



# 2023 Notice of Annual General Meeting

## Explanatory Memorandum and Proxy Form

### Date and Time of Meeting

28 November 2023  
2.00pm AWST

### Place of Meeting

The Garden Office Park  
355 Scarborough Beach Road  
Osborne Park Western Australia 6017  
Australia

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

The 2023 Annual Report may be viewed on the Company's website at [www.e25.com.au](http://www.e25.com.au)

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PO Box 1167  
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**ELEMENT 25 LIMITED**  
**ACN 119 711 929**  
**2023 NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Element 25 Limited (Company) will be held at The Garden Office Park, 355 Scarborough Beach Road, Osborne Park, Western Australia, Australia on 28 November 2023 at 2.00pm (AWST) for the purpose of transacting the following business.

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the meeting. The Explanatory Memorandum and the Proxy Form are part of this Notice.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Memorandum.

**2023 Financial Statements**

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To receive the financial statements of the Company for the year ended 30 June 2023, consisting of the annual financial report, the Directors' report and the auditor's report.

**Resolution 1 Re-election of Director - Mr John Ribbons**

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

*"That Mr John Ribbons, having retired as a Director of the Company in accordance with the Company's Constitution and, being eligible, having offered himself for re-election, be re-elected a Director of the Company."*

**Short Explanation:** Pursuant to the Company's Constitution, one-third of the Directors of the Company (other than the Managing Director) must retire at each AGM and, being eligible, may offer themselves for re-election at that AGM.

**Resolution 2 Election of Director – Mr Salvatore (Sam) Lancuba**

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

*"That, in accordance with the Pursuant to the Company's Constitution, and listing rule 14.4 and for all other purposes, Salvatore Lancuba, a Director appointed on 30 January 2023, retires at the Meeting and, being eligible and offering himself for election, is elected as a Director."*

**Short Explanation:** This resolution is in accordance with listing rule 14.4, whereby a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

**Resolution 3 Election of Director – Mr Rudolph (Fanie) van Jaarsveld**

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

*“That, in accordance with the Pursuant to the Company’s Constitution, and listing rule 14.4 and for all other purposes, Rudolph van Jaarsveld, a Director appointed on 30 January 2023, retires at the Meeting and, being eligible and offering himself for election, is elected as a Director.”*

**Short Explanation:** This resolution is in accordance with listing rule 14.4, whereby a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

#### Resolution 4 Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following advisory only resolution:

*“That, for the purposes of Section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company’s 2023 Annual Report be and is hereby adopted.”*

**Short Explanation:** Section 250R of the Corporations Act requires a listed company to put to Shareholders at each AGM a resolution adopting the report on the remuneration of the Company’s key management personnel included in the Company’s Annual Report. The above Resolution is being proposed to comply with this requirement. The vote on this Resolution is advisory only and neither binds the Company’s Directors nor the Company. A reasonable opportunity will be provided to Shareholders for discussion of the Remuneration Report at the AGM.

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

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

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

- c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution;
- or*
- d) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorised the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

#### Resolution 5 Confirmation of Appointment of Auditor

To consider and if thought fit to pass the following resolution as an ordinary resolution:

*“That, for purposes of section 327B of the Corporations Act 2001 and for all other purposes, PricewaterhouseCoopers (PwC), having consented in writing and being duly nominated by a Shareholder in accordance with section 328B (1) of the Corporations Act 2001, be appointed as auditor of the Company effective from the close of the Meeting.”*

**Short Explanation:** Under section 327C (2) of the Corporations Act 2001, an auditor appointed under section 327C (1) of the Corporations Act 2001 holds office until the next annual general meeting of the company, at which time the person, firm or authorised audit company must be appointed by shareholders.

**Voting Exclusion:** For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on this Resolution by PricewaterhouseCoopers and any of their Associates, unless it is cast by:

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

## Resolution 6 Approval of 10% Placement Facility

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

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

**Short Explanation:** Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the AGM. The 10% Placement Facility is in addition to the Company’s 15% placement capacity under Listing Rule 7.1. Please refer to the Explanatory Memorandum for details.

**Voting Exclusion:** For the purposes of Listing Rule 7.3A, the Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who may participate in the 10% Placement Facility or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, or any of their Associates, unless it is cast by:

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

## Resolution 7 Approval of Grant of Options to Mr Justin Brown

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

*“That, for the purpose of Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, the issue to Mr Justin Brown, or his nominees, for nil consideration of 500,000 Options to acquire fully paid shares*

*in the capital of the Company, at an exercise price of 60 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher), expiring on 27 November 2028 and on the terms and conditions outlined in the Explanatory Memorandum and in Annexure A is hereby approved.”*

**Short Explanation:** Approval is sought under Listing Rule 10.11 to authorise the Company to issue these securities. Please refer to the Explanatory Memorandum for details. If approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Brown (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

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

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

**Voting Prohibition:** 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:
  - (i) the proxy is the Chair; and
  - (ii) 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, a Restricted Voter who is appointed as a proxy will not vote on this Resolution unless:

- c) The appointment specifies the way the proxy is to vote on this Resolution; or
- d) The proxy is the Chair of the meeting, and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution.

