

PETRATHERM LIMITED
ACN 106 806 884

NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

Date of Meeting
21 November 2024

Time of Meeting
10.00 am (Adelaide time)

Place of Meeting
HLB Mann Judd
Level 1
169 Fullarton Road
DULWICH SA 5065

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NOTICE OF ANNUAL GENERAL MEETING

PETRATHERM LIMITED ACN 106 806 884

Notice is hereby given that the Annual General Meeting of shareholders of Petratherm Limited (**Company**) will be held at HLB Mann Judd, Level 1, 169 Fullarton Road, Dulwich, South Australia at 10.00 am (Adelaide time) on 21 November 2024.

Ordinary Business

To consider the Financial Statements for the financial year ended 30 June 2024 and accompanying reports of the Directors and Auditor.

Resolution 1: Adoption of Remuneration Report

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

'That the Company adopt the Remuneration Report for the year ended 30 June 2024 as set out in the Company's Annual Report for the year ended 30 June 2024.'

Resolution 2: Re-election of Simon O'Loughlin as Director

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

'That Mr Simon O'Loughlin, having voluntarily retired in accordance with rule 6.1 of the Constitution and being eligible, and offering himself, for re-election, is re-elected as a Director with effect immediately following the conclusion of the Meeting.'

Resolution 3: Approval of Previous Issue of Shares to Employees

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

'That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given to the previous issue by the Company of 1,568,715 fully paid ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 4: Approval of Previous Issue of Placement Shares

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

'That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given to the previous issue by the Company of 40,000,000 fully paid ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

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Resolution 5: Approval for Issue of Placement Shares to Mr Derek Carter

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

'That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 1,428,572 fully paid ordinary shares to Mr Derek Carter (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 6: Approval for Issue of Placement Shares to Mr Simon O'Loughlin

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

'That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 1,428,571 fully paid ordinary shares to Mr Simon O'Loughlin (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 7: Approval for Issue of Placement Shares to Mr Donald Stephens

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

'That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 1,428,571 fully paid ordinary shares to Mr Donald Stephens (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 8: Approval for Issue of Placement Shares to Mr Simon Taylor

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

'That for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue by the Company of 1,428,571 fully paid ordinary shares to Mr Simon Taylor (or his nominee) on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 9: Approval of Employee Option Plan

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

'That for the purpose of ASX Listing Rule 7.2, Exception 13 and for all other purposes, the Company approves the issue of Equity Securities under the employee incentive scheme known as 'Petratherm Limited Employee Option Plan', the rules of which are annexed as Annexure A to the Explanatory Memorandum which is attached to and forms part of this Notice, as an exception to ASX Listing Rule 7.1.'

Resolution 10: Approval of 10% Placement Facility

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

'That pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum which is attached to and forms part of this Notice.'

Resolution 11: Re-insertion of Proportional Takeover Provisions in the Constitution

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

'That for the purposes of sections 136(2) and 648G of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by re-inserting rule 163 in the form set out in Annexure B to the Explanatory Memorandum which is attached to and forms part of this Notice.'

DATED 18 OCTOBER 2024

**BY ORDER OF THE BOARD
PETRATHERM LIMITED**



**KATELYN ADAMS
COMPANY SECRETARY**

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NOTES:

1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Annual General Meeting and the Explanatory Memorandum.

2. Voting Exclusion Statements

2.1 Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

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

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

2.2 Resolution 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of persons who participated in the issue of shares, and associates of those persons.

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

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair 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 chair to vote on the resolution as the chair decides; or

- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.
- For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:
 - the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; 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 Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

2.3 **Resolution 4**

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of persons who participated in the issue of shares, and associates of those persons.

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

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

- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2.4 **Resolutions 5, 6, 7 and 8**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Derek Carter, in favour of Resolution 6 by or on behalf of Mr Simon O'Loughlin, in favour of Resolution 7 by or on behalf of Mr Donald Stephens and in favour of Resolution 8 by or on behalf of Mr Simon Taylor (and their respective associates) and any other person who will obtain a material benefit as a result of the issue of the shares (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or those persons.

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

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

2.5 **Resolution 9**

- For the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if:
 - the person is either:
 - a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; 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 Company will not disregard a vote if:

- the person is the chair of the meeting at which the Resolution is voted on; and
- the appointment expressly authorises the chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.
- For the purposes of the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 9 by or on behalf of a person who is eligible to participate in the Petratherm Limited Employee Option Plan and any associate of that person.

However, subject always to paragraph 2.5(i) above, this does not apply to a vote cast in favour of Resolution 9 by:

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

3. Proxies

A shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a shareholder will need to take the following steps:

- 3.1 cast the shareholder's vote online by visiting www.investorvote.com.au and entering the shareholder's Control Number, SRN/HIN and PIN, which are shown on the first page of the enclosed proxy form; or
- 3.2 complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001

OR

(b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or

3.3 for Intermediary Online subscribers only (custodians), cast the shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received no later than 10.00 am (Adelaide time) on 19 November 2024.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolutions 1, 3 and 9 even though they are connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolutions 1, 3 and 9 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the chair may change his or her voting intention on any resolution, in which case an ASX announcement will be made.

4. **'Snap Shot' Time**

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Directors have determined that all shares of the Company that are quoted on ASX as at 7.00 pm (Sydney time) on 19 November 2024 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the shares at that time.

5. **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 executed in accordance with the Corporations Act 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.

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EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of shareholders of Petratherm Limited to be held on 21 November 2024. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolution proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by shareholders to consider Resolutions 1 to 11.

1. RESOLUTION 1: ADOPTION OF REMUNERATION REPORT

The Annual Report for the year ended 30 June 2024 contains a Remuneration Report which sets out the remuneration policy of the Company.

An electronic copy of the 2024 Annual Report is available to download or view on the Company's website at <https://www.petratherm.com.au/company-reports/>. The 2024 Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

Section 250R(4) of the Corporations Act prohibits a vote on this resolution being cast (in any capacity) by or on behalf of any of the following persons:

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

However, under section 250R(5) of the Corporations Act a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
 - (1) does not specify the way the proxy is to vote on the resolution; and
 - (2) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 1 even though it is

connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box on the proxy form.

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

Resolution 1 is an ordinary resolution.

Please also note that under sections 250U and 250V of the Corporations Act, if at two consecutive annual general meetings of a listed company at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these annual general meetings there must be put to the vote a resolution that another meeting be held within 90 days at which all directors (except the managing director) who were directors at the date the remuneration report was approved at the second annual general meeting must stand for re-election. So, in summary, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives 'two strikes'. The Remuneration Report did not receive a 'first strike' at the Company's 2023 annual general meeting.

2. **RESOLUTION 2: RE-ELECTION OF SIMON O'LOUGHLIN AS DIRECTOR**

In accordance with rule 6.1 of the Constitution at every annual general meeting one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one third (excluding those who retire under rule 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly, Mr Simon O'Loughlin retires as a Director of the Company and, being eligible, offers himself for re-election.

A resume for Mr O'Loughlin follows:

Simon O'Loughlin BA (Acc), Law Society Certificate in Law

Mr O'Loughlin is the founder of O'Loughlins Lawyers, an Adelaide based, specialist commercial law firm. He has extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide, and also holds accounting qualifications.

Mr O'Loughlin has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Resolution 2 is an ordinary resolution.

The Directors (with Mr O'Loughlin abstaining) recommend that shareholders vote in favour of Resolution 2.

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

3. **RESOLUTION 3: APPROVAL OF PREVIOUS ISSUE OF SHARES TO EMPLOYEES**

On 28 June 2024 (**Issue Date**), the Company issued 1,568,715 ordinary shares to two employees in lieu of part of their salary for the financial year ended 30 June 2024 (**Issue**).

