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# NORTHERN MINERALS LIMITED

**ABN 61 119 966 353**

# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

## 10.00 AM (PERTH TIME), 25 NOVEMBER 2021

## AT

## LEVEL 3
## 88 WILLIAM STREET
## PERTH
## WESTERN AUSTRALIA 6000

**Please read this document carefully.**

You should read this document in its entirety before deciding whether or not to vote for or against any Resolution at the AGM.

You are **strongly encouraged** to consider these issues carefully and **exercise your right to vote**.

**If you are unable to attend the Meeting please complete and return your proxy form in accordance with the specified instructions.**

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Notice is hereby given that the Annual General Meeting of Shareholders of Northern Minerals Limited ABN 61 119 966 353 (**Company**) will be held at Level 3, 88 William Street, Perth, Western Australia, at 10.00 am (Perth time) on 25 November 2021.

**IMPORTANT NOTICE REGARDING COVID-19**

It is currently anticipated that the Meeting will be held in person. The Company has taken steps to ensure that all attendees will be able to participate in the Meeting while maintaining their health and safety and abiding by all applicable social distancing requirements.

**Shareholders do not need to attend the Meeting in order to cast their vote(s). The Company recommends that Shareholders who do not wish to attend the Meeting in person, but who wish to vote, appoint the Chairman as their proxy (and where desired, direct the Chairman how to vote on a Resolution) rather than attending in person.**

The Company will make an announcement to ASX informing Shareholders of any changes at the federal or state government level that impact the way the Meeting can be held. The Company thanks its Shareholders for their understanding and cooperation.

## AGENDA

### ANNUAL ACCOUNTS

To receive and consider the financial report of the Company and the reports of the Directors and the auditor for the financial year ended 30 June 2021.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

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

> ***"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report as contained in the Company's Annual Report (which is available at www.northernminerals.com.au) be adopted."***

**Voting Exclusion**: In accordance with section 250R of the Corporations Act, the Company will disregard any votes cast on this Resolution by, or on behalf of, members of the key management personnel (whose remuneration is disclosed in the Remuneration Report) or their closely related parties. However, the Company need not disregard a vote if the vote is not cast on behalf of a person described above and either:

(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or

(b) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

### RESOLUTION 2 – RE-ELECTION OF MR COLIN MCCAVANA

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

> ***"That Mr Colin McCavana, who retires by rotation in accordance with the Company's Constitution, be re-elected as a Director with effect from the close of the Meeting."***

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## RESOLUTION 3 – RE-ELECTION OF MR MING LU

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

> ***"That Mr Ming Lu, who retires by rotation in accordance with the Company's Constitution, be re-elected as a Director with effect from the close of the Meeting."***

## RESOLUTION 4 – RE-ELECTION OF MR LIANGBING YU

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

> ***"That Mr Liangbing Yu, who retires in accordance with rule 8.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director with effect from the close of the Meeting."***

## RESOLUTION 5 – RE-ELECTION OF MR BIN CAI

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

> ***"That Mr Bin Cai, who retires in accordance with rule 8.2 of the Company's Constitution, and being eligible, offers himself for re-election, be re-elected as a Director with effect from the close of the Meeting."***

## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass 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 (or the agreement to issue) Equity Securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** As set out Listing Rule 7.3.A.7, a voting exclusion in respect of an approval under Listing Rule 7.1A is only required if, at the time of dispatching the Notice, the entity is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2. As the Company is not proposing to make an issue of Equity Securities under that Listing Rule as at the time of dispatching the Notice, no voting exclusion statement is required for this Resolution.

## RESOLUTION 7 – RATIFICATION OF PREVIOUS ISSUE OF OPTIONS UNDER $20M PLACEMENT

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

> ***"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 51,020,408 Options to various sophisticated and institutional investors under the $20M Placement for the purposes and on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any associates (as defined in the Listing Rules) of those persons.

However, the Company need not disregard a vote cast in favour of this 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

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(b) the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 8 – ISSUE OF PERFORMANCE RIGHTS TO MR COLIN MCCAVANA

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

> ***"That, subject to Resolution 2 being passed and for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 7,500,000 Performance Rights under the Performance Rights Plan to Mr Colin McCavana, or his nominee, for the purposes and on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Performance Rights Plan or any associates (as defined in the Listing Rules) of those persons.

However, the Company need not disregard a vote cast in favour of this 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 Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 9 – ISSUE OF PERFORMANCE RIGHTS TO MR MING LU

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

> ***"That, subject to Resolution 3 being passed and for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 7,500,000 Performance Rights under the Performance Rights Plan to Mr Ming Lu, or his nominee, for the purposes and on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Performance Rights Plan or any associates (as defined in the Listing Rules) of those persons.

However, the Company need not disregard a vote cast in favour of this Resolution by:

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(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 Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 10 – ISSUE OF PERFORMANCE RIGHTS TO MR LIANGBING YU

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

> ***"That, subject to Resolution 4 being passed and for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 7,500,000 Performance Rights under the Performance Rights Plan to Mr Liangbing Yu, or his nominee, for the purposes and on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Performance Rights Plan or any associates (as defined in the Listing Rules) of those persons.

However, the Company need not disregard a vote cast in favour of this 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 Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 11 – ISSUE OF PERFORMANCE RIGHTS TO MR BIN CAI

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

> ***"That, subject to Resolution 5 being passed and for the purposes of Listing Rule 10.14, and for all other purposes, Shareholders approve the issue of 7,500,000 Performance Rights under the Performance Rights Plan to Mr Bin Cai, or his nominee, for the purposes and on the terms set out in the Explanatory Memorandum."***

**Voting Exclusion:** The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2, or 10.14.3 who is eligible to participate in the Performance Rights Plan or any associates (as defined in the Listing Rules) of those persons.

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However, the Company need not disregard a vote cast in favour of this 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 Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman 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 12 – ELECTION OF MR TAO WU

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

***"That Mr Tao Wu be elected as a Director with effect from the close of the Meeting."***

## OTHER BUSINESS

To transact any other business that may be legally brought before the Meeting.

## CHAIRMAN AND CHAIRMAN'S VOTING INTENTIONS FOR UNDIRECTED PROXIES

It is proposed that Mr Colin McCavana will chair the Meeting. It is the Chairman's intention as Chairman of the Meeting to vote undirected proxies (i.e. open proxies) which he holds as proxy in favour of all Resolutions. In exceptional circumstances, the Chairman may change his voting intention on any Resolution, in which case an ASX announcement will be made.

## SNAPSHOT DATE

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the date to determine who the Shareholders in the Company are for the purposes of the AGM is **4.00pm (Perth time) on 23 November 2021**. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Holders of Options or other convertible securities issued by the Company who are not Shareholders but who wish to vote as Shareholders at the Meeting are required to lodge valid exercise notices with the Company no later than 1 week before the Meeting to allow sufficient time for the Shares to be issued by the Company.

### PROXIES

If you wish to appoint a person as your proxy, please complete the Proxy Form that has been provided to you (which forms part of this Notice).

In accordance with section 249L(1)(d) of the Corporations Act, Shareholders are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is

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specified then in accordance with section 249X(3) of the Corporations Act each proxy may exercise one half of the votes.

In accordance with section 250BA of the Corporations Act the Company specifies the following details for the purposes of receipt of proxy appointments and proxy appointment authorities:

**Share Registry** (Automic Group Pty Ltd):

| **By post:** | **By fax:** | **By email:** | **By hand:** |
|---|---|---|---|
| Automic<br>GPO Box 5193<br>Sydney NSW 2001 | Facsimile<br>Number:<br>+61 2 8583 3040 | meetings@automicgroup.com.au | Automic<br>Level 5, 126 Phillip Street<br>Sydney NSW 2000 |

The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Meeting. The Proxy Form provides further details on appointing proxies and lodging proxy forms.

**VOTING PROHIBITION BY PROXY HOLDERS (REMUNERATION OF KEY MANAGEMENT PERSONNEL)**

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1, 8, 9, 10 or 11 if the person is either a member of key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the Resolution. However, the proxy may vote if the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 1, 8, 9, 10 or 11, by signing and returning the Proxy Form (including via an online facility) you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

**CORPORATE REPRESENTATIVE**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of corporate representative form is available at https://automic.com.au.