## Resolution 8 Adoption of Performance Rights Plan

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

*“That for the purposes of Listing Rule 7.2 (Exception 13(b)), and for all other purposes, Shareholders approve the Performance Rights Plan and the issue of Performance Rights under that plan, including the issue of Shares upon vesting of those Performance Rights, on the terms set out in the Explanatory Memorandum.”*

#### Voting Exclusion:

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is eligible to participate in the Performance Rights Plan or an associate of that person or those persons.

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

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

#### Voting Prohibitions:

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

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

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

### Resolution 9 Approval of termination benefits under the Performance Rights Plan

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

*“That for the purposes of sections 200B and 200E of the Corporations Act, and for all other purposes, Shareholders approve the giving of benefits under the Performance Rights Plan to a person by the Company in connection with that person ceasing to hold a managerial or executive office in the Company or a related body corporate, on the terms set out in the Explanatory Memorandum.”*

#### Voting Prohibitions:

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

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

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

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on this Resolution must not be cast by any participants or potential participants in the Performance Rights Plan and their associates, otherwise the benefit of this Resolution will be lost by such a person in relation to that person's future retirement. However, a vote may be cast by such a person if:

- e) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and  
f) it is not cast on behalf of the person or an associate of the person.

## Resolution 10 Section 195 Approval

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

*"That, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolution 7."*

## Other Business

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To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

The enclosed Proxy Form provides further details on appointing proxies and lodging proxy forms. To be valid, properly completed Proxy Forms must be received by the Company's share registry no later than 2pm (AWST) on 26 November 2023 by:

1. post to GPO Box 5193, Sydney NSW 2001;
2. email at [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au); or
3. online at <https://investor.automic.com.au/#/loginsah>.

If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the Proxy Form or voting instruction form in accordance with the instructions provided to you by your broker or by the other intermediary.

By order of the Board



**Michael Jordon**

Company Secretary

Date: 26 October 2023

**Proxies**

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

**Entitlement To Vote**

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding Shares at 5:00pm (AWST) on 26 November 2023 will be entitled to attend and vote at the AGM.

**Corporations**

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company before the meeting.

**Electronic Communication**

All Shareholders may, and are encouraged to, elect to receive communications from the Company's share registry electronically. To provide or update your email address, please contact the Company's share registry.

**Revocation Of Proxies**

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chair on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Element 25 Limited ACN 119 711 929 (Company) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at The Garden Office Park, 355 Scarborough Beach Road, Osborne Park, Western Australia, on 28 November 2023 commencing at 2.00pm (AWST).

This Explanatory Memorandum should be read in conjunction with, and form part of, the accompanying notice.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the same meaning given to them in the glossary as contained in this Explanatory Memorandum.

At the AGM, Shareholders will be asked to consider the following Resolutions:

- Resolution 1 Re-election of Director - Mr John Ribbons
- Resolution 2 Election of Director - Mr Salvatore Lancuba
- Resolution 3 Election of Director - Mr Rudolph van Jaarsveld
- Resolution 4 Adopting the Remuneration Report
- Resolution 5 Confirmation of Appointment of Auditor
- Resolution 6 Approving 10% Placement Facility
- Resolution 7 Approving Grant of Options to Mr Justin Brown
- Resolution 8 Adoption of Performance Rights Plan
- Resolution 9 Approval of termination benefits under the Performance Rights Plan
- Resolution 10 Section 195 approval

## 2023 Financial Statements

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As required by Section 317 of the Corporations Act, the financial statements for the year ended 30 June 2023 and the accompanying Directors' report, Directors' declaration and auditor's report will be laid before the meeting.

Neither the Corporations Act, nor the Company's Constitution requires a vote on the reports. However, the Shareholders will have an opportunity to ask questions about the reports at the AGM.

## Resolution 1 Re-election of Director - Mr John Ribbons

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### 1.1 Introduction

In accordance with Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever period is longer. The Company's Constitution also requires that one third of the Company's directors Company (other than the Managing Director) must retire at each AGM. Accordingly, Mr John Ribbons will retire by rotation and, being eligible, offers himself for re-election.

This resolution is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 1.2 Director's Biography

Mr Ribbons is an accountant who has worked in the resources industry for more than 20 years in Group Financial Controller, Chief Financial Officer and Company Secretary roles. Mr Ribbons has extensive

knowledge and experience with ASX-listed production and exploration companies, including experience with operating mines and has also been involved with ASX listings for several exploration companies. Mr Ribbons has experience in capital raising, ASX and TSX compliance and regulatory requirements. Mr Ribbons has not held any former directorships in the past three years.