Broadly speaking, and subject to a number of exceptions, ASX 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.

The Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Issue Date.

ASX 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 ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 3 seeks shareholder approval to the Issue under and for the purposes of ASX Listing Rule 7.4.

If Resolution 3 is passed, the Issue will be excluded in calculating the Company's combined 25% limit in ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 3 is not passed, the Issue will be included in calculating the Company's combined 25% limit in ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

For the purpose of ASX Listing Rule 7.5 information regarding the Issue is provided as follows:

- The shares were issued to two employees of the Company, Mr Peter Reid (Chief Executive Officer) and Mr Barry van der Stelt (Exploration Manager).
- 1,568,715 ordinary shares have been issued.
- The shares were issued on 28 June 2024.
- The shares were not issued for monetary consideration but rather in lieu of part of the salary of two employees for the financial year ended 30 June 2024.
- The shares were issued in lieu of part of the salary of two employees for the financial year ended 30 June 2024. Accordingly no funds were raised from the issue of the shares.

Resolution 3 is an ordinary resolution.

The Directors do not have an interest in the outcome of Resolution 3 and recommend that shareholders vote in favour of Resolution 3.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 3 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 3 by marking the appropriate box on the proxy form.

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

4. **RESOLUTION 4: APPROVAL OF PREVIOUS ISSUE OF PLACEMENT SHARES**

On 17 September 2024, the Company announced a placement of 45,714,285 ordinary shares at an issue price of \$0.035 (3.5 cents) per share to raise \$1.6 million. The Company issued 40,000,000 of these shares to non-related professional and sophisticated investors (**Issue**) on 23 September 2024 (**Issue Date**). The Directors have agreed to subscribe for the remaining 5,714,285 shares, subject to obtaining shareholder approval under Resolutions 5, 6, 7 and 8.

Broadly speaking, and subject to a number of exceptions, ASX 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 ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval from its members under ASX Listing Rule 7.1A at its 2023 annual general meeting.

The Issue does not fit within any of the exceptions to ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the combined 25% limit in ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Issue Date.

ASX 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 ASX Listing Rule 7.1 and ASX Listing Rule 7.1A and so does not reduce the company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 4 seeks shareholder approval to the Issue under and for the purposes of ASX Listing Rule 7.4.

If Resolution 4 is passed, the Issue will be excluded in calculating the Company's combined 25% limit in ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

If Resolution 4 is not passed, the Issue will be included in calculating the Company's combined 25% limit in ASX Listing Rule 7.1 and ASX Listing Rule 7.1A, effectively

decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the Issue Date.

For the purpose of ASX Listing Rule 7.5 information regarding the Issue is provided as follows:

- (a) Taylor Collison was lead manager to the placement. The allottees of the shares are professional and sophisticated investor applicants as determined by the lead manager following a review of the Company's share register and identification of potential new investors, and the running of a bookbuild process. Allocation was determined by prioritising existing shareholders and prospective long term holders.
- (b) 40 million ordinary shares have been issued.
- (c) The shares were issued on 23 September 2024.
- (d) The shares were issued at \$0.035 (3.5 cents) each and raised \$1.4 million.
- (e) Funds raised from the issue of the shares will be used to underpin the upcoming drilling operations at Muckanippie, to advance the Company's copper projects, to pay expenses of the Issue and for general working capital.

Resolution 4 is an ordinary resolution.

The Directors do not have an interest in the outcome of Resolution 4 and recommend that shareholders vote in favour of Resolution 4.

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

5. **RESOLUTIONS 5, 6, 7 AND 8: ISSUE OF PLACEMENT SHARES TO DIRECTORS**

5.1 **Background**

On 17 September 2024, the Company announced a placement of 45,714,285 ordinary shares (**Placement Shares**) at \$0.035 (3.5 cents) per share to raise approximately \$1.6 million (**Placement**). The Company issued 40,000,000 Placement Shares to non-related professional and sophisticated investors on 23 September 2024.

The Directors have agreed to subscribe for 5,714,285 Placement Shares (**Related Party Shares**), subject to obtaining shareholder approval.

The number of Related Party Shares to be issued to each Director, subject to obtaining shareholder approval, is set out below:

Director	Number of Shares to be issued	Price per Share	Funds to be received by the Company
Derek Carter	1,428,572	\$0.035	\$50,000
Simon O'Loughlin	1,428,571	\$0.035	\$50,000
Donald Stephens	1,428,571	\$0.035	\$50,000
Simon Taylor	1,428,571	\$0.035	\$50,000
	5,714,285		\$200,000

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Shares constitutes the giving of a financial benefit, and each of the Directors to whom the Related Party Shares are proposed to be issued is a related party of the Company by virtue of being a Director.

The Directors consider that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares because the proposed issue of Related Party Shares is on the same terms and conditions as Placement Shares that were issued to non-related professional and sophisticated investors in the Placement, and can therefore be considered to be on an arm's length basis.

5.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has

nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;

- (d) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Shares falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of shareholders under ASX Listing Rule 10.11.

Resolutions 5, 6, 7 and 8 seek the required shareholder approval to the issue of the Related Party Shares under and for the purposes of ASX Listing Rule 10.11.

If any of Resolutions 5, 6, 7 and 8 is passed, the Company will be able to proceed with the issue of the Related Party Shares the subject of that resolution.

If any of Resolutions 5, 6, 7 and 8 is not passed, the Company will not be able to proceed with the issue of the Related Party Shares the subject of that resolution.

5.4 **Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Shares pursuant to Resolutions 5, 6, 7 and 8:

- (a) The Related Party Shares will be issued to Messrs Carter, O'Loughlin, Stephens and Taylor, or their respective nominees.
- (b) Each of Messrs Carter, O'Loughlin, Stephens and Taylor is a director of the Company and therefore a related party under ASX Listing Rule 10.11.1.
- (c) The number of fully paid ordinary shares to be issued is as follows:
 - (1) Mr Carter: 1,428,572 shares;
 - (2) Mr O'Loughlin: 1,428,571 shares;
 - (3) Mr Stephens: 1,428,571 shares; and
 - (4) Mr Taylor: 1,428,571 shares.
- (d) The Related Party Shares will be granted no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (e) The Related Party Shares will be issued at an issue price of \$0.035 (3.5 cents) each and will raise \$200,000.

- (f) The purpose of the issue is to issue shares to the Directors, who wish to participate in the Placement. The purpose of the issue is not to remunerate or incentivise the Directors.

Funds raised from the issue of the shares will be used to underpin the upcoming drilling operations at Muckanippie, to advance the Company's copper projects, to pay expenses of the Issue and for general working capital.

Each of Resolutions 5, 6, 7 and 8 is an ordinary resolution.

The Directors (with Mr Carter abstaining) recommend that shareholders vote in favour of Resolution 5.

The Directors (with Mr O'Loughlin abstaining) recommend that shareholders vote in favour of Resolution 6.

The Directors (with Mr Stephens abstaining) recommend that shareholders vote in favour of Resolution 7.

The Directors (with Mr Taylor abstaining) recommend that shareholders vote in favour of Resolution 8.

The Chair intends to vote undirected proxies in favour of each of Resolutions 5, 6, 7 and 8.

6. **RESOLUTION 9: APPROVAL OF EMPLOYEE OPTION PLAN**

The Company's current employee incentive plan was approved by shareholders at its 2021 annual general meeting held on 29 November 2021 (**Employee Share Option Plan**). The Employee Share Option Plan has been updated to reflect the new Division 1A in Part 7.12 of the Corporations Act in relation to employee share schemes, as amended by *ASIC Corporations (Employee Share Schemes) Instrument 2022/1021*.