**OTHER**

Words which are defined in the Explanatory Memorandum have the same meaning when used in this Notice of Meeting unless the context requires otherwise. For assistance in considering this Notice of Meeting and the Explanatory Memorandum, please refer to the Glossary.

Dated 22 October 2021

By order of the Board

**Belinda Pearce**
Company Secretary

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## GLOSSARY

**$20M Placement** has the meaning given in the Explanatory Memorandum for Resolution 7.

**10% Placement Facility** has the meaning given in the Explanatory Memorandum for Resolution 6.

**16 February Announcement** has the meaning given in the Explanatory Memorandum for Resolution 7.

**AGM** or **Annual General Meeting** or **Meeting** means the meeting of the Shareholders convened for the purposes of considering the Resolutions contained in the Notice.

**Annual Report** means the Company's Annual Report for the financial year ended 30 June 2021, comprising the financial report, the Directors' report and the Auditor's Report for the financial year ended 30 June 2021.

**ASX** means ASX Limited ACN 008 624 691 or the securities exchange operated by it, as the context requires.

**Auditor's Report** means the auditor's report included in the Annual Report of the Company for the year ended 30 June 2021.

**Board** means the board of Directors of the Company.

**Company** means Northern Minerals Limited ABN 61 119 966 353.

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Eligible Participant** has the meaning given in Annexure B.

**Equity Security** has the meaning given in Chapter 19 of the Listing Rules.

**Explanatory Memorandum** or **Memorandum** is the Explanatory Memorandum accompanying the Notice of Meeting.

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

**Notice of Meeting** or **Notice** means this Notice of AGM.

**Option** means an unquoted option to subscribe for a Share.

**Performance Rights Plan** means the Northern Minerals Limited Performance Rights Plan, the terms of which are summarised in Annexure B.

**Proxy Form** means the form of proxy provided in respect of this Notice of Meeting.

**Remuneration Report** means the remuneration report of the Company contained in the annual Directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

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**Resolution** means a resolution proposed to be passed at the Meeting and contained in the Notice.

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

**Shareholder** means a person entered in the Company's register as a holder of a Share.

**Tranche 1 Securities** has the meaning given in the Explanatory Memorandum for Resolution 7.

**Tranche 2 Options** has the meaning given in the Explanatory Memorandum for Resolution 7.

**VWAMP** means volume weighted average market price, as defined in the Listing Rules.

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# EXPLANATORY MEMORANDUM TO SHAREHOLDERS

# NORTHERN MINERALS LIMITED

## ABN 61 119 966 353

This Memorandum sets out information about the business to be considered by the Shareholders at the Annual General Meeting.

**BUSINESS OF THE MEETING**

**Annual Report 2021**

Section 317 of the Corporations Act requires the Directors to lay before the AGM the financial report, Directors' report (including the Remuneration Report) and the Auditor's Report for the last financial year that ended before the AGM.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports or the management of the Company but no formal resolution to adopt the reports will be put to Shareholders at the AGM (save for Resolution 1 for the adoption of the Remuneration Report). Shareholders will also be given an opportunity to ask the auditor or the auditor's representative questions relating to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions for the auditor if the questions are relevant to the content of the audit report or the conduct of the audit of the Company's financial report for the period ended 30 June 2021.

Relevant written questions for the auditor must be received by the Company no later than the fifth business day before the date of the Meeting.

A list of the relevant written questions will be made available to Shareholders attending the Meeting. They will also be placed on the Company's website.

The following details should be included with written questions:

- the **Shareholder's Name**; and
- either the Shareholder's **Security Reference Number (SRN)** or **Holder Identification Number (HIN)**.

**RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)**

Pursuant to section 250R of the Corporations Act, the Company is required to put the Remuneration Report to a vote of Shareholders. The Annual Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors, the Chief Executive Officer and other key management personnel.

The Annual Report is available on the Company's website at www.northernminerals.com.au.

The Corporations Act provides that Resolution 1 is only an advisory vote of Shareholders and does not bind the Directors or the Company.

Under the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of

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those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

The Company's 2020 Remuneration Report was passed by more than 75% of the votes cast. Accordingly, the Spill Resolution is not relevant for this Meeting.

The remuneration levels for Directors, officers and senior managers are competitively set to attract and retain appropriate Directors and key management personnel. The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on, the Remuneration Report.

## RESOLUTION 2 – RE-ELECTION OF MR COLIN MCCAVANA

Listing Rule 14.4 provides that, other than a Managing Director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is longer. However, where there is more than one Managing Drector, only one is entitled not to be subject to re-election.

In accordance with rule 5.1 of the Company's Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if such Directors have been in office for an equal length of time, by drawing lots or by agreement.

Accordingly, Mr Colin McCavana is required to retire by rotation at the AGM, and being eligible, offers himself for re-election as a Director.

Mr McCavana has served on the Board since 22 June 2006. He was appointed as Non-Executive Chairman on 9 March 2017 and is a member of the remuneration and nomination committee.

Mr McCavana has more than 40 years of management experience worldwide in the earthworks, construction and mining industries. Much of this has been related to acquisition, development and operation of mining and mineral recovery projects. Mr McCavana is a founding director of Northern Minerals Limited. Mr McCavana has served as a director of ASX-listed Reward Minerals Limited (ASX:RWD) since February 2010 and as a Non-executive Director of PVW Resources (ASX: PVW) since February 2021.

The Board considers that Mr McCavana qualifies as an independent Director and that his independence has not been impaired during his current tenure.

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr McCavana) unanimously resolved that Mr McCavana's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

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The Board (except Mr McCavana) unanimously recommends that Shareholders vote in favour of Resolution 2.

## RESOLUTION 3 – RE-ELECTION OF MR MING LU

Please refer to the Explanatory Memorandum for Resolution 2 in relation to Listing Rule 14.4 and rule 5.1 of the Company's Constitution.

Resolution 3 seeks the re-election of Mr Ming Lu as a Non-Executive Director of the Company. Mr Lu was first appointed as a Non-Executive Director of the Company on 24 October 2018.

Mr Lu is required to retire by rotation at the AGM in accordance with rule 5.1 of the Company's Constitution, and being eligible, Mr Lu offers himself for re-election as a Director.

Mr Lu is a CPA qualified senior finance leader with over 10 years of commercial experience in successful multinational businesses worldwide, and is a member of the Australian Institute of Company Directors.

Mr Lu has extensive experience in working with investors, boards and senior executive teams in modelling, strategic planning, providing financial support and delivering returns.

Throughout his career as a finance professional, Mr Lu has had hands on experience in leading finance functions in multinational businesses worldwide. Mr Lu has versatile industry experience in manufacturing, engineering and R&D, education, mining services and private equity. Mr Lu has a diverse corporate background spanning privately owned SMEs, private equity backed ventures to listed public listed companies and Fortune 500s.

Mr Lu was initially appointed as a nominee of Huatai Mining Pty Ltd (ACN 163 062 164) which was a former substantial shareholder of the Company. If re-elected, the Board considers that Mr Lu will be an independent Director.

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr Lu) unanimously resolved that Mr Lu's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

The Board (except Mr Lu) unanimously recommends that Shareholders vote in favour of Resolution 3.

## RESOLUTION 4 – RE-ELECTION OF MR LIANGBING YU

Resolution 4 seeks the re-election of Mr Liangbing Yu as a Non-Executive Director. Mr Yu was appointed as a Non-Executive Director on 24 November 2020 under rule 8.1 of the Company's Constitution, following the resignation of Mr Adrian Griffin. As a new Director, and as recommended by the ASX Corporate Governance Council Corporate Governance Principles and Recommendations, the Company carried out background checks on Mr Yu prior to his appointment, none of which revealed any information of concern.

Mr Yu is required to retire in accordance with rule 8.2 of the Company's Constitution. Rule 8.2 of the Company's Constitution provides that a Director appointed under rule 8.1 must retire at the first annual general meeting of the Company following the Director's appointment. A Director who retires under rule 8.2 is eligible to be re-appointed at that meeting.

Mr Yu has a dual Bachelor's Degree in Investment Economics & Economic Law. Mr Yu has over 20 years' experience in business operation and management and is currently an Executive Partner at Beijing GloryHope Oriental Investment Centre.