### 1.3 Directors' Recommendation

All the Directors except Mr Ribbons recommend that Shareholders vote in favour of this resolution.

## Resolution 2 Election of Director – Mr Salvatore (Sam) Lancuba

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### 2.1 Introduction

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Lancuba was appointed to the board of director on 30 January 2023.

This resolution is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 2.2 Director's Biography

Mr Lancuba is a chemical engineer with more than 40 years' experience in the global fertiliser industry across research and development, process engineering, manufacturing and management. Following 27 years at Incitec Pivot Limited, an ASX top 50 company, Mr Lancuba has consulted to industry clients in Australia, New Zealand, USA, South America, Europe, India and China in areas including plant design and maintenance, project management, project evaluation and marketing strategies. He has extensive experience in chemical processing, project development and operations in the chemical industry.

### 2.3 Directors' Recommendation

All the Directors except Mr Lancuba recommend that Shareholders vote in favour of this resolution.

## Resolution 3 Election of Director – Mr Rudolph (Fanie) van Jaarsveld

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### 3.1 Introduction

In accordance with Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Mr Rudolph van Jaarsveld was appointed to the board of director on 30 January 2023.

This resolution is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### 3.2 Director's Biography

Mr Fanie van Jaarsveld is an experienced company director and has held numerous senior management and executive positions over a career spanning more than 40 years. With a demonstrated history of working in the mining and metals industry, Mr van Jaarsvelds Managing Director for OM Manganese which operates the Bootu Creek manganese mine in the Northern Territory and highly skilled in mining, mineral processing and operational management. Mr van Jaarsveld has a ND Analytical Chemistry from the Cape Peninsula University of Technology, Cape Town.

### 3.3 Directors' Recommendation

All the Directors except Mr Fanie van Jaarsveld recommend that Shareholders vote in favour of this resolution.

## Resolution 4 Adoption of Remuneration Report

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### 4.1 Introduction

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report, which is part of the 2023 Annual Report, has been sent to Shareholders who have made an election to receive the Annual Report. Copies of the 2023 Annual Report are available by contacting the Company's share registrar or visiting the Company's website [www.e25.com.au](http://www.e25.com.au).

The vote on this resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2023 AGM and then again at the 2024 AGM, the Company will be required to put a resolution to the 2024 AGM to approve calling an extraordinary general meeting (spill resolution). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (spill meeting) within 90 days of the 2024 AGM. All the Directors who are in office when the 2024 Directors' Report is approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains Board policies in relation to the nature and level of remuneration paid to Key Management Personnel, sets out remuneration details for each member of the Key Management Personnel, details any service agreements and sets out the details of any share based compensation.

### 4.2 Voting on the Remuneration Report

Note that a voting prohibition applies to the resolution in the terms set out in the Notice of Meeting. In particular, the directors and other restricted voters may not vote on this resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the resolution.

## Resolution 5 Confirmation of Appointment of Auditor

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### 5.1 Introduction

On 23 June 2023, the Company appointed PricewaterhouseCoopers (PwC) to act as Auditor in accordance with section 327C (1) of the Corporations Act 2001.

Under section 327C (2) of the Corporations Act 2001, an auditor appointed under section 327C (1) of the Corporations Act 2001 holds office until the next annual general meeting of the company, at which time the person, firm or authorised audit company must be appointed by shareholders.

PwC has given, and has not withdrawn, its consent to act as external Auditor of the Company.

The Company now seeks Shareholder approval for the appointment of PwC as Auditor in accordance with section 327C of the Corporations Act 2001.

In accordance with section 328B (1) of the Corporations Act 2001, a written notice nominating PwC as the Company's auditor has been given to the Company.

If this resolution is passed, the appointment of PwC as Auditor will continue from the close of the Meeting. If this resolution is not passed, the position of Auditor will fall vacant, and the Board will look to appoint an Auditor on an interim basis.

## 5.2 Directors Recommendation

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

## Resolution 6 Approval of 10% Placement Facility

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### 6.1 General

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

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

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. Based on the closing price of Shares on ASX on 11 October 2023 of \$0.40, the Company has a market capitalisation of \$87,012,134 and is an eligible entity for these purposes.

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

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

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

If on the date of the AGM the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, then this resolution for the 10% Placement Facility will no longer be effective and will be withdrawn.

### 6.2 Technical information required by Listing Rule 7.1A

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

- a) Period for which the 10% Placement Facility is valid

The 10% Placement Facility will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

b) Minimum price

Any Equity Securities issued under the 10% Placement Facility must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 3.2(b)(i), the date on which the Equity Securities are issued.

c) Use of funds raised under the 10% Placement Facility

The Company intends to use any funds raised from issues of Equity Securities under the 10% Placement Facility towards advancing the planned stage 2 expansion of manganese concentrate production from its 100% owned Butcherbird Project, mining operations, and general working capital purposes.

d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The Table 1 below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 11 October 2023.