The Company has therefore adopted a new Employee Option Plan (**2024 Plan**) under which employees, consultants, officers and Directors may be offered the opportunity to receive options to subscribe for shares in the Company in order to increase the range of potential incentives available to them, and to strengthen links between the Company and its employees, consultants, officers and directors.

The 2024 Plan is designed to provide incentives to the employees, consultants, officers and directors of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that options are a cost effective and efficient means of incentivising employees, consultants, officers and directors. To enable the Company to secure employees, consultants, officers and directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such persons. The 2024 Plan is designed to achieve this objective by encouraging continued improvement in performance over time and by encouraging those persons to acquire and retain significant shareholdings in the Company.

Under the 2024 Plan, the Board may offer to eligible persons the opportunity to receive such number of options in the Company as the Board may decide and on terms set out in the rules of the 2024 Plan, a copy of which is contained in Annexure A to this Explanatory Memorandum. Options granted under the 2024 Plan will be offered to participants in the 2024 Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

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

ASX Listing Rule 7.2 contains a number of exceptions to ASX Listing Rule 7.1. In particular, Exception 13(b) of ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if within three years before the date of issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The purpose of Resolution 9 is to seek approval of the issue of securities under the 2024 Plan for the purpose of Exception 13(b) of ASX Listing Rule 7.2 and for all other purposes.

If Resolution 9 is passed, the Company may issue options under the 2024 Plan without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

If Resolution 9 is not passed, the Company may still issue options under the 2024 Plan but it will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue.

In accordance with the requirements of Exception 13(b) of ASX Listing Rule 7.2 the following information is provided:

- (a) the Company is seeking shareholder approval of the 2024 Plan to include the new terms and conditions required by Division 1A of Part 7.12 of the Corporations Act;
- (b) a copy of the rules of the 2024 Plan is contained in Annexure A to this Explanatory Memorandum;
- (c) as the 2024 Plan is being approved for the first time, no securities have been issued under it;
- (d) a maximum number of 15,500,000 options are proposed to be issued under the 2024 Plan following approval pursuant to this Resolution 9; and
- (e) a voting exclusion statement has been included for the purpose of Resolution 9.

Resolution 9 is an ordinary resolution.

As the Directors are excluded from voting on this resolution they do not wish to make a recommendation as to how shareholders ought to vote in respect of the resolution.

Please note that if the chair of the meeting is your proxy (or becomes your proxy by default), you expressly authorise the chair to exercise your proxy on Resolution 9 even though it is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the chair. If you appoint the chair as your proxy you can direct the chair to vote for or against or abstain from voting on Resolution 9 by marking the appropriate box on the proxy form.

The chair intends to vote undirected proxies in favour of Resolution 9.

7. **RESOLUTION 10: APPROVAL OF 10% PLACEMENT FACILITY**

7.1 **General**

Broadly speaking, and subject to a number of exceptions, ASX 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 ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

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.

Resolution 10 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities without shareholder approval. The exact number of Equity Securities which may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 7.2(c)).

If Resolution 10 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 10 is not passed, the Company will not be able to access the 10% Placement Facility and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in ASX Listing Rule 7.1.

7.2 **Description of ASX Listing Rule 7.1A**

(a) **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue the following classes of Equity Securities:

- ordinary shares quoted on ASX
- options not quoted on ASX

(c) **Formula for calculating 10% Placement Facility**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may, during the period of the approval, issue or agree to issue, during the 10% Placement Period (refer to section 7.2(f)), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 other than exception 9, 16 or 17;
 - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
 - plus the number of partly paid ordinary securities that became fully paid in the relevant period;
 - less the number of fully paid ordinary securities cancelled in the relevant period.

(Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.)

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

(Note that **relevant period** has the same meaning in ASX Listing Rule 7.1, namely:

- *if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or*
- *if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.)*

(d) **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

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

At the date of this Notice, the Company has on issue 303,482,304 quoted ordinary shares and therefore has a capacity to issue:

- (1) subject to shareholder approval being obtained under Resolutions 3 and 4, 45,522,345 Equity Securities under ASX Listing Rule 7.1; and
- (2) subject to shareholder approval being obtained under Resolutions 4 and 10, 30,348,230 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 7.2(c)).

(e) **Minimum Issue Price**

The Equity Securities issued under ASX Listing Rule 7.1A.2 must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (1) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (2) if the Equity Securities are not issued within 10 Trading Days of the date referred to in section 7.2 (e)(1), the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the first to occur of:

- (1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (2) the time and date of the entity's next annual general meeting; and
- (3) the time and date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking),

(10% Placement Period).**7.3 ASX Listing Rule 7.1A**

The effect of Resolution 10 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period in addition to using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Resolution 10 is a special resolution and therefore requires approval of at least 75% of the votes cast by shareholders entitled to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative) on the resolution.

7.4 Specific information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows to the extent that such information is not disclosed elsewhere in this Explanatory Memorandum:

- (a) The Company may seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition) and/or general working capital.
- (b) There is a risk that:
 - (1) the market price for the Company's Equity Securities in the same class may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities in the same class on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the risk of voting dilution of existing shareholders on the basis of the current market price of shares and the current number of

ordinary shares for variable 'A' calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of ordinary shares the Company has on issue. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require shareholder approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in formula in ASX Listing Rule 7.1A.2		Issue Price		
		\$0.0265 50% decrease in issue price	\$0.053 issue price	\$0.106 100% increase in issue price
Current Variable 'A' 303,482,304 shares	10% voting dilution	30,348,230 shares	30,348,230 shares	30,348,230 shares
	Funds raised	\$804,228	\$1,608,456	\$3,216,912
50% increase in current Variable 'A' 455,223,456 shares	10% voting dilution	45,522,346 shares	45,522,346 shares	45,522,346 shares
	Funds raised	\$1,206,342	\$2,412,684	\$4,825,369
100% increase in current Variable 'A' 606,964,608 shares	10% voting dilution	60,696,461 shares	60,696,461 shares	60,696,461 shares
	Funds raised	\$1,608,456	\$3,216,912	\$6,433,825

The table has been prepared on the following assumptions:

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

- No current options are exercised into shares before the date of the issue of the Equity Securities.
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements pursuant to the 10% Placement Facility, based on that shareholder's holding at the date of the Meeting.
 - The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A and no other issues of Equity Securities.
 - The issue of Equity Securities under the 10% Placement Facility consists only of shares.
 - The issue price is \$0.053, being the closing price of the shares on ASX on 15 October 2024.
- (c) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities and the number of Equity Securities allotted to each will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which the existing security holders can participate;
 - (2) the effect of the issue of the Equity Securities on the control of the Company;
 - (3) the financial situation and solvency of the Company; and
 - (4) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial shareholders (subject to shareholder approval, if required) and/or new shareholders who are not related parties or associates of a related party of the Company.
- (d) The Company previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2023 annual general meeting.
- (1) The Company has issued or agreed to issue 7,856,045 Equity Securities under ASX Listing Rule 7.1A.2 in the 12 months preceding the date of this Meeting representing 3.495% of the total number of Equity Securities on issue at the commencement of that 12 month period.
 - (2) Details of the Equity Securities referred to in section 7.4(d)(1) are as follows:

Date of issue:	23 September 2024
Number issued:	7,856,045
Class/Type of equity security:	Ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Taylor Collison was lead manager to the placement. The allottees of the shares are professional and sophisticated investor applicants as determined by the lead manager following a review of the Company's share register and identification of potential new investors, and the running of a bookbuild process. Allocation was determined by prioritising existing shareholders and prospective long term holders.
Price:	\$0.035 (3.5 cents) per share
Discount to closing market price on date of issue (if any):	18.6%
Total cash consideration received:	\$274,961
Amount of cash consideration spent:	\$Nil
Use of cash consideration:	Funds raised from the issue of the shares will be used to underpin the upcoming drilling operations at Muckanippie, to advance the Company's copper projects, to pay expenses of the Issue and for general working capital.
Intended use for remaining amount of cash (if any):	Funds raised from the issue of the shares will be used to underpin the upcoming drilling operations at Muckanippie, to advance the Company's copper projects, to pay expenses of the Issue and for general working capital.