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The Board considers that Mr Yu qualifies as an independent Director and that his independence has not been impaired during his current tenure.

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr Yu) unanimously resolved that Mr Yu's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

The Board (except Mr Yu) unanimously recommends that Shareholders vote in favour of Resolution 4.

## RESOLUTION 5 – RE-ELECTION OF MR BIN CAI

Resolution 5 seeks the re-election of Mr Bin Cai as a Non-Executive Director. Mr Cai has acted as an Alternate Director since 2013, and was appointed as a Non-Executive Director on 27 July 2021 under rule 8.1 of the Company's Constitution.

Mr Cai is required to retire in accordance with rule 8.2 of the Company's Constitution. Rule 8.2 of the Company's Constitution provides that a Director appointed under rule 8.1 must retire at the first annual general meeting of the Company following the Director's appointment. A Director who retires under rule 8.2 is eligible to be re-appointed at that meeting.

Mr Cai has an outstanding record of successful strategic investments in emerging Australian resource companies based on his long experience in global resource industry investment. Mr Cai previously had 8 years' experience with The China Investment Bank, and was previously a director of Carpentaria Exploration Limited (until May 2018). Mr Cai is currently a director of Orion Metals Limited (since July 2012) and Australian Cayenne Holdings Pty Ltd.

Mr Cai is the Managing Director of Australia Conglin International Investment Group Pty Ltd (**ACIIG**) based in Brisbane. ACIIG is the holder of 156,833,095 ordinary shares in the Company, holding approximately 3.24% of the Company's issued capital, and is the Company's sixth largest Shareholder.

Mr Cai has also provided significant advice and made significant introductions to funding and offtake partners in Asia.

Given Mr Cai's position as an executive of a large Shareholder of the Company, and his previous relationship as a consultant to the Company, the Board considers that, if re-elected, Mr Cai will not be an independent Director.

After appropriate consideration, and taking into account his past performance, contributions to the Company and the current and future needs of the Board and the Company, the Board's members (excluding Mr Cai) unanimously resolved that Mr Cai's distinct set of skills and experience, including as stated above, are of obvious and on-going benefit to the Board.

The Board (except Mr Cai) unanimously recommends that Shareholders vote in favour of Resolution 5.

## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

### Listing Rules 7.1 and 7.1A

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

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase the 15% limit under Listing Rule 7.1 by an extra 10%, to 25%.

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

**Shareholder approval sought**

Resolution 6 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval (**10% Placement Facility**).

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval. If Resolution 6 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

**Information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided in relation to the 10% Placement Facility as follows:

(a) Shareholder approval of the 10% Placement Facility will be valid from the date of the Meeting to the first to occur of the following:

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

  (ii) the time and date of the Company's next annual general meeting; and

  (iii) the time and date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

(b) The Equity Securities will be issued for a cash consideration per security of not less than 75% of the VWAMP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

  (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or

  (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(c) The Company may seek to issue Equity Securities under the 10% Placement Facility to raise funds for capital expenditure on the Company's current assets, for continued exploration and development of its current projects and/or for general working capital.

(d) If this Resolution is approved by Shareholders at the Meeting and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic interest may be diluted if the Equity Securities are issued at a discount. Further, the existing Shareholders' voting power in the Company will be diluted by up to 9.09% if all of the Listing Rule 7.1A capacity is used. There is a risk that:

  (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of Shareholder approval at the Meeting; and

  (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

  which may have an effect on the amount of funds raised by the issue of the Equity Securities and also on the Company's Share price post issue of the Equity Securities.

  The below table shows the dilution of existing Shareholders on the basis of the current Share price and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

  The table also shows:

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(iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro-rata entitlement offer or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved by Shareholders; and

(iv) two examples where the issue price of Shares has changed – in one example it has decreased by 50% and in another it has increased by 50% against the current Share price (which, for the purposes of this table, is $0.044 being the closing price of the Shares on ASX as at 7 October 2021).

| **Variable 'A' in Listing Rule 7.1A.2** | | **Dilution** | | |
|---|---|---|---|---|
| | | **Assuming 50% decrease in issue price** $0.022 | **Issue price** $0.044 | **Assuming 50% increase in issue price** $0.066 |
| **Variable A** 4,846,066,366 | **Number of Shares that could be issued under 10% Placement Facility** | 484,606,636 Shares | | |
| | **Funds that could be raised** | $10,661,346 | $21,322,691 | $31,984,038 |
| **50% increase in Variable A** 7,269,099,549 | **Number of Shares that could be issued under 10% Placement Facility** | 726,909,954 Shares | | |
| | **Funds that could be raised** | $15,992,019 | $31,984,038 | $47,976,057 |
| **100% increase in Variable A** 9,692,132,732 | **Number of Shares that could be issued under 10% Placement Facility** | 969,213,273 Shares | | |
| | **Funds that could be raised** | $21,322,692 | $42,645,384 | $63,968,076 |

The table has been prepared on the following assumptions:

(i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

(ii) In each case, an issue of the maximum number of Shares under the 10% Placement Facility would dilute the Shareholders as at the date immediately prior to the issue by up to 9.09%. For example, based on the current number of Shares on issue as at the date of this Notice, existing Shareholders would have 4,846,066,366 votes out of a total post-issue number of 5,330,673,002 Shares, representing 90.91% of the post-issue total number of shares (or a dilution of 9.09%).

(iii) The table does not show the economic dilution that may be caused to a particular Shareholder's shareholding by reason of placements under the 10% Placement Facility.

(iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares (although the Company also has convertible securities on issue as at the date of this Notice).

(vi) The base issue price is assumed to be $0.044 being the closing price of the Shares on ASX on 7 October 2021 (rather than being based on the 15 trading day VWAMP).

(vii) No convertible securities are exercised before the issue of Equity Securities under the 10% Placement Facility.

(e) The Company's allocation policy for issues of new Shares under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, without limitation, the following factors:

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(i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate and other forms of equity and debt financing;

(ii) the effect of the issue of the Equity Securities on the control of the Company;

(iii) the financial situation and solvency of the Company; and

(iv) advice from corporate, financial and broking advisers (if applicable).

Any potential allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates (as defined in the Listing Rules) of a related party of the Company.

(f) The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A in the 12 months preceding the date of the Meeting.

(g) A voting exclusion statement is not required for the reasons set out in the Notice.

**Board recommendation**

The Board believes that the 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months without Shareholder approval. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolution 6.

## RESOLUTION 7 – RATIFICATION OF PREVIOUS ISSUE OF OPTIONS UNDER $20M PLACEMENT

**Background**

The Company refers to its announcement dated 16 February 2021 (**16 February Announcement**) in relation to the subscription agreements entered into between the Company and various sophisticated and institutional investors in Australia, the United States and Europe to raise $20 million (before costs) under a private placement (**$20M Placement**).

The $20M Placement is comprised of two tranches, as detailed below:

| Tranche | Number of Subscription Shares | Issue Price per Share | Subscription Amount | Number of Options |
|---|---|---|---|---|
| Tranche 1 | 408,163,267 | $0.049 | $20,000,000 | 153,061,226 |
| Tranche 2<br>*(Options only)* | - | - | - | 51,020,408 |
| **Total** | **408,163,267** | **-** | **$20,000,000** | **204,081,634** |

Investors in the $20M Placement received one free attaching Option for every two Shares subscribed for, with each Option to be exercisable at $0.074 with an expiry date of 3 years from the date of issue.

*Tranche 1*

All of the Shares to be issued under Tranche 1 of the $20M Placement have been issued, along with the Tranche 1 Options (together, **Tranche 1 Securities**), on 22 February 2021. The Tranche 1 Securities were issued pursuant to the Company's placement capacity under Listing Rule 7.1, and was subsequently ratified at the Company's General Meeting held on 22 July 2021.

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*Tranche 2*

Tranche 2 of the $20M Placement has also completed and all of the Options to be issued (**Tranche 2 Options**), were issued on 27 July 2021. The Tranche 2 Options were issued pursuant to the Company's placement capacity under Listing Rule 7.1. Resolution 7 seeks Shareholder approval to ratify this issue of the Tranche 2 Options.