The table also shows the voting dilution impact where the number of Shares on Issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Table 1: Voting Dilution Impact

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.20 50% decrease in Issue Price	\$0.40 Issue Price	\$0.80 100% increase in Issue Price
Current Variable A 217,530,336 Shares	10% voting dilution	21,753,034 Shares	21,753,034 Shares	21,753,034 Shares
	Funds raised	\$4,350,607	\$8,701,213	\$17,402,427
50% increase in current Variable A 326,295,504 Shares	10% voting dilution	32,629,550 Shares	32,629,550 Shares	32,629,550 Shares
	Funds raised	\$6,525,910	\$13,051,820	\$26,103,640
100% increase in current Variable A 435,060,672 Shares	10% voting dilution	43,506,067 Shares	43,506,067 Shares	43,506,067 Shares
	Funds raised	\$8,701,213	\$17,402,427	\$34,804,854

The table has been prepared on the following assumptions:

- (i) There are currently 217,530,336 Shares on Issue at 11 October 2023.
- (ii) The issue price is \$0.40, being the closing price of the Shares on ASX on 11 October 2023.
- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iv) No Options are exercised into Shares before the date of issue of the Equity Securities.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (vi) The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vii) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- (viii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (ix) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
  - (x) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
- e) Allocation policy under the 10% Placement Facility
- The recipients of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Facility, having regard to the following factors:

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

- f) Previous approval under Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 25 November 2022 (Previous Approval).

During the 12-month period preceding the date of the Meeting, being on and from 28 November 2022, the Company has not issued any Shares pursuant to the Previous Approval (Previous Issue).

### 6.3 Voting Exclusion Statement

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

### 6.4 Directors Recommendation

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

## Resolution 7 Approval of Grant of Options to Mr Justin Brown

The Company proposes to grant 500,000 Options to Mr Justin Brown, or his nominees, for nil consideration at an exercise price of 60 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 27 November 2028.

The full terms of the Options are set out in Annexure A to this Explanatory Memorandum.

The Directors consider that the grant of the Options is a cost effective and efficient means for the Company to provide a reward and incentive.

The exercise price will only be known on the date of issue. Assuming that the Options were issued on the date of this Notice, the exercise price would be 60 cents. On that basis, in the event all the Options are exercised, Mr Brown (or his nominees) will need to pay a total of \$375,000 to the Company.

### Related Party Transactions Generally

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- b) prior Shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, Directors and persons who were a related party in the previous six months are considered to be related parties of the Company.

This resolution provides for the grant of Options to a related party which is a financial benefit requiring Shareholder approval. For the purpose of Chapter 2E of the Corporations Act the following information is provided.

### **The related party to whom the proposed resolution would permit the financial benefit to be given**

Subject to Shareholder approval, the Options the subject of this resolution will be granted to Mr Brown, or his nominees, within one month of the passing of this resolution. Mr Brown is a Director of the Company and is therefore classified as a related party.

### **The nature of, reasons for and basis for the financial benefit**

The proposed financial benefit is the grant of 500,000 options to Mr Brown, or his nominees, for no issue price. Each Option will allow Mr Brown to subscribe for one ordinary fully paid Share in the Company. The Options have an exercise price of 60 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 27 November 2028.

The Options form part of Mr Brown's incentive for continuing and future efforts. 50% of The Options (250,000) will vest upon completion of FID for the HPMSM project. The balance of the Options, 250,000 will vest upon successful completion of financial close for the HPMSM project.

Options are considered to be the appropriate incentive given the Company's current size and stage of development. If Mr Brown is to derive any value from the Options, the market Share price must be in excess of the exercise price at the time of exercise. As the exercise price of the Options is at a premium to the most recent closing Share price prior to the date of this Notice, and the average Share price as traded over the previous 6 months, the Options represent an incentive to Mr Brown to achieve this increase in the Share price, which would result in an increase in Shareholder value.

### **7.1 Directors' recommendation**

All directors except Mr Brown recommend Shareholders vote in favour of this resolution. Mr Brown does not wish to make a recommendation about the proposed resolution as he may potentially receive a financial benefit from the passing of the resolution in relation to the grant of Options and does not consider himself sufficiently independent to make a recommendation.

### **7.2 Interests of Directors**

Mr Brown has noted his interest in the approval of this resolution in relation to the Options.

### **7.3 Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its officers**

- a) The proposed resolution would have the effect of giving power to the Directors to grant 500,000 Options to Mr Brown, or his nominees.
- b) The exercise of the Options is subject to the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.
- c) The Directors, in conjunction with the Company's advisers, have provided an indicative value to the Options by reference to the Black-Scholes valuation method.
- d) The total value of the Options to be issued is outlined in Tables 2 and 3 below. If Options granted to Mr Brown, or his nominees, are exercised, the effect would be to dilute the Shareholdings of the existing Shareholders.