- (e) At the time of dispatching this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A.2.

Resolution 10 is a **special resolution**.

The Directors recommend that shareholders vote in favour of Resolution 10.

The chair intends to vote undirected proxies in favour of Resolution 10.

8. **RESOLUTION 11: RE-INSERTION OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION**

8.1 **General**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648D of the Corporations Act, an entity may include a provision in its constitution whereby a proportional takeover bid for shares may only proceed after the bid has been approved by a meeting of shareholders held in accordance with the terms set out in the Corporations Act.

In accordance with section 648G(1) of the Corporations Act, such a provision will cease to apply three years from adoption or renewal as appropriate unless otherwise

specified. When this provision ceases to apply, the constitution will be altered by omitting the provision.

A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (that is, by special resolution of shareholders).

The proportional takeover provisions contained in rule 163 of the Constitution are no longer operative as it has been more than three years since they were last approved by shareholders.

Resolution 11 is a special resolution which will enable the Company to modify its Constitution by re-inserting proportional takeover provisions into the Constitution in the form of rule 163. The new rule 163 is in the same form as the existing rule 163 (as set out in Annexure B of this Notice).

A copy of the amended Constitution is available for review by shareholders at the office of the Company. A copy of the amended Constitution can also be sent to shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

8.2 **Information required by section 648G of the Corporations Act**

(a) **Effect of proposed proportional takeover provisions**

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

(b) **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(c) **Knowledge of any acquisition proposals**

As at the date of this Notice, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

(d) **Potential advantages and disadvantages of proportional takeover provisions**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for shareholders include:

- (i) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (ii) assisting in preventing shareholders from being locked in as a minority;
- (iii) increasing the bargaining power of shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (iv) each individual shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for shareholders include:

- (i) proportional takeover bids may be discouraged;
- (ii) lost opportunity to sell a portion of their shares at a premium; and
- (iii) the likelihood of a proportional takeover bid succeeding may be reduced.

Resolution 11 is a **special resolution**.

The Directors do not believe the potential disadvantages outweigh the potential advantages of re-inserting the proportional takeover provisions and as a result consider that re-insertion of the proportional takeover provision in the Constitution is in the interest of shareholders and unanimously recommend that shareholders vote in favour of Resolution 11.

The chair intends to vote all undirected proxies in favour of Resolution 11.

9. GLOSSARY

In this Explanatory Memorandum and Notice of Annual General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

10% Placement Facility has the meaning given in section 7.1;

10% Placement Period has the meaning given in section 7.2(f);

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the listing rules of ASX;

Board means the board of directors of the Company;

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;

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

Company means Petratherm Limited ACN 106 806 884;

Constitution means the existing constitution of the Company;

Corporations Act means *Corporations Act 2001* (Cth);

Director means a director of the Company;

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

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise, of the Company);

Meeting means the meeting of shareholders convened by the Notice;

Notice means the notice of annual general meeting to which this Explanatory Memorandum is attached;

Trading Day means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules; and

VWAP means volume weighted average market price.

ANNEXURE A

PETRATHERM LIMITED: EMPLOYEE SHARE OPTION PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Terms, unless the contrary intention appears:

Applicable Law means any one or more or all, as the context requires of:

- (g) Corporations Act and the Corporations Regulations 2001 (Cth);
- (h) Listing Rules;
- (i) any other applicable securities laws;
- (j) the Constitution of the Company;
- (k) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which ASIC, ASX or other equivalent authority is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations or rules or any conduct of any duly authorised person, pursuant to any of the abovementioned statutes, regulations or rules.

Approved Foreign Market means a financial market recognised under Division 1A of Part 7.12 of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as is ascribed to that term in sections 12 to 16 (inclusive) of the Corporations Act.

Associated Body Corporate has the meaning ascribed to the term 'associated entity' in section 50AAA of the Corporations Act.

ASX means the ASX Limited ACN 008 624 691.

Auditor means the registered auditor of the Company as appointed from time to time.

Australian CDI means a CHESS Depository Interest traded on ASX, with a Share or stock as the underlying security.

Bid Period, in relation to an off-market bid or a market bid in respect of Eligible Products, means the period referred to in the definition of that expression in section 9 of the Corporations Act (or equivalent legislation), provided that where a bid is publicly announced prior to the service of a bidder's statement on the Company, the bid period shall be deemed to have commenced at the time of that announcement.

Business Day means a day on which the stock market of ASX is open for trading in securities.

Certificate means the certificate for the Options issued by the Company to a Participant.

Change of Control Event means, if an entity does not have Control of the Company, the event pursuant to which that entity acquires Control of the Company.

Company means Petratherm Limited ACN 106 806 884.

Company Secretary means the secretary of the Company (or his delegate) as appointed from time to time.

Control has the meaning ascribed to that term in section 50AA of the Corporations Act.

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

Depository Interest means:

- (a) Australian CDIs, able to be traded on ASX, where the underlying security is a share or stock; or
- (b) depository interests that are able to be traded on an Approved Foreign Market where the underlying security is a share or stock,

where 'able to be traded' has the meaning given in section 761A of the Corporations Act.

Directors means the directors for the time being of the Company.

Eligible Employee, Eligible Associate, Eligible Service Provider and Eligible Person have the meanings ascribed to those terms in clause 12.

Eligible Financial Market means ASX or an Approved Foreign Market (and, unless otherwise stated, is limited to the main board of that market).

Eligible Related Person means:

- (a) a spouse, parent, child or sibling of the Eligible Person;
- (b) a body corporate Controlled by the Eligible Person or a person mentioned in subparagraph (a);
- (c) a body corporate that is the trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)), where the Eligible Person is a director of the body corporate; or
- (d) a person otherwise prescribed in relation to the Eligible Person for the purposes of section 1100L(1)(b) of the Corporations Act.

Eligible Products means, subject to and without limiting the operation of section 1100M(1) of the Corporations Act:

- (a) Shares in a class able to be traded on ASX;

- (b) Shares or fully paid stocks in a class able to be traded on an Approved Foreign Market;
- (c) Depository (beneficial) Interests in a class able to be traded on an Eligible Financial Market; and
- (d) fully paid Stapled Securities in a class able to be traded on ASX; or
- (e) other similar interest prescribed for the purposes of section 1100M(1) of the Corporations Act,

where, 'able to be traded' has the meaning given in section 761A of the Corporations Act, and subject to such other criteria as may be imposed by Division 1A of Part 7.12 of the Corporations Act or otherwise from time to time.

Eligible Products Registry means the applicable Eligible Products registry of the Company from time to time.

Eligible Prospective Person means a person to whom an offer of an Option is made, but who can only accept the offer if an arrangement is entered into that will result in the person becoming an Eligible Person of a kind other than an Eligible Prospective Person.

Exercise means an exercise effected under clause 6.

Exercise Date means the date upon which an Option is Exercised in accordance with clause 6.1.

Exercise Notice means a notice given under clause 6.1.

Exercise Period means in relation to a particular grant of Options, the period beginning on the date determined in accordance with the provisions of clause 5.3 and ending on the date of the third anniversary of the Issue Date of those Options or as otherwise determined by the Directors at the Relevant Date.