A total of $1,112,725 in fees was paid by the Company to placement agents and financial advisors in respect of the $20M Placement.

**Listing Rule 7.1**

Please refer to the Explanatory Memorandum for Resolution 6 for information about Listing Rule 7.1.

**Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without Shareholder approval under that rule.

**Shareholder approval sought**

The issue of the Tranche 2 Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it has used up part of the Company's 15% limit under Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 2 Options.

Under this Resolution, the Company seeks Shareholder approval for, and ratification of, the issue of the Tranche 2 Options under and for the purposes of Listing Rule 7.4 so as to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

If this Resolution is passed, the issue of the Tranche 2 Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 2 Options.

If this Resolution is not passed, the issue of the Tranche 2 Options will be included in calculating the Company's 15% limit in Listing Rule 7.1, and will continue to restrict the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 2 Options.

**Information required by Listing Rule 7.5**

Listing Rule 7.5 requires the following specific information to be provided to Shareholders in relation to this Resolution:

(a) The Tranche 2 Options were issued to various sophisticated and institutional investors who were introduced to the Company by EAS Advisors, LLC (acting through Odeon Capital Group LLC), the Company's placement agent and financial advisor for the $20M Placement. None of these investors were material investors whose identities are required to be disclosed under ASX Guidance Note 21 (that is, none of them were (at the time of the $20M Placement) related parties of the Company, members of the Company's key management personnel, substantial holders of the Company, advisers of the Company or an associate of any of those parties who were issued more than 1% of the issued capital of the Company).

(b) 51,020,408 Options were issued in total.

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(c) The Tranche 2 Options have an exercise price of $0.074 per Option and an expiry date of three years after the Options were issued (being 27 July 2024). A summary of the further material terms of the Options is set out in Annexure A.

(d) The Options were issued on 27 July 2021.

(e) The issue price for the Tranche 2 Options is nil as the Options were issued as free attaching Options under the $20M Placement.

(f) The Company did not raise any funds from the issue of the Tranche 2 Options. However, if all the Tranche 2 Options are exercised, the Company will raise $3.78 million (before costs) which will be used for the same matters as described in the 16 February Announcement, or as determined by the Board.

(g) Please refer to the Background above in respect of fees paid by the Company to placement agents and financial advisors in respect of the $20M Placement. There are no further material terms to disclose in respect of the $20M Placement.

A voting exclusion applies to Resolution 7 in the terms set out in the Notice of Meeting.

**Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

## RESOLUTIONS 8 TO 11 – ISSUE OF PERFORMANCE RIGHTS UNDER THE PERFORMANCE RIGHTS PLAN

The Company has in place a Performance Rights Plan. The main purpose of the Performance Rights Plan is to incentivise Eligible Participants to provide (and reward them for providing) dedicated and ongoing commitment and effort to the Company, and to align the interests of Eligible Participants with Shareholders in order to increase Shareholder value. The Board considers that the ability to issue Performance Rights as incentives to Eligible Participants enables Eligible Participants to share in the future growth and profitability of the Company and provides a necessary mechanism to attract, retain and motivate personnel to achieve the Company's goals.

The issue of securities under the Performance Rights Plan was approved by Shareholders at the General Meeting held on 22 July 2021.

The Company is proposing to issue a total of 30,000,000 Performance Rights under the Performance Rights Plan to Mr Colin McCavana, Mr Ming Lu, Mr Liangbing Yu and Mr Bin Cai, each of whom is a Director, or their respective nominees (**Proposed Current Director Issues**). Each Proposed Current Director Issues is subject to such Director being re-elected as a Director at the Meeting (see Resolutions 2 to 5).

A summary of the terms of the Performance Rights Plan is set out in Annexure B, and a summary of the vesting conditions of the Performance Rights to be issued under the Performance Rights Plan is set out in Annexure C.

**Purpose of approval sought**

Listing Rule 10.11 requires a listed entity to obtain shareholder approval for the issue of securities to a related party, which includes a director of the Company.

Listing Rule 10.12, Exception 8 provides that approval under Listing Rule 10.11 is not required for an issue of equity securities under an employee incentive scheme made, or taken to have been made, with the approval of the issuing entity's shareholders under Listing Rule 10.14.

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Listing Rule 10.14 provides that a listed company must not permit a director (or certain other persons) to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders.

The Proposed Current Director Issues fall within Listing Rule 10.14 and therefore require the approval of Shareholders. Resolutions 8 to 11 seek the required Shareholder approvals to the Proposed Current Director Issues for the purposes of Listing Rule 10.14.

Mr Colin McCavana, as Non-Executive Chairman of the Company, Mr Ming Lu, Mr Liangbing Yu and Mr Bin Cai, as Non-Executive Directors of the Company, are entitled to participate in the Performance Rights Plan. The Board considers that the issues of Performance Rights to those Directors, or to their respective nominees, under the Performance Rights Plan are in the Company's interests as they further align the interests of those Directors with the interests of Shareholders in order to maximise Shareholder value. Further, the Proposed Current Director Issues provide cost effective remuneration to the Directors in their roles and will assist in retaining their services, which the Board considers to be important to the future success of the Company.

The proposed issue of Performance Rights constitutes an equity-based incentive for each Director. No exercise price is payable on exercise of the Performance Rights and the Company will not raise any funds from the Proposed Current Director Issues.

The Performance Rights proposed to be issued under Resolutions 8 to 11 will (if not exercised) expire 12 months after they have vested. Vesting of the Performance Rights will be dependent on meeting conditions which have been aligned with those of key personnel to ensure that all key executive and non-executive personnel are aligned in delivering the milestones required for the further exploration and development of the Company's projects and in driving the Company's performance for the benefit of the Company and all Shareholders.

While some corporate governance bodies suggest that Non-Executive Director remuneration should not be linked to performance, in the circumstances of the Company and its current stage of operations, the Board considers that it is appropriate to adequately incentivise and reward Non-Executive Directors (including as an attraction and retention tool) based on performance and achievement of key milestones. The Board is of the view that having Performance Rights vesting linked to performance conditions will not compromise the Board's objectivity and independence and all decisions will continue to be made solely in the interests of the Company and all Shareholders.

The Board has considered the Proposed Current Director Issues and, taking into account the circumstances of the Company and its subsidiaries, the circumstances of the Directors, and the remuneration practices of other similar entities, considers that the financial benefits provided to the Directors by way of the Performance Rights (together with the other elements of their remuneration packages) constitute reasonable remuneration. Accordingly, approval under Chapter 2E of the Corporations Act is not being sought.

If Resolution 8 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr McCavana and issue up to a total of 7,500,000 Performance Rights to Mr McCavana or his nominee.

If Resolution 9 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Lu and issue up to a total of 7,500,000 Performance Rights to Mr Lu or his nominee.

If Resolution 10 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Yu and issue up to a total of 7,500,000 Performance Rights to Mr Yu or his nominee.

If Resolution 11 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Cai and issue up to a total of 7,500,000 Performance Rights to Mr Cai or his nominee.

If any of Resolutions 8, 9, 10 or 11 are not passed, the Company will not be able to proceed with the proposed issue of Performance Rights the subject of that Resolution.

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As noted above, the Company will only proceed with the issue of Performance Rights in respect of the Directors who are re-elected as a Director at the Meeting.

**Information required by Listing Rule 10.15**

Listing Rule 10.15 requires the following information to be provided in relation to these Resolutions:

(a) The persons to acquire Performance Rights under the Performance Rights Plan are Mr Colin McCavana, Mr Ming Lu, Mr Liangbing Yu and Mr Bin Cai (or their respective nominees). Mr McCavana is the Non-Executive Chairman of the Company, and Mr Lu, Mr Yu and Mr Cai are Non-Executive Directors of the Company.

(b) Mr McCavana, Mr Lu, Mr Yu and Mr Cai fall within Listing Rule 10.14.1 as they are Directors of the Company. Their nominees (if applicable) would fall within Listing Rule 10.14.2, as associates of the above-mentioned Directors.

(c) The maximum number of Performance Rights that may be acquired by each Director (or their nominee) under the Performance Rights Plan pursuant to each Resolution is 7,500,000 Performance Rights (exercisable into 7,500,000 Shares), being a total of 30,000,000 Performance Rights (exercisable into 30,000,000 Shares).