Table 2: Details of Director Options

Name	Relationship	Number of options	Exercise price	Expiry date	Vesting	Value as determined by Black-Scholes valuation
Justin Brown	Director	500,000	the greater of 60 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company 5 days prior to the date of the meeting	27 November 2028	At date of allotment	\$ (i) 120,500

Table 3: Option Valuation Details

Details	Input
Share price	\$0.40
Exercise Price	\$0.60
Risk Free Rate	4.56%
Volatility (Annualised)	80%
Start Date	28 November 2023
Expiry Date	27 November 2028
<b>Value per Option</b>	<b>\$0.241 (i)</b>

- e) As at the date of this Notice, the issued capital of the Company comprised 217,530,336 Shares. If all Options granted as proposed above are exercised, and assuming all existing Options on issue have been exercised, and assuming no other share issues proceed, the effect would be to dilute the Shareholding of existing Shareholders as per Table 4 below:

Table 4: Shareholder Dilution Table

	Existing Shares and Options
Shares and Options	217,530,336
Options to be granted	500,000
<b>New Total</b>	<b>218,030,336</b>
Dilutionary effect	0.2%

- f) Mr Brown's current interests in securities of the Company are set out in Table 5 below:

Table 5: Security Holding (J. Brown)

Director	Shareholding	Option holding
Justin Brown	8,005,360	3,000,000

- g) The market price of the Company's Shares during the term of the Options will normally determine whether or not the Option holder exercises the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be trading at a price which is higher than the exercise price of the Options.
- h) The Options will not be quoted on ASX and as such have no actual market value. The fully paid ordinary Shares of the Company have been traded on ASX since November 2006. In the twelve months prior to the date of this notice the Shares have traded in the range of 28 cents to 1.44 dollars, the most recent closing price prior to the date of this Notice was 40 cents. The Options are capable of being converted to Shares by payment of the exercise price.
- i) Mr Brown currently receives a salary of \$275,000 per annum, plus superannuation.
- j) Under the Australian equivalent of IFRS, the Company is required to expense the value of the Options in its profit or loss for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options to Mr Brown or his nominees pursuant to this resolution.
- k) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by this resolution.

### Specific information required by Listing Rule 10.13

Listing Rule 10.13 requires that information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 as follows:

- a) The Options will be issued to Mr Brown (or his nominees).
- b) Mr Brown falls within Listing Rule 10.11.1 by virtue of being a Director of the Company and is therefore classified as a related party.
- c) The maximum number of Options to be issued to Mr Brown (or his nominees) is 500,000.
- d) The Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- e) The Options will be issued at an exercise price of 60 cents or 143% of the VWAP of the fully paid ordinary Shares of the Company on the five trading days prior to the date of the meeting to approve the issue (whichever is the higher) per share and expiring 27 November 2028.
- f) The Options will be issued for nil consideration and on the terms and conditions outlined in Annexure A.
- g) A voting exclusion statement is included in the Notice of Meeting.

No funds will be raised from the issue of the Options.

## Resolution 8 Adoption of Performance Rights Plan

### 8.1 General

The Remuneration committee has carried out a review of the Company's existing remuneration framework. The purpose of the review was to ensure that the Company has appropriate incentive

arrangements in place (that are consistent with current market practices) to effectively attract, retain, reward and motivate its staff in a manner that is aligned with Shareholders.

The review concluded that a performance rights scheme is the preferred vehicle for incentivising staff in the future and, accordingly, the Board has resolved to adopt the Performance Rights Plan.

## **8.2 Performance Rights Plan**

The terms and conditions of the Performance Rights Plan are summarised in Annexure B.

The purpose of the Performance Rights Plan is to motivate participating staff members by rewarding them upon the achievement of milestones that are linked to the Company's performance.

Under the Performance Rights Plan, participating staff members will be granted Performance Rights which represent a right to be issued Shares at a future point, subject to the satisfaction of vesting conditions. No exercise price will be payable and eligibility to participate in the plan will be at the Board's discretion.

The Board is attracted to the flexible nature of the Performance Rights Plan which will enable the Company to make annual grants to participating staff members.

The number of Performance Rights that may be issued to participants from time to time will be at the Board's discretion and will depend on each participant's level of seniority and/or past performance. The Board intends to regularly consult with external independent remuneration consultants to ensure that grants are made in a manner that is consistent with prevailing market practices.

It is relevant to note that no Performance Rights will be issued to related parties of the Company (including Directors of the Company) unless Shareholders first approve the issue in accordance with Listing Rule 10.14.

A copy of the Performance Rights Plan can be viewed on the Company's website.

## **8.3 Listing Rule Approval**

Under the Listing Rules, a company is not specifically required to seek shareholder approval for the implementation of a performance rights plan for staff. However, Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 (Exception 13(b)) sets out an exception to Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme, as an exception to Listing Rule 7.1.