Exercise Price means the price at which an Option may be Exercised in accordance with clause 3.2(b), as varied in accordance with these Terms.

Issue Date means the date upon which Options are issued to an Eligible Person pursuant to this Plan.

Listing Rules means the official listing rules of ASX, as varied from time to time and, for so long as the Eligible Products are listed or quoted on any other stock exchange (if ever) where such stock exchange requires compliance with its listing rules, the listing rules applicable to that stock exchange.

Loan Period means in respect of each loan the period determined under clause 13.

Loan Product means a Plan Product acquired with a Loan which has not been repaid in full in respect of that Plan Product.

Loans means loans made pursuant to clause 13.

Offer means an Offer of Options by the Directors to an Eligible Person pursuant to this Plan.

Option means an option over Plan Products granted pursuant to the Plan.

Option Price means the amount payable for an Option as referred to in clause 3.2(a).

Participant means an Eligible Person to whom Options have been issued pursuant to the Plan.

Performance Conditions means one or more conditions (if any), as determined by the Directors under clause 5.2 and notified to a Participant in the Offer, which must be satisfied or waived by the Directors before an Option may be Exercised.

Permitted Related Person has the meaning given to it by clause 4.3.

Plan means the Employee Option Plan for the Company established in accordance with these Terms.

Plan Product means an Eligible Product in the capital of the Company issued upon Exercise of an Option or in respect of which an Option has been granted.

Related Body Corporate has the same meaning as is ascribed to that term in section 50 of the Corporations Act.

Relevant Date means the date on which the Directors resolve to offer an Option or such other date as the Directors determine.

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

Stapled Security means two or more Eligible Products which, under the terms on which each is traded, must be transferred together.

Terms means these general terms and conditions, as varied from time to time.

1.2 Interpretation

In these Terms, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;

- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms 'included', 'including' and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a part, clause, party, annexure, exhibit or schedule is a reference to an item of that type in these Terms and includes a reference to the provisions or terms of that part, clause, annexure, exhibit or schedule;
- (j) a reference to these Terms includes each annexure, exhibit and a schedule to these Terms;
- (k) a reference to a party to this document includes the party's successors and permitted assigns and includes any person to whom these Terms are novated;
- (l) a reference to a statute or statutory provision includes but is not limited to:
 - (1) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (2) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (3) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (m) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (n) reference to '\$', 'A\$', 'Australian Dollars' or 'dollars' is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (o) a provision of these Terms is not to be construed against the Company solely on the ground that the Company is responsible for the preparation of these Terms or a particular provision;
- (p) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise;
- (q) a reference to liquidation includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme composition or arrangement of creditors, insolvency, bankruptcy or any similar procedure or if applicable changes in the Constitution of a partnership or the death of a person; and
- (r) a reference to a body which is not a party to these Terms which ceases to exist or whose power or function is transferred to another body, is a reference to

the body which replaces or substantially succeeds to the power or function of the first body.

1.3 **Business Day and Day**

- (a) If these Terms require that the day on which a thing must be done is a day which is not a Business Day, then that thing must be done on or by the next Business Day.
- (b) If an event occurs on a day which is not a Business Day, or occurs later than 5.00 pm local time at the place that the event occurs, then the event is deemed to have occurred on the next Business Day in the place that the event occurs.
- (c) A reference to a day is a reference to a time period which begins at midnight and ends 24 hours later.
- (d) A reference to a period of time unless specifically written otherwise, includes the first day of that period.

2. **Directors' authority**

2.1 The Directors will establish and administer the Plan in accordance with the Corporations Act and regulations made under the Corporations Act, the Listing Rules and these Terms and, subject to any Applicable Law, will have the absolute discretion and power to:

- (a) determine appropriate procedures for administration of the Plan;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms;
- (c) delegate to any one or more persons for such period and subject to such conditions as they may determine, the exercise of their powers or discretions, or of any of them, under these Terms; and
- (d) alter, modify, add to or repeal any of these Terms, even where such alteration, modification, addition or repeal:
 - (1) will or may adversely affect, whether materially or otherwise, any existing right or entitlement of a Participant or otherwise disadvantage an existing Participant; and
 - (2) occurs either during or after the expiry of the Exercise Period and irrespective of whether or not the Options, or the Plan Product or Plan Products that have been issued to a Participant pursuant to the Exercise of an Option, have or would have otherwise fully vested in that Participant.

2.2 The Company undertakes to each Participant that the powers and rights available to the Directors under clause 2.1(d) will not be exercised in a capricious, malicious or unreasonable manner.

2.3 Subject to these Terms, the Directors may from time to time in their absolute discretion determine those Eligible Persons to whom an offer to participate in the Plan will be made and the terms of such an offer.

3. Options, option price and exercise price

3.1 Subject to these Terms, the Directors may determine from time to time to grant Options upon such terms and to such Eligible Persons as they see fit.

3.2 Unless otherwise determined by the Directors:

- (a) the Option Price will be nil;
- (b) the Exercise Price will be the amount determined by the Directors on the Relevant Date and specified in an Offer; and
- (c) the Directors will notify the Participants in writing of the Exercise Price of an Option at the time of making an Offer.

4. Offer of options

4.1 Subject to these Terms, the Company (acting through the Directors) may make an Offer at such times and on such terms as the Directors consider appropriate. Each Offer must be expressed to be made under Division 1A of Part 7.12 of the Corporations Act and must state:

- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The Offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
- (b) the period within which the Offer may be accepted and the Exercise Period;
- (c) the method of calculation of the Exercise Price; and
- (d) any other matters which the Directors may determine or is required under Division 1A of Part 7.12 of the Corporations Act or any other Applicable Law.

4.2 Upon receipt of an Offer of Options, an Eligible Person may, within the period specified in the Offer:

- (a) accept the whole or any lesser number of Options offered by notice in writing to the Directors; or
- (b) nominate an Eligible Related Person in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Directors. The Directors may, in their absolute discretion, resolve not to allow such renunciation of an Offer in favour of an Eligible Related Person without giving any reason for such decision.

4.3 Upon:

- (a) receipt of the acceptance referred to in paragraph 4.2(a); or

- (b) the Directors resolving to allow a renunciation of an Offer in favour of an Eligible Related Person (**Permitted Related Person**) and the Permitted Related Person accepting the whole or any lesser number of Options offered by notice in writing to the Directors,

the Eligible Person or the Permitted Related Person, as the case may be, will be taken to have agreed to be bound by these Terms and will be issued Options subject to these Terms.

- 4.4 Certificates for Options will be dispatched within 10 Business Days after their Issue Date.
- 4.5 If Options are issued to a Permitted Related Person of an Eligible Person, the Eligible Person must, without limiting any provision in these Terms, ensure that the Permitted Related Person complies with these Terms.

5. **Vesting and entitlement**

- 5.1 At the time of making an Offer of Options, the Directors may impose such vesting conditions (if any) as they consider appropriate.
- 5.2 At the time of making an Offer of Options, the Directors may impose such Performance Conditions (if any) as they consider appropriate.
- 5.3 No Option can be Exercised until:
 - (a) it has vested under the vesting conditions (if any) applicable to the Option in accordance with clause 5.1 or the vesting conditions have been waived by the Directors; and
 - (b) the Performance Conditions (if any) applicable to the Option in accordance with clause 5.2 have been satisfied or waived by the Directors.
- 5.4 Once an Option is able to be exercised in accordance with clause 5.3, it:
 - (a) may be Exercised during the Exercise Period; and
 - (b) entitles the Participant to subscribe for and be allotted one Plan Product at the Exercise Price.
- 5.5 Notwithstanding these Terms, while the Eligible Products are listed on the ASX or other Eligible Financial Market, the Company must allot and issue Plan Products upon Exercise of an Option in accordance with the Applicable Laws.
- 5.6 Plan Products issued upon the Exercise of Options will rank equally with all existing Eligible Products (of that class) in the capital of the Company from their respective issue date.