(d) The current total remuneration package for each Director who will participate in the Proposed Current Director Issues is set out in the table below

| Director | Current total remuneration package |
|---|---|
| Mr Colin McCavana | $95,000 per annum (inclusive of superannuation and a fee for serving on committees of the Company) |
| Mr Ming Lu | $65,000 per annum (inclusive of superannuation) |
| Mr Liangbing Yu | $65,000 per annum (inclusive of superannuation) |
| Mr Bin Cai | $65,000 per annum (inclusive of superannuation) |

(e) Mr McCavana, Mr Lu, Mr Yu and Mr Cai have not previously been issued Performance Rights under the Performance Rights Plan.

(f) A summary of the material terms of the Performance Rights Plan and the vesting conditions attached to the Performance Rights to be issued under the Performance Rights Plan are set out in Annexure B and Annexure C respectively. In addition, and for clarity, a Performance Right does not confer any right to:

(i) a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or

(ii) participate in the surplus profit or assets of the entity upon a winding up.

The Performance Rights to be issued to the Directors must be exercised by the Directors as they do not automatically exercise upon vesting.

(g) The Performance Rights are being used to provide cost effective remuneration for Directors and as an incentive, alignment and retention tool for Directors.

(h) The indicative total value of the Performance Rights to be issued to each Director is set out in Annexure C.

(i) It is proposed that the Directors (or their respective nominees) will be issued the Performance Rights as soon as practicable (and in any event within 3 years) after the date of the Meeting, provided that such Director has been re-elected as a Director at the Meeting.

(j) The Performance Rights will be issued to each Director (or their nominees) for nil cash consideration (in line with the terms of the Performance Rights Plan), as part of their remuneration package.

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(k) No loan will be provided in relation to the acquisition of the Performance Rights.

(l) Details of any Performance Rights issued under the Performance Rights Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

(m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after the resolution is approved and who were not named in the Notice will not participate until approval is obtained under that rule

(n) Voting exclusion statements in respect of Resolutions 8 to 11 are set out in the Notice.

If approval is given under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

**Board recommendation**

The Board does not make a recommendation to Shareholders in respect of how to vote on Resolutions 8 to 11 given that those Resolutions relate to the remuneration of current Directors.

## RESOLUTION 12 – ELECTION OF MR TAO WU

The Company has received a nomination from Africa Changcheng Mining Holdings Limited (**ACMH**), a Shareholder, that Mr Tao Wu be elected as a Non-Executive Director of the Company at the Meeting. According to a notice of initial substantial holder lodged with ASX on 24 September 2021, ACMH holds voting power of 5.19% of the Company's issued share capital. The nomination has been seconded by Mr Lu Tian, also a Shareholder. A copy of the director nomination is attached as Annexure D.

ACMH has provided the following biography regarding Mr Wu for inclusion in this Notice.

> "Wu Tao, Chinese, 51 years old, Shareholder of Africa Chang Cheng Mining Holdings Ltd (Mauritius).
>
> In 1995, Mr. Wu established a fully privately-owned group.
>
> In 2006, he went to Africa seeking the opportunity of mining projects' development, finally determined Mozambique as the key country to set the investment after a comprehensive survey.
>
> During all those years' full development and utilization of Mozambique's superior mineral resources (zirconium, titanium, rare earth, graphite, etc.), Mr. Wu has established a mining industry chain covering exploration, mining license registration, mining and processing, logistics, and global marketing.
>
> At present, Mr. Wu's enterprise holds ownership of 20 concession licenses and nearly 30 prospecting licenses in Mozambique, peak all over the country. Among all the licenses, 16 projects are in operation and net assets have reached 1 billion USD.
>
> **The 5 projects in operation (in Mozambique):**
>
> 1. Africa Great Wall Mining Development Co., Ltd.
>
>  The productivity of zirconium and titanium is 700,000 tons per year.
>
> 2. Hai Yu (Mozambique) Mining Co., Ltd.
>
>  The productivity of zirconium and titanium is 300,000 tons per year.
>
> 3. Mozambique Heavy Sand Co., Ltd.
>
>  The productivity of zirconium and titanium is 300,000 tons per year.
>
> 4. CRONUS Mining Co., Ltd.

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The productivity of zirconium and titanium is 200,000-tons per year.

5. Africa Great Wall Shipping Co., Ltd.

   Holding 9 barges in total, and the transportation capacity of each barge is between 2000 and 3000 tons.

**The projects in operation (in China)**

1. Shandong Yuxiao Zirconium and Titanium Mining Co., Ltd.

   The productivity is 500,000 tons per year.

2. Yuda Ocean Co., Ltd.

   Holding 3 ocean vessels with transportation capacity of 510,000 tons, 740,000 tons and 750,000 tons respectively.

3. Guangxi Yuxiao Xijun Rare Earth Functional Materials Co., Ltd.

   The smelting, separation and processing of rare earth elements. The company is in process to increase the productivity until the end of the year, the estimated productivity of rare earth oxides will exceed 10,000 tons, by which the annual output value will reach more than 300 million USD.

4. The mineral resources exploration project.

**The projects under construction (in Mozambique):**

1. Mozambique TZM Resources Joint Stock Company

   The estimated annual productivity of zirconium and titanium is 1 million tons per year.

2. DH Mining Development Co., Ltd.

   The estimated annual productivity of graphite mineral is 200,000 tons per year.

**The projects under construction (in China)**

1. Hebei Yuxiao Zirconium Titanium New Material Co., Ltd.
2. Jiangsu Yuxiao Zirconium Titanium Mining Co., Ltd.

**The projects in preparation (in Mozambique):**

1. The Real Estate Development Project in Maputo.
2. The ocean Titanium Mine Mining project.
3. The cement projects in Markuze and Beira.

Ever since starting business in Mozambique in 2006, Mr. Wu Tao has accumulated rich experience in the mining industry. With the concept of "low cost and high efficiency", the company has been in operation with high efficiency, which helps to establish the company's leading position supply of domestic zirconium and titanium minerals.

In 2020, the group company founded Guangxi Yuxiao Xijun Rare Earth Functional Materials Co., Ltd. in Guangxi, China. It’s mainly engaged in rare earth elements separation, smelting and processing. The company is capable to separate and smelt raw materials to product 15 kinds of rare earth elements, including lanthanum, cerium, praseodymium, neodymium, samarium, europium, gadolinium, terbium, dysprosium, etc., as well as highly purified rare earth products.

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The company currently owns more than 10 independent intellectual property patents, including environmental protection, and recycling in the production of rare earths. The extraction and separation of rare earth adopts the most advanced linkage extraction and calcium saponification technology in the world, and the metal smelting adopts exclusive patented technology (Patent No.: ZL01212927.5), the 10,000-ampere fused-salt electrolysis of large-scale rare earth oxide.

With this technology, the company can produce 2N-5N level of purity of rare earth oxides and the salts.

The products have a high market share and an excellent reputation both in China and abroad. The total construction area of the plant is about 30,000 square meters, including extraction workshop, precipitation roasting workshop, metal workshop, environmental comprehensive treatment and recycling workshop, etc., with an annual productivity of more than 10,000 tons of REO (converted to 100% rare earth in the REO), and annual output value of more than 300 million U.S. dollars after the expected annual productivity achieved.

The joining of Mr. Wu Tao can not only help you develop and operate rare earth minerals business with low cost and high efficiency, but also provide strong support for your deep processing and utilization of raw materials downstream. With Mr. Wu's help, the operating performance will achieve steady growth to maximize interests of shareholders."

The Company will carry out background checks on Mr Wu as recommended by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

As noted above, Mr Wu is nominated by ACMH, who is the Company's third largest Shareholder. Therefore, if elected, the Board considers that Mr Wu will not be an independent Director.

Based on the information available to the Board and, in particular, Mr Wu's experience in the rare earth industry, the Board recommends that Shareholders vote in favour of the Resolution. This recommendation is subject to the results of the Company's background checks on Mr Wu and further information about Mr Wu that is obtained by the Company. If any information becomes available to the Board before the Meeting that causes the Board to change its recommendation, Shareholders will be notified through an ASX announcement.