If this Resolution is passed the Company will be able to issue Performance Rights under the Performance Rights Plan over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The approval will extend to any Shares that may be issued upon vesting of the Performance Rights.

If this Resolution is not passed Performance Rights may still be issued under the Performance Rights Plan, but the issue of those Performance Rights will be counted as part of the 15% limit which would otherwise apply during the applicable 12 month period.

## 8.4 Specific Information required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 2 Exception 13(b) the following information is provided:

- a) The terms of the Performance Rights Plan are summarised in Appendix A.
- b) This is the first approval sought under Listing Rule 7.2 Exception 13(b) with respect to the Performance Rights Plan.
- c) No Performance Rights have been issued under the Performance Rights Plan as at the date of the Notice of Meeting.
- d) The maximum number of Performance Rights proposed to be issued under the Performance Rights Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 10,876,517 (5% of ordinary shares issued) Performance Rights. The maximum number of Performance Rights is not intended to be a prediction of the actual number of Performance Rights to be issued under the Performance Rights Plan but is specified for the purpose of setting a ceiling on the number of Performance Rights approved to be issued under and for the purposes of Listing Rule 7.2, exception 13(b). It is not envisaged that the maximum number of Performance Rights for which approval is sought will be issued immediately.
- e) A voting exclusion statement has been included in the Notice of Meeting for Resolution

## 8.5 Directors Recommendation

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

## Resolution 9 Approval of termination benefits under the Performance Rights Plan

### 9.1 General

Section 200B of the Corporations Act provides that the Company may only give a person a "benefit" (as defined in the Corporations Act) in connection with their ceasing to hold a "managerial or executive office" (as defined in the Corporations Act) if the giving of the benefit has been approved by Shareholders or an exemption applies. One permissible exemption is where the aggregate benefits do not exceed one year's average base salary.

The term "benefit" in the context of the Performance Rights Plan may include the automatic or accelerated vesting of Performance Rights triggered by retirement from office. As outlined in the summary of the terms of the Performance Rights Plan attached as Annexure B, the Board has the discretion to determine that some or all of any unvested Performance Rights vest early in certain circumstances including upon the death, incapacity, retirement or redundancy of a participant.

If the Board were to exercise its discretion under the rules of the Performance Rights Plan and permit the early vesting of Performance Rights, this may crystallise a termination benefit for the purposes of the Corporations Act. Accordingly, this Resolution seeks approval for the purposes of section 200B of the Corporations Act, for any termination benefit that may be provided to a participant under the Performance Rights Plan.

### 9.2 Shareholder approval sought

The Company is seeking shareholder approval for the exercise of the Board's discretion in respect of any current or future participant in the Performance Rights Plan who holds:

- a) a managerial or executive office in the Company or any related body corporate at the time of their leaving or at any time in the three years prior to their leaving; and
- b) Performance Rights under the Performance Rights Plan at the time of their leaving.

### 9.3 Value of the benefits

Section 200E of the Corporation Act requires that, when seeking approval for the purposes of section 200B, details of any proposed benefit (including the value of the benefit) must be disclosed.

The precise value of any potential benefits cannot be ascertained at the present time. Nevertheless, the manner in which the value is to be calculated will be directly referable to the number of Performance Rights that vest early upon retirement from office (if any), and the market value of the Shares that are allocated upon vesting.

The following matters may be relevant to the Directors at the time they are required to exercise their discretion and accordingly, may have an impact on the value of any potential benefit:

- a) the performance of the participant and the Company in the period leading up to the participant's retirement;
- b) the reasons for the participant's retirement;
- c) the participant's total fixed remuneration at the time grants are made under the Performance Rights Plan and at the time of retirement; and
- d) the total number of unvested Performance Rights held by the relevant participant at the time of retirement.

If this Resolution is approved the Board will be able, where appropriate, to exercise its discretion under the Performance Rights Plan in an equitable manner for all employees. If this Resolution is not approved, the value of any benefit associated with the early vesting of Performance Rights upon retirement from office will, in the case of a participant who is affected by the termination benefits laws, be included in any assessment of whether their termination benefits exceed the cap permitted under the Corporations Act.

### 9.4 Directors Recommendation

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

## Resolution 10 Section 195 Approval

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### 10.1 General

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

In the absence of this resolution, the Directors may not be able to form a quorum at Board meetings necessary to carry out the terms of Resolution 7.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

This resolution is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### Other Business

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The Company is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice.

## GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

<b>AGM</b>	means an Annual General Meeting.
<b>Annual Report</b>	means the Directors' report, the annual financial report and auditor's report in respect of the financial year ended 30 June 2023.
<b>Associate</b>	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
<b>ASX</b>	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
<b>Board</b>	means the board of Directors of the Company.
<b>Butcherbird Mining Agreement</b>	means the Butcherbird Mining Agreement entered into between the Company and Karlka Nyiyaparli Aboriginal Corporation RNTBC in respect of M52/1074 project tenure
<b>Closely Related Party</b>	means: <ul style="list-style-type: none"> <li>a) a spouse or child of the member: or</li> <li>b) has the same meaning given in Section 9 of the Corporations Act.</li> </ul>
<b>Company</b>	means Element 25 Limited (ACN 119 711 929).
<b>Corporations Act</b>	means Corporations Act 2001 (Cth).
<b>Directors</b>	means a director of the Company and Director means any of them.
<b>Explanatory Memorandum</b>	means this information attached to the Notice, which provides information to Shareholders about the Resolutions contained in the Notice.
<b>Group Company</b>	means the Company and any of its subsidiaries.
<b>Key Management Personnel</b>	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice or Notice of Meeting</b>	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
<b>Option</b>	means an option to be issued a Share.

<b>Performance Rights</b>	means a right to acquire a Share subject to the satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the share.
<b>Performance Rights Plan or Plan</b>	means the employee incentive scheme titled “Element 25 Limited – Performance Rights Plan” the key terms of which are summarised in Annexure B.
<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Remuneration Report</b>	means the remuneration report of the Company included in the Annual Report.
<b>Resolution</b>	means a resolution contained in the Notice.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means the holder of a share.
<b>Variable A</b>	means “A” as set out in the formula in Listing Rule 7.1A.2.

**Annexure A.****TERMS AND CONDITIONS  
OPTIONS EXPIRING 27 NOVEMBER 2028**

The Options will be issued on the following terms:

1. Each Option shall be issued for no consideration.
2. 50% of The Options (250,000) will vest upon completion of FID for the HPMSM project.
3. 50% of The Options (250,000) will vest upon successful completion of financial close for the HPMSM project.
4. The exercise price of each Option will be the greater of 60 cents per share or 143% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of meeting ("Exercise Price").
5. Each Option entitles the holder to subscribe for one Share in Element 25 Limited ABN 46 119 711 929 ("Company") upon the payment of the Exercise Price per Share subscribed for.
6. The Options will lapse at 5:00 pm, Western Standard Time on 27 November 2028 ("Expiry Date").
7. The Options may be transferred at any time in accordance with the Corporations Law, the SCH Business Rules and/or the Listing Rules.
8. There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
9. Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options and will be granted a period of at least 10 business days before closing date to exercise the Options.
10. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
11. In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
12. The Options shall be exercisable at any time until the Expiry Date ("Exercise Period") by the delivery to the registered office of the Company of a notice in writing ("Notice") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares. The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
13. The Company shall allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number within 10 business days of exercise of the Options.
14. The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

**Annexure B.**

**SUMMARY OF THE PERFORMANCE RIGHTS PLAN**

(the Plan)

The key terms of the Plan are as follows:

- a) The Board may, from time to time, in its absolute discretion, make a written offer to participate in the Plan to any of the following persons:
  - (i) a director of any Group Company (including executive and non-executive directors);
  - (ii) an employee of any Group Company (including casual, part-time, and full-time employees);
  - (iii) a contractor who provides services to a Group Company, or
  - (iv) a prospective participant, being a person to whom an offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Person under clauses (i), (ii) or (iii) above.
  
- b) Eligible Persons who receive an offer may renounce the offer in favour of a "Related Person" being:
  - (i) a spouse, parent, child, or sibling of the Eligible Person; or
  - (ii) a company controlled by the Eligible Person or a person mentioned in subparagraph (i); or
  - (iii) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Person is a director of the body corporate.
  
- c) The Board may grant Performance Rights to Eligible Persons (or their eligible nominees) with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
  
- d) Performance Rights will be granted for nil cash consideration and no money will be payable upon exercising a Performance Right.
  
- e) Eligible Persons must not encumber or hedge Performance Rights without the Board's consent and the Performance Rights are not transferrable except in the following limited circumstances:
  - (i) with the consent of the Board (which may be withheld in its absolute discretion), if a "Special Circumstance" arises; or
  - (ii) by force of law upon death to the participant's legal personal representative, or upon bankruptcy to the participant's trustee in bankruptcy;
  
- f) "Special Circumstances" means:
  - (i) an participant (or where a participant is a nominee of an Eligible Person, that Eligible Person) ceasing to be an Eligible Person due to death or total and permanent disability; or
  - (ii) any other exceptional or extraordinary circumstances as determined by the Board to constitute a "Special Circumstance".