6. **Exercise of options**

- 6.1 An Option is Exercised by:
 - (a) the Participant lodging with the Company an Exercise Notice;

- (b) the receipt by the Company of a payment by or on behalf of a Participant and in immediately available funds, of the Exercise Price for each of the Options the subject of such Exercise Notice; and
- (c) the Participant lodging with the Company the Certificate for those Options, for cancellation by the Company.

6.2 Subject to clause 6.1, within 15 Business Days after the later of the following:

- (a) receipt by the Company of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised if the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act); and
- (b) the date the Company ceases to be in possession of excluded information in respect to the Company (if any) following the receipt of the Exercise Notice and payment of the Exercise Price for each Option being exercised by the Company,

the Company will:

- (c) allot and issue the Plan Products pursuant to the exercise of the Options;
- (d) comply with all Applicable Laws, including, in respect of Eligible Products being Shares (**Plan Shares**) to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Plan Shares for resale under section 708A(11) of the Corporations Act; and
- (e) apply for official quotation on ASX or other Eligible Financial Market (as the case may require) of the Plan Products issued pursuant to the exercise of the Options.

6.3 Subject to the provisions of clause 6.4, Exercise of some only of the Options held by a Participant does not prevent Exercise of any remaining vested unexercised Options.

6.4 Options may not be Exercised in parcels of less than 1,000. Holders of less than 1,000 Options may Exercise those Options in full but not in part.

6.5 Notwithstanding any other provision of this clause 6 or clause 5 but subject to the written consent of the Directors, all Options may be Exercised:

- (a) during a Bid Period;
- (b) at any time after a Change of Control Event has occurred; or
- (c) if, on an application under section 411 of the Corporations Act, a Court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

7. Lapse of options

- 7.1 Subject to clause 5.3, if the Participant is a Director or the Permitted Related Person of a Director, an Option may be Exercised by that Participant at any time prior to the first to occur of:
- (a) the expiry of the Exercise Period;
 - (b) the expiry of 30 days after the person ceases to be a Director; and
 - (c) a determination by the other Directors that that Director has acted fraudulently, dishonestly or in breach of that Director's obligations to the Company and that the Option is to be forfeited.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

- 7.2 If a resolution of a general meeting of the Company to remove a person as a Director is passed, that person or the Permitted Related Person of that person who is a Participant may only Exercise a proportion of the Options that are registered in that Participant's name as is equal to the proportion that the period from the Issue Date of those Options to the date of passage of the resolution bears to the Exercise Period and the balance of those Options will be wholly and unconditionally forfeited, lapse and be of no further force or effect upon and from the date of passage of the resolution.

- 7.3 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an Eligible Employee or the Permitted Related Person of an Eligible Employee, an Option may be Exercised by that Participant at any time prior to the first to occur of:
- (a) the expiry of the Exercise Period;
 - (b) the expiry of 30 days after termination of the Eligible Employee's employment where such termination has either been voluntary on the Eligible Employee's part or otherwise has occurred without cause; and
 - (c) termination of the Eligible Employee's employment with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

- 7.4 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an Eligible Service Provider or the Permitted Related Person of an Eligible Service Provider, an Option may be Exercised by that Participant at any time prior to the first to occur of:
- (a) the expiry of the Exercise Period;

- (b) the expiry of 30 days after termination of the Eligible Service Provider's engagement where such termination has either been voluntary on the Eligible Service Provider's part or otherwise has occurred without cause; and
- (c) termination of the Eligible Service Provider's engagement with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his or her name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

8. **Transfer**

Except with the consent of Directors, Options may not be transferred and will not be quoted on or by the ASX or other Eligible Financial Market. The Directors may in their discretion, and subject to the requirements of Division 1A of Part 7.12 of the Corporations Act or other applicable requirements from time to time, allow the transfer of Options to an Associate or Related Body Corporate of a Participant.

9. **Quotation of plan products**

The Company will apply to the ASX or other applicable Eligible Financial Market for official quotation of Plan Products issued on the Exercise of Options, if the Company is, at the time of issue of those Plan Products, admitted to the official list of the ASX or other Eligible Financial Market, as the case may be.

10. **Participation in future issues**

10.1 **New Issues**

Participants may only participate in new issues of securities to holders of Eligible Products if an Option has been exercised and Plan Products allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give at least nine Business Days' notice (or such greater period of notice (if any) as may be required by the Listing Rules) to Participants of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

10.2 **Bonus Issues**

If there is a bonus issue of Eligible Products of the relevant class (**Bonus Issue**) to the holder of Eligible Products, the number of Plan Products over which an Option is exercisable will be increased by the number of Eligible Products which the Participant would have received if the Option had been exercised before the record date for the Bonus Issue (**Bonus Eligible Products**). Upon issue the bonus Eligible Products will rank pari passu in all respects with the other Eligible Products of the Company in that class on issue at the date of issue of the Bonus Eligible Products.

10.3 Pro Rata Issue

If there is a pro rata issue (other than a Bonus Issue) to the holders of Eligible Products, the Exercise Price of an Option will be reduced according to the following formula:

$$A = \frac{O - E [P - (S+D)]}{N + 1}$$

A = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of Plan Eligible Products into which one Option is exercisable.

P = the value of an Eligible Product at the time the pro rata rights issue is made as determined by an accountant independent of the Company, but if the Eligible Products are quoted on the ASX or other Eligible Financial Market, the average closing sale price per Eligible Product (weighted by reference to volume) recorded on the stock market of ASX or other applicable Eligible Financial Market during the five trading days ending on the day immediately before the ex rights date or ex entitlements date (excluding special crossings, overnight sales and exchange traded option exercises).

S = the subscription price for an Eligible Product under the pro rata issue.

D = any dividend due but not yet paid on existing Eligible Products which will not be payable in respect of new Eligible Products issued under the pro rata issue.

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

10.4 Reorganisation of Capital

If, prior to the expiry or lapse of any Options, there is a reorganisation of the issued capital of the Company, those Options will be reorganised to the extent necessary to comply with the Listing Rules.

10.5 Aggregation

If Options are Exercised simultaneously then the Participant may aggregate the number of Plan Products or fractions of Plan Products to which the Participant is entitled to subscribe for under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

10.6 Advice

In accordance with the Listing Rules, the Company must give notice to each Participant of any adjustment to the number of Eligible Products for which the Participant is entitled to subscribe or to the Exercise Price pursuant to the provisions of clauses 10.2, 10.3 or 10.4.

11. **Maximum number**

11.1 Subject to any variation to the requirements under Division 1A of Part 7.12 of the Corporations Act or otherwise from time to time and to the requirements of section 1100V of the Corporations Act (including, in respect of Eligible Products comprising stapled securities, section 1100V(3)), the Company shall not offer or issue Options to any Eligible Person in accordance with this Plan if the total number of Shares that are, or are covered by, the Eligible Products of the Company that may be issued under the offer, when aggregated with the total number of Shares that are, or are covered by, the Eligible Products that have been issued, or could have been issued, under offers made in connection with this Plan at any time during the three year period ending on the day the offer is made, (disregarding any offer or invitation made, or option acquired or share or other Eligible Product issued following the making of an offer or invitation, to a person situated at the time of receipt of the offer or invitation outside Australia or any offer or invitation which, pursuant to Chapter 6D of the Corporations Act (or other Applicable Law), does not need disclosure to investors), would exceed:

- (a) such issue cap percentage as may be specified in the Company's Constitution; or
- (b) if paragraph 11.1(a) does not apply, then the greater of:
 - (1) 5%; and
 - (2) such other percentage prescribed for the purposes of section 1100V of the Corporations Act,

of the total number of Shares on issue as at the start of the day the offer is made. For the avoidance of doubt, where an Option lapses without being exercised, the Eligible Products concerned shall be excluded from any calculation under this clause.