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**Annexure A**

**Summary of Option Terms**

(1) The Options are exercisable at any time prior to 5.00pm Perth time on the date which is three years after their issue date (the "**Time of Expiry**"). Options not exercised on or before the Time of Expiry will automatically lapse.

(2) The Options may be exercised by written notice ("**Notice of Exercise**") to be delivered to the Company's registered office and received by it any time prior to the Time of Expiry.

(3) An Optionholder may not exercise less than 5,000 Options at any one time, unless the Optionholder has less than 5,000 Options in which case the Optionholder must exercise all their Options together.

(4) The Options entitle the holder to subscribe (in respect of each Option held) for one share in the Company ("**Share**") at an exercise price per Option of $0.074.

(5) Upon the exercise of the Options and receipt of all relevant documents and payment (in $A), Shares will be issued ranking equally with the then issued Shares. If at the date of exercise of the Options the Shares of the Company are quoted on the ASX, the Company will apply to ASX to have the Shares so issued granted Quotation in accordance with the timeframes set out in the Listing Rules. The Options will not be quoted on the ASX.

(6) There are no participating entitlements inherent in the Options to participate in new issues of capital. Optionholders will only be entitled to participate in new issues of capital where an Option has been exercised and a Share has been issued in respect of the exercise before the record date for determining entitlements to new Shares. The Company will, where required pursuant to the Listing Rules, provide Optionholders with notice prior to the record date to determine entitlement to any new issue of securities made to Shareholders generally, in accordance with the requirements of the Listing Rules.

(7) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Time of Expiry, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner consistent with Listing Rule 7.22. For these purposes the rights of the Optionholder may be changed from time to time to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation.

(8) The Options may be transferred at any time prior to the Time of Expiry provided that the transferee is a person that does not require disclosure under Part 6D.2 of the *Corporations Act 2001* (Cth).

(9) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise or at such other time as required by the Listing Rules.

(10) The Options carry no right to vote at a general meeting of shareholders and no rights to dividends.

(11) If prior to an exercise of an Option, but after the issue of the Option, the Company makes an issue of Shares by way of a bonus offer of such Shares to at least all the holders of Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated in accordance with Listing Rule 6.22.3.

(12) If prior to an exercise of an Option, but after the issue of the Option, the Company makes an offer or invitation to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis (other than a bonus issue) relative to those holders' shareholding at the time of the offer, the Option exercise price will be reduced as specified in Listing Rule 6.22.2.

(13) The Options may not be exercised by or on behalf of a person in the United States unless the Options and the underlying Shares have been registered under the US Securities Act of 1933, as amended, and applicable state securities laws, or an exemption from such registration requirement is available.

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**Annexure B**

**Summary of Performance Rights Plan**

Set out below is a summary of the terms and conditions of the Northern Minerals Performance Rights Plan:

## 1. Eligibility

The Company's Board may from time to time determine that an Eligible Participant may participate in the Plan and the extent of that participation. The Board will have regard to, amongst other things, the office or position held by or services provided by the Eligible Participant to the relevant Participating Employer, the length of office, position held or service of the Eligible Participant with the Participating Employer, the record of employment or engagement of the Eligible Participant with the Participating Employer, the potential contribution of the Eligible Participant, the extent of the existing participation of the Eligible Participant (directly or indirectly) in the Plan, and any other matters which the Board considers relevant.

## 2. Invitations

The Board may issue an Invitation to an Eligible Participant, inviting an application for a grant of Performance Rights up to the number of Performance Rights specified in the Invitation. The Invitation will set out, amongst other things, the number of Performance Rights, the Vesting Date, the Expiry Date (if applicable), the exercise price (if any), any vesting conditions, the acceptance period and any matters required by any applicable ASIC Class Orders.

Performance Rights may be renounced in favour of an Eligible Person in relation to the Eligible Participant, subject to approval by the Committee.

## 3. Applications

Following receipt of an Invitation, an application for the Performance Rights may be made by the Eligible Participant or an Eligible Person in relation to the Eligible Participant, as approved by the Committee, in whose favour the Eligible Participant renounces such Invitation (**Applicant**).

The Applicant may apply for the Performance Rights by sending to the Company (marked for the attention of the Company Secretary) a duly signed and completed application (in the form attached to the Invitation) (**Application**).

The Application must be received by the Company within the acceptance period specified in the Invitation, which cannot be less than 7 days from the date of the Invitation.

## 4. Grant of Performance Rights

Upon acceptance of a duly signed and completed Application in accordance with the Rules, the Company may grant the Performance Rights applied for to the Applicant. Notwithstanding the lodgement of a completed Application, no entitlement to Performance Rights, or, if applicable, Shares to which those Performance Rights relate, accrues to an Applicant until the date on which those Performance Rights are granted to the Applicant by the Company.

## 5. Exercise and Lapse of Performance Rights

(a) Performance Rights will vest when the vesting conditions prescribed in the relevant Invitation have been satisfied.

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(b) Subject to paragraph (c) below, Performance Rights may be exercised at any time from and including the Vesting Date up to and including the Expiry Date.

(c) If an Invitation so provides, Performance Rights automatically convert to Shares on the Vesting Date with no exercise price being payable.

(d) Subject to the below, Performance Rights lapse on the Expiry Date.

(e) If a Participant ceases to be an Eligible Person prior to the Vesting Date, all such Performance Rights held by that Participant will lapse one month, or such longer period as determined by the Committee at its absolute discretion, after that Participant ceases to be an Eligible Person.

(f) If a Participant ceases to be an Eligible Person by reason of any of the following events, the Performance Rights held by that Participant will lapse at the expiration of six months, or such longer period as determined by the Committee at its absolute discretion, after the relevant event:

(i) the retirement or retrenchment of the Participant, or if the Participant is not an Eligible Participant, the retirement or retrenchment of the Eligible Participant by virtue of whom a Participant holds Performance Rights;

(ii) the bankruptcy or commencement of winding up or deregistration procedures in respect of the Participant; or

(iii) the death of the Participant, or if the Participant is not an Eligible Participant, the death of the Eligible Participant by virtue of whom a Participant holds Performance Rights.

## 6. Exercise procedure

(a) Performance Rights that do not automatically convert to Shares upon vesting must be exercised by written notice to the Company.

(b) Payment in full of the exercise price (if any) must accompany the notice of exercise.

(c) The Company will issue the number of Shares specified in the notice of exercise to the Participant as soon as possible after the Vesting Date, subject to any necessary consents or approvals required by any competent authority having first been obtained and compliance by the Participant with the terms of its Performance Rights so exercised, the Company's 'Policy for Trading in Company Shares by Directors and Employees' and the Rules.

(d) If Performance Rights automatically convert to Shares on the Vesting Date specified in an Invitation, the Company will issue one Share for each Performance Right vested (to be rounded to the nearest whole Share) as soon as possible after the Vesting Date, subject to any necessary consents or approvals required by any competent authority having first been obtained and compliance by the Participant with the terms of its Performance Rights so converted, the Company's 'Policy for Trading in Company Shares by Directors and Employees' and the Rules.

## 7. Takeover bids etc

All Performance Rights issued under the Plan immediately vest in a Participant (to the extent they have not already vested or lapsed) and are immediately exercisable by that Participant if:

(a) a takeover bid (as defined in the Corporations Act) to acquire Shares becomes, or is declared to be, unconditional, irrespective of whether or not the takeover bid extends to Shares issued and allotted after the date of the takeover bid;

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(b) a change of Control of the Company occurs; or

(c) a merger by scheme of arrangement under the Corporations Act is approved by the court under section 411(4)(b) of the Corporations Act.

## 8. Withholding

If the Company is required under relevant tax legislation to make withholdings on account of tax upon:

(a) the exercise of Performance Rights by a Participant; or

(b) the automatic conversion of Performance Rights to Shares,

the Board must sell sufficient of the Shares which would otherwise be issued to the Participant so that the net proceeds of sale equal the payment which the Company is required to pay to the appropriate authorities, and must apply the net proceeds towards the payment to the authorities.

This arrangement does not apply if the Participant makes an alternative arrangement to the satisfaction of the Company.

