 until his resignation on 9 June 2021 (refer section 10.7 of the Scheme Booklet); (4) The Directors also have an interest in the Run Off Cover pursuant to the D&O Deeds and have entered into the Deeds of Release (refer sections 10.8, 10.9 and 10.10 of the Scheme Booklet).

- (2) by completing, signing and lodging a Proxy Form for the Scheme Meeting in accordance with the instructions set out in the form. Proxy Forms should be submitted to the Registry as indicated on the Proxy Form and must be received by the Registry not less than 48 hours before the time for holding the Scheme Meeting or adjourned meeting, as the case may be. A validly appointed proxy will be admitted to the Scheme Meeting upon providing evidence of their name and address;
- (c) **By attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on your behalf and providing a duly executed power of attorney to the Registry. Powers of attorney and authorities should be sent to the Registry as indicated in the Proxy Form and must be received by the Registry not less than 48 hours before the time for holding the Scheme Meeting or adjourned meeting, as the case may be. An attorney will be admitted to the Scheme Meeting upon identifying themselves and providing written evidence of their appointment and the identity of the appointer; and
- (d) **By corporate representative**, in the case of a body corporate which is an Essential Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Essential Shareholder and providing a duly executed certificate of appointment (in accordance with section 250D and 253B of the Corporations Act) prior to admission to the Scheme Meeting.

## Opt-In Notice

Also enclosed with this letter is an Opt-In Notice form for completion by Essential Shareholders who are entitled to less than a marketable parcel of New Develop Shares on implementation of the Scheme (**Small Shareholders**). Essential Shareholders who are likely to be entitled to less than a marketable parcel of New Develop Shares on implementation of the Scheme will receive an Opt-in Notice.

If you receive an Opt-in Notice, it means that Essential considers, or reasonably believes, that you will be entitled to less than a marketable parcel of New Develop Shares on implementation of the Scheme.

If you receive an Opt-in Notice, you should ensure that you read it in full and follow the instructions for completing and returning the Opt-in Notice (which can be found on the Opt-in Notice). If you do not complete and return an Opt-In Notice in accordance with the instructions on that notice, the New Develop Shares that would otherwise be issued to you on implementation of the Scheme will instead be issued to a nominee for sale, and the net proceeds of sale remitted to you.

If you do not receive an Opt-in Notice, no further action is required to be taken on your part in relation to the Opt-in Notice (unless you subsequently become a Small Shareholder).

If you are a Small Shareholder and did not receive an Opt-in Notice, or you become a Small Shareholder and would like to receive an Opt-in Notice, please contact Essential's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 6:00pm (Sydney time) Monday to Friday, excluding public holidays, or via email at [hello@automic.com.au](mailto:hello@automic.com.au).

Opt-in Notices must be received by Automic Registry Services by 5:00pm (AEST) on the Business Day prior to the Record Date (which is currently anticipated to be 27 October 2023).

## Foreign Resident Declaration Form

If Develop determines (acting reasonably) that it is required to pay a CGT withholding amount to the Commissioner of Taxation with respect to the acquisition of the Scheme Shares, it is entitled to do so under the Scheme Implementation Deed. However, prior to exercising any such rights, Develop must first use reasonable endeavours to notify the relevant Scheme Shareholder of its intention to withhold so that the Scheme Shareholder has the opportunity to provide a Declaration.

If you receive a Foreign Resident Declaration Form, it means that Develop considers, or reasonably believes, that you are a 'relevant foreign resident' for the purposes of Australian foreign resident capital gains tax rules.

The purpose of the Foreign Resident Declaration Form is to provide the opportunity for relevant Scheme Shareholders to provide a Declaration and prevent the need for Develop to withhold any Scheme Consideration.

If you receive a Foreign Resident Declaration Form, you should ensure that you read it in full and follow the instructions for completing and returning the Foreign Resident Declaration Form (which can be found on the Foreign Resident Declaration Form).

If you do not receive a Foreign Resident Declaration Form, no further action is required to be taken on your part in relation to this form or the Declaration.

## Second Court Hearing

If the Requisite Majority of Essential Shareholders vote in favour of the Scheme at the Scheme Meeting and all other relevant Conditions Precedent to the Scheme are satisfied or waived, Essential will apply to the Court for orders approving the Scheme at the Second Court Hearing.

## Indicative Timetable

The expected key dates for the Scheme are set out below:

Events	Date*
Last date and time for receipt of Proxy Forms or powers of attorney	9:00am (AWST) on Monday, 16 October 2023
Time and date for determining eligibility to vote at the Scheme Meeting	5:00pm (AWST) on Monday, 16 October 2023
Scheme Meeting	9:00am (AWST) on Wednesday, 18 October 2023
Second Court Date	10:15am (AWST) on Tuesday, 24 October 2023
Effective Date	Thursday, 26 October 2023
Scheme Record Date	5:00pm (AWST) on Monday, 30 October 2023
Implementation Date	Monday, 6 November 2023
Essential removed from official list of ASX (with effect from close of business)	Tuesday, 7 November 2023

**Note:** All dates and times are indicative only and, among other things, are subject to the Court approval process, ASX approval and the satisfaction or, where applicable, waiver of the conditions set out in Section 3.5 of the Scheme Booklet. Essential reserves the right to vary the times and dates set out above subject to the approval of such variation by Develop, the Court and ASIC where required. Any changes to the above timetable will be announced to ASX and notified on the Essential website at <https://www.essmetals.com.au>. Essential will continue to update Essential Shareholders as to any material developments in relation to the Scheme as the timetable progresses.

## General

Essential Shareholders should carefully read and consider the Scheme Booklet in its entirety, including the materials accompanying it, before deciding on how to vote at the Scheme Meeting. If after reading the Scheme Booklet you have any questions about the Scheme Booklet or the Scheme, please contact Essential's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 6:00pm (Sydney time) Monday to Friday, excluding public holidays, or via email at [hello@automic.com.au](mailto:hello@automic.com.au). If you are in any doubt as to what action you should take, please consult your broker

or financial, legal, taxation or other professional adviser immediately.

Further updates in relation to the Scheme will be announced to the ASX and will be available under ESS's profile on the ASX at <https://www2.asx.com.au/markets/company/ess>.

**Craig McGown**

**Non-Executive Chairman**