12. **Eligible Persons**

12.1 **Eligible Employee** means:

- (a) a person who is engaged in the full time, part time or casual employment of the Company or an Associated Body Corporate of the Company and includes any Director holding a salaried employment or office in the Company or an Associated Body Corporate of the Company; and
- (b) subject to the requirements of Division 1A of Part 7.12 of the Corporations Act as varied or replaced from time to time, any person acquiring and holding any Plan Product or Options for the benefit of any such employee (other than any employee who is a Director), provided that the Plan Product and Options are acquired and held on such terms and conditions as have been previously approved by the Directors including, without limitation, and subject to the requirements of Division 1A of Part 7.12 of the Corporations Act any trustee of a trust established by the Company to hold Plan Products or Options for the benefit of such employees.

12.2 **Eligible Associate** means:

- (a) any Director, including non-executive Director or officer, of the Company or an Associated Body Corporate of the Company; and
- (b) subject to the requirements of Division 1A of Part 7.12 of the Corporations Act as varied or replaced from time to time, any person or entity acquiring and holding any Plan Product for the benefit of any Eligible Employee who is a Director or officer of the Company or an Associated Body Corporate of the Company at the time of such acquisition or any person referred to in clause 12.2(a), and provided that the Plan Product is acquired and held on such terms and conditions as have been previously approved by the Directors.

12.3 **Eligible Service Provider** means:

- (a) an individual who provides services to the Company or an Associated Body Corporate of the Company; and
- (b) subject to the requirements of Division 1A of Part 7.12 of the Corporations Act as varied or replaced from time to time, any person acquiring and holding any Plan Product or Options for the benefit of any such Eligible Service Provider (other than any Eligible Service Provider who is a Director), provided that the Plan Product and Options are acquired and held on such terms and conditions as have been previously approved by the Directors including, without limitation, and subject to the requirements of Division 1A of Part 7.12 of the Corporations Act any trustee of a trust established by the Company to hold Plan Products or Options for the benefit of such Eligible Service Providers.

12.4 An Eligible Employee or Eligible Service Provider may also be an Eligible Associate.

12.5 **Eligible Persons** means Eligible Employees, Eligible Associates and Eligible Service Providers and includes an Eligible Prospective Person and a person otherwise prescribed for the purposes of section 1100L(1)(a) of the Corporations Act.

13. **Loans**

13.1 Subject to the terms of the Plan, and subject in all things to the requirements of section 1100U of the Corporations Act, the Directors may from time to time determine that the Company makes loans to Eligible Persons in connection with Plan Products to be issued pursuant to the Exercise of Options under the Plan.

13.2 No Loans shall be made to persons other than an Eligible Person being the Participant in respect of the Plan Products referred to in clause 13.1.

13.3 Subject to this clause 13, Loans may be made for the Exercise Price payable upon Exercise of Options issued under the Plan and on such terms and conditions as the Directors see fit.

13.4 A Participant who accepts a Loan in respect of some or all of the Plan Products pursuant to clause 13.1, will upon and by such acceptance, irrevocably authorise the Company to apply the Loan on behalf of the Participant by way of payment of the Exercise Price of the Plan Products in respect of which the Loan was accepted and the payment of any duties payable by the Participant in respect of the Loan.

- 13.5 The Loan Period is the period commencing when the Loan is made and ending on the first to occur of the following dates:
- (a) the Participant ceasing to be employed by the Company or an Associated Body Corporate of the Company;
 - (b) the Company agreeing to sell the Loan Products as requested by an Eligible Person in accordance with clause 15.2; or
 - (c) the Loan being repaid in full.
- 13.6 A Participant may repay all or part of a Loan at any time before the expiration of the Loan Period.
- 13.7 Unless otherwise determined by the Directors and subject to clause 13.8, the Company will apply and each Participant will, by virtue of their acceptance of the Loan, be deemed to have irrevocably directed the Company to so apply all dividends paid in cash on the Plan Products towards repayment of the Loan.
- 13.8 The amount of the dividend applied pursuant to clause 13.7 shall not exceed the after tax value of the dividends computed on the assumption that the Participant is assessable to tax at the highest personal marginal rate of income tax in Australia applicable to Australian residents (including for this purpose the Medicare Levy but not the Medicare Surcharge) on the whole of the dividend and after allowing for any franking rebate to which the Participant is entitled in relation to the dividend.
- 13.9 Without restricting the discretion of the Directors, but subject to the requirements of Division 1A of Part 7.12 of the Corporations Act or other applicable requirements from time to time including any requirements prescribed in the *Corporations Regulations 2001* (Cth), Loans may be made on terms and conditions which provide that:
- (a) no interest or fees be payable in respect of the Loan;
 - (b) where the Exercise Price paid pursuant to the Exercise of Options has been financed in whole or in part by the provision of a Loan by the Company to a Participant, that Participant will encumber in favour of, and lodge with, the Company or its nominee as security for repayment of the Loans all its right title and interest in the Plan Products that have been issued to the Participant as a result of such Exercise; or
 - (c) the total amount of principal repayable under the Loan be limited to the proceeds of the sale of Plan Products acquired with the Loan less any costs of sales.

14. **Rights attaching to loan products**

- 14.1 Subject to clauses 13.7 and 13.8, a Participant is entitled to all dividends declared or paid on the Loan Products held by the Participant.
- 14.2 A Participant is entitled to any bonus Eligible Products which accrue to Loan Products held by the Participant in accordance with clause 10.2.

14.3 Upon allotment of the bonus Eligible Products to the Participant, any bonus Eligible Products which accrue to Loan Products are deemed, for the purposes of the Plan, to be Loan Products until such time as the Loans in respect of the Loan Products to which the bonus Eligible Products accrued had been repaid in full.

15. Restriction on transfer of loan products

15.1 Other than as provided by these Terms:

- (a) a Participant must not sell, encumber or otherwise deal with a Loan Product prior to the repayment of the Loan used to acquire that Loan Product; and
- (b) the Company must not register or permit the Eligible Product Registry to register a transfer of a Loan Product until the Loan used to acquire that Loan Product has been repaid and for that purpose the Company may do such things and enter into such arrangements with the Eligible Product Registry or otherwise as it considers necessary to enforce such restrictions on the transfer of a Loan Product and Participants will be bound by such arrangements.

15.2 A Participant who holds a Loan Product may request the Company in writing to sell that Loan Product on behalf of the Participant and apply the proceeds in accordance with clause 15.5.

15.3 For the purpose of the sale of the Loan Products pursuant to clause 15.2, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's request pursuant to clause 15.2, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Products and account for the proceeds in accordance with clause 15.5 and shall indemnify the Company Secretary and the Company in respect of all costs, damages or losses arising from the sale of the Loan Products.

15.4 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Products under this clause 15 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.

15.5 Upon the Company selling the Loan Products in accordance with a request made by a Participant in accordance with clause 15.2:

- (a) the proceeds of the sale will be applied in the following order:
 - (1) in payment of any costs and expenses of the sale incurred by the Company;
 - (2) in reduction of the outstanding amount of the Loan; and
 - (3) the balance (if any) in payment to the Participant; and
- (b) subject to the terms of a Loan as determined in accordance with the provisions of clause 13.9(c) if applicable, the Participant shall be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.