- g) The Board will advise each Eligible Person of the following information when making an offer:
- (i) the number of Performance Rights that the Eligible Person may apply for, or the formula for determining the number of Performance Rights that may be applied for;
  - (ii) the number of Shares that the Eligible Person is entitled to be allocated on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
  - (iii) any applicable vesting conditions;
  - (iv) any restriction that will be imposed upon trading the Shares that are to be allocated upon vesting;
  - (v) the fact that the Performance Rights will be issued for nil cash consideration;
  - (vi) the date on which the offer will close (i.e. the Closing Date);
  - (vii) the date on which the Performance Rights will lapse (i.e. the Expiry Date);
  - (viii) any other information required by law or the Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be allocated on exercise of the Performance Rights.
- h) Subject to paragraph (m) below, a Performance Right granted under the Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Person of that fact.
- i) The Performance Rights do not entitle holders to participate in new issues of capital, to vote, or to receive dividends (unless and until a Performance Right is exercised and the participant holds Shares).
- j) The Board must notify an Eligible Person in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.
- k) Subject to the Corporations Act, the Listing Rules and the Plan, the Company must issue or transfer to the participant or his or her personal representative (as the case may be) the number of Shares the participant is entitled to be allocated in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- l) A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring,
  - (ii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
  - (iii) a vested Performance Right is not exercised within the time limit specified in the Plan;
  - (iv) a participant (or, where the participant is a nominee of the Eligible Person, that Eligible Person) ceases to be an Eligible Person, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
  - (v) the Board deems that a Performance Right lapses due to fraud, dishonestly or other improper behavior of the participant (or, where the participant is a nominee of the Eligible Person, that Eligible Person) in accordance with the Plan;
  - (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan; and
  - (vii) the Expiry Date of the Performance Right.

- m) The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
  - (i) a participant or, where the participant is a nominee of an Eligible Person, that Eligible Person:
    - (A) dying or suffering total or permanent disability; or
    - (B) being made redundant by a Group Company; or
    - (C) retiring;
  - (ii) a participant or, where the participant is a nominee of an Eligible Person, that Eligible Person, suffering severe financial hardship;
  - (iii) the terminal illness of the participant (or Eligible Person, as applicable) or of an immediate family member of the participant (or Eligible Person, as applicable);
  - (iv) a change of control event occurring in respect of the Company or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
  
- n) A participant must not sell, transfer, or dispose of any Shares acquired on exercise of the Performance Rights (or any interest in them):
  - (i) in contravention of the Corporations Act, including the insider trading and on-sale provisions; or
  - (ii) during any restriction period designated in their offer document.
  
- o) If a participant is subject to a restriction period of the kind noted in paragraph (n)(ii) they will forfeit their Shares (unless the Board waives the forfeiture requirements) if, during the restriction period, they:
  - (i) perpetrate fraud as against a Group Company;
  - (ii) act dishonestly in their dealings with a Group Company;
  - (iii) commit a breach of their obligations to a Group Company, including those obligations that survive cessation of employment;
  - (iv) become an employee of, or providing services to, an entity considered by the Board (acting reasonably) to be a competitor of a Group Company; or
  - (v) engage in any activity considered by the Board (acting reasonably) to be detrimental to a Group Company.
  
- p) If the sale, transfer or disposal by a participant of the Shares allocated to them on exercise of the Performance Rights (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act) the Company may at its discretion issue:
  - (i) a cleansing statement under Section 708A(5) of the Corporations Act at the time the Shares are issued; or
  - (ii) a disclosure document in relation to the Shares which complies with the requirements of the Corporations Act.
  
- q) If the Board does not exercise the discretion described in paragraph (p), the participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.
  
- r) If the Company reorganises its capital the Company will procure that the terms of the Plan or the rights of participants are varied in such a way as determined by the Board in its absolute discretion, which

neither disadvantages nor advantages participants nor adversely effects the rights of the other holders of Shares, to account for the effect of the reorganisation event (in a manner consistent with the Listing Rules if applicable).

- s) Subject to any requirements of the Corporations Act or the Listing Rules, the Board may amend the terms of the Plan provided that any amendment must not materially reduce the rights of any participant, unless the amendment is introduced primarily:
- (i) for the purpose of complying with the law;
  - (ii) to correct any manifest error or mistake;
  - (iii) for reasons relating to the amount payable under fringe benefits tax; or
  - (iv) to enable this Plan to comply with the Corporations Act, the Listing Rules or the Company's constitution.

Annexure C.

**COPY OF NOMINATION OF PRICEWATERHOUSECOOPERS AS AUDITOR**

Ian Huitson  
c/- PO Box 1167  
Osborne Park DC WA 6916

12 October 2023

Element 25 Limited  
Level 1, Building B, Garden Office Park  
355 Scarborough Beach Road  
Osborne Park WA 6017

Attn. Michael Jordon (Company Secretary)

Dear Mr Jordon,

Nomination of Auditor – PricewaterhouseCoopers

I, Ian Huitson, being a consultant to and shareholder of Element 25 Limited (the Company), hereby nominate PricewaterhouseCooper (PwC) for appointment as auditor of the Company.

Yours faithfully

  
Ian Huitson

Your proxy voting instruction must be received by **02.00pm (AWST) on Sunday, 26 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online

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

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au/>

#### PHONE:

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