## 9. Restriction on Dealings, Dividends and Quotation

(a) Performance Rights granted under the Plan may not be transferred or hedged.

(b) Performance Rights carry no right to a dividend and no right to vote.

(c) Performance Rights will not be quoted on ASX.

(d) Performance Rights do not confer a right to participate in new issues of Shares or other securities of the Company, including bonus issues and rights issues.

## 10. Adjustment

If there is a reorganisation of the issued share capital of the Company (including a consolidation, subdivision or reduction of capital or return of capital to shareholders or bonus issue), the number of Shares subject to the Performance Right and/or the exercise price will be adjusted in the manner required by the ASX Listing Rules.

## 11. Amendment and Termination

(a) Subject to paragraph (b) below, the Board may amend, vary or supplement the Plan in any respect subject to compliance with the ASX Listing Rules.

(b) The Board may not amend the provisions of the Plan to reduce the rights of Participants in respect of prior grants, other than an amendment primarily:

(i) to comply with, or conform to, present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;

(ii) to correct any manifest error or mistake; or

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

(c) The Board may terminate the Plan at any time in which case no further Performance Rights will be granted.

(d) The Board may in its absolute discretion:

(i) increase of decrease the level of vesting irrespective of performance in relation to a vesting condition, if the Board forms the view in light of the circumstances that prevail during the period during which rights may vest that either nil vesting or a different level of vesting would be more reasonable in the circumstances; and/or

(ii) vest some or all of the Performance Rights prior to the end of the period during which rights may vest, if, in the circumstances it considers it appropriate to do so.

(e) Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any vesting condition) in relation to any Performance Rights granted to any Participant.

## 12. Plan limit

(a) If, when making an offer (or offers) of Performance Rights under the Plan, the Company does so in reliance on Class Order 14/1000, it must, at the time of making the offer(s), have reasonable grounds to believe that the number of shares in a class of shares that have been, or may be, issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of shares in that class on issue:

(i) shares that may be issued under the offer(s) (to the extent offered in reliance on Class Order [CO 14/1000]); or

(ii) shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

(A) the Plan or any other employee incentive scheme in reliance on Class Order [CO 14/1000] or its predecessors; or

(B) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

(b) Offers of Performance Rights made or Shares issued other than in reliance on Class Order [CO 14/1000] or its predecessors or an ASIC exempt arrangement (such as offers received outside of Australia or under an exception in section 708 of the Corporations Act) will not be included in calculating the 5% limit in paragraph (a) above.

## 13. Definitions

**Applicant** has the meaning given in paragraph 3.

**Application** has the meaning given in paragraph 3.

**ASX** means ASX Limited ABN 98 008 624 691, and where the context requires, the Australian Securities Exchange operated by ASX Limited.

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

**Board** means the board of Directors of the Company.

**Casual Employee** means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with a Participating Employer.

**Committee** means a committee appointed by the Board with responsibility for operation of the Plan, and whose members by majority must be non-executive Directors. If no Committee is appointed, a reference to Committee will be construed as a reference to the Board.

**Contractor** means:

(a) an individual with whom a Participating Employer has entered into a contract for the provision of services under which the individual performs work for the Participating Employer; or

(b) a company with whom a Participating Employer has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the Participating Employer,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the Participating Employer.

**Control** has the meaning given to it in section 50AA of the Corporations Act.

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

**Eligible Participant** means:

(a) a full-time or part time employee (including an executive director);

(b) a non-executive director;

(c) a Contractor;

(d) a Casual Employee; or

(e) a Prospective Participant,

in each case of, or in relation to, a Participating Employer.

**Eligible Person** means:

(a) an Eligible Participant;

(b) an Immediate Family Member (as defined in section 9 of the Corporations Act) of the Eligible Participant;

(c) a company whose members comprise no persons other than individuals from categories (a) and (b) above; or

(d) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Participant is a director of the trustee.

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**Expiry Date**, in relation to a Performance Right, means the date specified in an Invitation in respect of that Performance Right as being the final date that Performance Right can be converted to a Share (failing which, it will expire).

**Invitation** means an invitation made to an Eligible Participant in accordance with the Rules.

**Participant** means an Eligible Person to whom a Performance Right has been granted or, following the death of that Eligible Person, their personal representative.

**Participating Employer** means the Company or any Subsidiary.

**Performance Right** means a right issued under the Plan to acquire a Share.

**Plan** means the Northern Minerals Limited Performance Rights Plan established in accordance with the Rules.

**Prospective Participant** means a person to whom an Invitation is made on terms that the person can only accept that Invitation if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (a) to (d) of the definition of Eligible Participant.

**Rules** means the rules of the Plan, as supplemented and amended from time to time.

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

**Subsidiary** means a subsidiary, as defined in the Corporations Act, of the Company**.**

**Vesting Date**, in relation to a Performance Right, means (subject to the Rules), the date that Performance Right vests in a Participant as specified in the Invitation in respect of that Performance Right.

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**Annexure C**

**Summary of vesting conditions of the Performance Rights**

**Vesting conditions and expiry**

The proposed Performance Rights to be granted to the Directors will be subject to different vesting conditions. No issue price is payable for the Performance Rights.

The total number of Performance Rights to vest will depend on the satisfaction of the different vesting conditions, as described in the table below. The Board will determine (in its sole discretion) the extent to which a vesting condition has been satisfied. Performance Rights may vest (and be exercised into Shares) progressively as vesting conditions are satisfied. No payment is required on vesting of a Performance Right. The Performance Rights will (if not exercised) expire 12 months after they have vested.

| Tranche | Number of Performance Rights (per Director) | Vesting condition to be met | % of Performance Rights that vest |
|---|---|---|---|
| Tranche 1 | 1,500,000 | These are TSR Performance Rights - see TSR vesting condition below.<br>The Performance Period for these TSR Performance Rights is 1 January 2021 to 31 December 2021. | See below |
| Tranche 2 | 1,500,000 | These are TSR Performance Rights - see TSR vesting condition below.<br>The Performance Period for these TSR Performance Rights is 1 January 2022 to 31 December 2022. | See below |
| Tranche 3 | 1,500,000 | These are TSR Performance Rights - see TSR vesting condition below.<br>The Performance Period for these TSR Performance Rights is 1 January 2023 to 31 December 2023. | See below |
| Tranche 4 | 1,500,000 | Completion of the feasibility study for the full scale beneficiation plant at the Browns Range project by 31 December 2022. | 100% |
| | | Completion of the feasibility study for the full scale beneficiation plant at the Browns Range project between 1 January 2023 and 31 December 2023. | 50% |
| Tranche 5 | 1,500,000 | Practical completion of the full scale beneficiation plant at the Browns Range project to produce 4,000 tonnes of Total Rare Earth Oxide per annum in a 30% concentrate by 30 June 2024. | 100% |
| | | Practical completion of the full scale beneficiation plant at the Browns Range project to produce 4,000 tonnes of Total Rare Earth Oxide per annum in a 30% concentrate between 1 July 2024 and 30 June 2025. | 50% |

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**TSR vesting condition**

Tranche 1, Tranche 2 and Tranche 3 of the Performance Rights will vest if the TSR Vesting Condition specified below is met (**TSR Performance Rights**). Each tranche will be measured over a 12 month period (**Performance Period**), as set out in the table above.

The TSR Performance Rights are subject to a performance based vesting condition based on relative total shareholder return, or TSR (the **TSR Vesting Condition**), details of which are specified below.

The TSR Vesting Condition will be measured over the Performance Period and will not be retested.

The Company will measure its relative TSR against a Comparator Group (defined below). The Company's threshold hurdle will locate it at the 25th percentile and its stretch hurdle at the 75th percentile of this group. The base TSR of the Comparator Group will be determined as at the commencement of the Performance Period. All TSR Performance Rights will be eligible to vest if the stretch hurdle is achieved in respect of the Performance Period (subject to also meeting the other conditions of the Performance Rights Plan such as continuing to be an Eligible Person prior to the vesting date).