16. **Loan not repaid**

- 16.1 If the Participant has not repaid the outstanding amount of a Loan at the end of the Loan Period, the Company may, at its discretion, on behalf of the Participant, sell the Loan Products and apply the proceeds in accordance with clause 16.4.
- 16.2 For the purpose of the sale of the Loan Products pursuant to clause 16.1, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's acceptance of the issue of the Loan Products, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Products and account for the proceeds in accordance with clause 16.4 and shall indemnify the Company Secretary and the Company in respect of all costs, damages or losses arising from the sale of the Loan Products.
- 16.3 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Products under clause 16.1 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.
- 16.4 If the Company sells the Loan Products in accordance with clause 16.1:
- (a) the proceeds of the sale will be applied in the following order:
 - (1) in payment of any costs and expenses of the sale incurred by the Company; and
 - (2) in reduction of the outstanding amount of the Loan; and
 - (3) the balance (if any) in payment to the Participant; and
 - (b) in accordance with the terms of the Loan as determined in accordance with the provisions of clause 13.9(c) if applicable but not otherwise, the Participant shall not be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.

17. **Attorney**

For the avoidance of doubt the Participant, in consideration of the grant of the Loan and by virtue of that Participant's acceptance of any or all Loan Products, will be deemed to have irrevocably appointed the person who from time to time occupies the position of Company Secretary, that Participant's attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of clauses 15 and 16 of this Plan and the Participant covenants that the Participant shall ratify and confirm any act or thing done pursuant to this power and shall indemnify the attorney (or their delegate) and the Company in respect thereof.

18. **Notices**

Notices must be given by the Company to the Participant in the manner prescribed by the Constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the Constitution of the Company apply with all necessary modifications to notices to any Participant.

19. **Right to accounts**

Participants will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but, unless otherwise entitled, will not have any right to attend or vote at those meetings.

20. **Overriding restrictions on grant and exercise**

20.1 Notwithstanding any other provision of these Terms, all rights and entitlements attaching to an Option or of a Participant under this Plan will be changed or amended to the extent necessary to comply with the Listing Rules that apply to a reorganisation of the capital of the Company, at the time that that re-organisation becomes effective.

20.2 No Option may be Exercised if to do so would contravene the Applicable Law.

20.3 Without limitation to the provisions of this clause 20:

- (a) the Option terms and conditions must allow the rights of a Participant to comply with the Listing Rules applying to a reorganisation of capital of the Company at the time of the reorganisation; and
- (b) subject to the provisions of clause 20.3(a), any reorganisation of capital of the Company must not be done in a manner or with the effect that will prejudice the rights or interests, or the value of the rights or interests, of Participants in the Options they hold, immediately prior to the time of any such reorganisation.

21. **Right of participants**

21.1 Nothing in these Terms:

- (a) confers on a Participant the right to receive any Eligible Products;
- (b) confers on a Participant who is a Director the right to continue as a Director;
- (c) confers on a Participant the right to continue as an employee, service provider or contractor of the Company or an Associated Body Corporate of the Company;
- (d) affects any rights which the Company, or an Associated Body Corporate of the Company, may have to terminate the appointment of a Participant who is a Director or terminate the employment of an employee or the engagement of a contractor; or
- (e) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination.

22. **Termination and suspension of the plan**

The Directors may resolve at any time to terminate or suspend the operation of the Plan.

23. **Governing law**

The Plan is governed by and shall be construed and take effect in accordance with the laws of South Australia.

24. **Shareholder approval**

Clauses 13 to 17 only come into effect on the passing of an appropriate shareholders' resolution to authorise the granting of financial assistance to a Participant.

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ANNEXURE B

PROPORTIONAL TAKEOVER APPROVAL (RULE 163)

PARTIAL TAKEOVERS

163. Partial Takeovers

163.1 In this rule 163:

- (a) "**proportional takeover scheme**" means a proportional takeover bid as defined in section 9 of the Act and regulated by section 648D of the Act;
- (b) "**relevant day**" in relation to a takeover scheme means the day that is the 14th day before the end of the period during which the offers under the takeover scheme remain open; and
- (c) a reference to "**a person associated with**" another person has the meaning given to that expression by Division 2 of Part 1.2 of the Act.

163.2 Where offers have been made under a proportional takeover scheme in respect of shares included in a class of shares in the Company:

- (a) other than where a transfer is effected in accordance with the takeover provisions (if any) under the ASTC Settlement Rules, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the takeover scheme is prohibited unless and until a resolution (in this rule 163.2 referred to as an "**approving resolution**") to approve the takeover scheme is passed in accordance with this rule 163;
- (b) a person (other than the offeror or a person associated with the offeror) who, as at the end of the day on which the first offer under the takeover scheme was made, held shares in that class is entitled to vote on an approving resolution and, for the purpose of so voting, is entitled to 1 vote for each of the shares;
- (c) an approving resolution must be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; and
- (d) an approving resolution that has been voted on, is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 1/2, and otherwise is taken to have been rejected.

163.3 The provisions of these rules that apply in relation to a general meeting of the Company apply with any modifications the circumstances require, in relation to a meeting that is convened pursuant to this rule 163 as if the last mentioned meeting were a general meeting of the Company.

163.4 Where takeover offers have been made under a proportional takeover scheme then the directors must ensure that a resolution to approve the takeover scheme is voted on in accordance with this rule 163 before the relevant day in relation to the takeover scheme.

163.5 Where a resolution to approve a takeover scheme is voted on in accordance with this rule 163, the Company must, on or before the relevant day in relation to the takeover scheme:

- (a) give to the offeror; and
- (b) serve on each notifiable securities exchange in relation to the Company;


a notice in writing stating that a resolution to approve the takeover scheme has been voted on and that the resolution has been passed, or has been rejected, as the case requires.

- 163.6 Where, at the end of the day before the relevant day in relation to a proportional takeover scheme under which offers have been made, no resolution to approve the takeover scheme has been voted on in accordance with this rule 163, a resolution to approve the takeover scheme must, for the purposes of this rule 163, be treated as having been passed in accordance with this rule 163.
- 163.7 Where a resolution to approve a proportional takeover scheme is voted on in accordance with this rule 163 before the relevant day in relation to the takeover scheme and is rejected, then:
- (a) despite section 652A of the Act, all offers under the takeover scheme that have not, as at the end of the relevant day, been accepted, and all offers under the takeover scheme that have been accepted and from whose acceptance binding contracts have not, at the end of the relevant day, resulted, must be treated as withdrawn at the end of the relevant day; and
 - (b) a person who has accepted an offer made under the takeover scheme is entitled to rescind the contract (if any) resulting from that acceptance.
- 163.8 Nothing in this rule 163 authorises the Company to interfere with any takeover transfer procedures contained in the ASTC Settlement Rules.
- 163.9 This rule 163 ceases to have effect on the 3rd anniversary of the date of its adoption or of its most recent renewal.



Petratherm Ltd
ACN 106 806 884

Need assistance?

 **Phone:**
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

 **Online:**
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (ACDT) on Tuesday, 19 November 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 184363

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Petratherm Ltd hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Petratherm Ltd to be held at HLB Mann Judd, Level 1, 169 Fullarton Road, Dulwich, SA 5065 on Thursday, 21 November 2024 at 10:00am (ACDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 3 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 3 and 9 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Approval for Issue of Placement Shares to Mr Donald Stephens	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Simon O'Loughlin as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval for Issue of Placement Shares to Mr Simon Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Previous Issue of Shares to Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Approval of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Previous Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval for Issue of Placement Shares to Mr Derek Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 11	Re-insertion of Proportional Takeover Provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Issue of Placement Shares to Mr Simon O'Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3	/ /
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number	Email Address	By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically
<input type="text"/>	<input type="text"/>	



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