At lower rates of TSR performance, a portion of the TSR Performance Rights may still be eligible to vest as set out in the table below. Therefore, in respect of the TSR Performance Rights (and measured over the Performance Period):

| The Company's relative TSR Performance (over the Performance Period measured against a base at the commencement of the Performance Period) | Proportion of TSR Performance Rights that are eligible to vest |
|---|---|
| Less than 25th percentile (when compared to TSR of Comparator Group) at end of Performance Period. | 0% |
| At or above 25th percentile but below 50th percentile (when compared to TSR of Comparator Group) at end of Performance Period. | 30% |
| At or above 50th percentile but below 75th percentile (when compared to TSR of Comparator Group) at end of Performance Period. | 65% |
| At or above 75th percentile (when compared to TSR of Comparator Group) at end of Performance Period. | 100% |

**Measuring TSR**

TSR measures the return to a shareholder over a period taking into account share price growth and dividends (if any) paid over the Performance Period. More specifically, the formula for calculating TSR is:

$$\text{TSR} = \left[\frac{\text{Share price at end of Performance Period} - \text{Share price at start of Performance Period} + \text{Dividends per Share paid during the Performance Period}}{\text{Share price at start of Performance Period}}\right] \times 100$$

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In this regard:

- A 10 trading day volume weighted average price is used to determine Share price at both the beginning and the end of the Performance Period.
- The Company's TSR performance will be measured against those in the Comparator Group. For these purposes, "**Comparator Group**" means the group of companies selected by the Board for this purpose (while those companies remain listed on ASX), or any successor or acquiring entities listed on ASX or any other recognised securities exchange as determined by the Board from time to time (with such adjustments as appropriate in the circumstances). As at the date of this Notice, those companies are, Hastings Technology Metals Limited, Greenland Minerals Limited, Peak Resources Limited, Vital Metals Limited, Arafura Resources Limited and Rarex Limited.
- At the end of the Performance Period, TSR may be adjusted for the Company, or any entity in the Comparator Group, for changes in the capital structure of the relevant entity that have occurred during the Performance Period (including but not limited to any consolidation, share-split, bonus issue, capital reduction or distribution or spin-out of assets) as determined by the Board.
- If any entity in the Comparator Group ceases to be listed during the Performance Period (for example, in the case of the insolvency of that entity), then in measuring the TSR for the Comparator Group, the TSR for that entity is to be taken into account in the manner determined by the Board.

**Valuation of Performance Rights**

The Tranche 1, Tranche 2 and Tranche 3 Performance Rights to be issued to each Director have been valued by RSM through the use of a Monte-Carlo simulation model which determines the probability of the market conditions being fulfilled at the vesting dates and, as such, whether the Performance Rights will vest. In determining a valuation for the Performance Rights, RSM used models developed by Hoadley Trading & Investment Tools.

Based on the methodology and assumptions set out below, the indicative fair value of each of the Tranche 1, Tranche 2 and Tranche 3 Performance Rights is as follows:

| | Tranche 1 | Tranche 2 | Tranche 3 |
|---|---|---|---|
| Value per Performance Right | $0.0246 | $0.0329 | $0.0362 |
| Number of Performance Rights to be granted to each Director | 1,500,000 | 1,500,000 | 1,500,000 |
| **Total value for each Director** | **$36,900** | **$49,350** | **$54,300** |

The RSM valuation took into account the following assumptions:

1. An assumed grant date of 1 October 2021 (being the valuation date).
2. A spot price of $0.043, being the Company's closing share price on the last trading day immediately before the valuation date.
3. A nil exercise price.
4. A performance period commencing on the valuation date and ending on the vesting date.
5. Vesting dates for Tranche 1, Tranche 2 and Tranche 3 of 31 December 2021, 2022 and 2023 respectively based on the above performance conditions.
6. An expiry date of one year after the vesting date.
7. Expected future volatility of the Company's Shares over a one, two and three-year trading period is 75%, which is reflective of the future volatility of the Company's shares over the life of the Performance Rights.

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8. The expected future volatility of the Comparator Group (as modelled by RSM) based on historical volatility over recent trading periods prior to the valuation date.
9. The expected future correlation coefficient between the share price of the Company and each company in the Comparator Group (as modelled by RSM).
10. A risk-free rate based on the yields of Commonwealth bonds using a 2-year bond of 0.04% for Tranche 1 Performance Rights and a 3-year bond of 0.25% for Tranche 2 and 3 Performance Rights, being the periods which most closely correspond to the life of the Performance Rights. These interest rates were sourced from the RBA as the closing rate on the valuation date.
11. Nil dividend yield.

The Tranche 4 and Tranche 5 Performance Rights have been valued by the Board and the initial undiscounted value of those Performance Rights has been determined by the Board to be the value of an underlying Share as traded on ASX as at the valuation date (1 October 2021), being $0.044 per Performance Right.

Accordingly, the indicative value of each of the Tranche 4 and Tranche 5 Performance Rights is as follows:

| | **Tranche 4** | **Tranche 5** |
|---|---|---|
| Value per Performance Right | $0.044 | $0.044 |
| Number of Performance Rights to be granted to each Director | 1,500,000 | 1,500,000 |
| **Total value for each Director** | **$66,000** | **$66,000** |

The Board's valuation took into account the following assumptions:

1. No discount is made to the fundamental value for unlisted rights over listed shares.
2. Given the Performance Rights are to be issued for no consideration, the value of the Performance Rights is the underlying Share price on the valuation date.

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NORTHERN MINERALS

## Annexure D

## ACMH Director Nomination

6 October 2021

Ms B Pearce
Northern Minerals Limited
Ground Floor, 34 Colin Street
WEST PERTH WA 6005

**Attention: The secretary**

Dear Ms Pearce,

Please take notice that we, the undersigned member, holding at least 5% of the votes that may be cast at a general meeting of the company, hereby nominates and intends to propose Mr Tao Wu for election to the board of the company at the next general meeting of the company.

Particulars regarding Mr Tao Wu are attached for inclusion in the notice of meeting. Also attached is the written consent of Mr Tao Wu to act as director.

Yours faithfully

Signature of nominated representative of proposer
Africa Changcheng Mining Holdings Ltd
Director: Yuxiao Wu

Dated: 6 October 2021

Signature of nominated representative of seconder
Mr Lu Tian

Dated: 6 October 2021

NORTHERN MINERALS

NORTHERN MINERALS LIMITED | ABN 61 119 966 353

# Proxy Voting Form

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

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SAMPLE

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday 23 November 2021,** 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 VOTE ONLINE

### Vote online at https://investor.automic.com.au/#/loginsah

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

## SUBMIT YOUR PROXY VOTE BY PAPER

**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.

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## Contact

### Return your completed form

**BY MAIL**
Automic
GPO Box 5193
Sydney NSW 2001

**IN PERSON**
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

**BY EMAIL**
meetings@automicgroup.com.au

**BY FACSIMILE**
+61 2 8583 3040

### All enquiries to Automic

**WEBCHAT**
https://automic.com.au/

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

AUTOMIC

## STEP 1: Appoint Your Proxy

### Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Northern Minerals Limited, to be held at **10.00am (WST) on Thursday 25 November 2021 at Level 3, 88 William Street Perth, Western Australia** hereby:

**Appoint the Chairman of the Meeting (Chair)** OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**
Unless indicated otherwise by ticking the "for","against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**
Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 8-11 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 8-11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

## STEP 2: Your Voting Direction

| Resolutions | For | Against | Abstain | Resolutions | For | Against | Abstain |
|---|---|---|---|---|---|---|---|
| 1. Adoption of Remuneration Report (Non-Binding Resolution) | | | | 7. Ratification of Previous Issue of Options Under $20m Placement | | | |
| 2. Re-Election of Mr Colin Mccavana | | | | 8. Issue of Performance Rights to Mr Colin Mccavana | | | |
| 3. Re-Election of Mr Ming Lu | | | | 9. Issue of Performance Rights to Mr Ming Lu | | | |
| 4. Re-Election of Mr Liangbing Yu | | | | 10. Issue of Performance Rights to Mr Liangbing Yu | | | |
| 5. Re-Election of Mr Bin Cai | | | | 11. Issue of Performance Rights to Mr Bin Cai | | | |
| 6. Approval of 10% Placement Facility | | | | 12. Election of Mr Tao Wu | | | |

***Please note:*** *If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

NTU

## STEP 3: Sign Here + Contact Details

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

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

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) / /

**By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).**

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SAMPLE