
SKY METALS LIMITED
ACN 098 952 035
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30 am (AEDT)
DATE: 25 November 2024
PLACE: Level 2
66 Hunter Street
SYDNEY NSW 2000

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

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:30am on 23 November 2024.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2024."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD HILL

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

"That, for the purpose of clause 15.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Mr Richard Hill, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

5. RESOLUTION 4 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR OLIVER DAVIES

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Incentive Performance Rights to Mr Oliver Davies (or his nominee(s)) under the Plan on the terms and conditions set out in the Explanatory Statement."

6. RESOLUTION 5 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR RICHARD HILL

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

"That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Incentive Performance Rights to Mr Richard Hill (or his nominee(s)) under the Plan on the terms and conditions set out in the Explanatory Statement."

7. **RESOLUTION 6 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – MR RIMAS KAIRAITIS**

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Incentive Performance Rights to Mr Rimas Kairaitis (or his nominee(s)) under the Plan on the terms and conditions set out in the Explanatory Statement.”

8. **RESOLUTION 7 – ISSUE OF INCENTIVE PERFORMANCE RIGHTS TO DIRECTOR – NORMAN SECKOLD**

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Incentive Performance Rights to Mr Norman Seckold (or his nominee(s)) under the Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statements

Resolution 1 – Adoption of Remuneration Report	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none">(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. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or(b) the voter is the Chair and the appointment of the Chair as proxy:<ul style="list-style-type: none">(i) does not specify the way the proxy is to vote on this Resolution; and(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
Resolutions 4 to 7 – Issue of Performance Rights to the Related Parties	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 4 to 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 4 to 7 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none">(a) the proxy is either:<ul style="list-style-type: none">(i) a member of the Key Management Personnel; or(ii) a Closely Related Party of such a member; and(b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 4 to 7 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none">(a) the proxy is the Chair; and(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolutions 4 to 7 – Issue of Performance Rights to the Related Parties	The Related Parties (or their nominee(s)) or any other person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question] or an associate of that person or those persons.
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However, this does not apply to a vote cast in favour of the Resolution by:

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 (0)411 411 485.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.skymetals.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report to be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

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

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

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

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – RICHARD HILL

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Richard Hill, who has held office without re-election since 16 December 2021 and being eligible retires by rotation and seeks re-election.

Further information in relation to Mr Hill is set out below.

Qualifications, experience and other material directorships	Mr Hill is a geologist and solicitor with over 25 years' experience in the resources sector. He has performed roles as commercial manager and geologist for several mid-cap Australian mining companies and as Director and Chairman for a series of successful ASX-listed companies including a founding Director for Aurelia Metals Limited (ASX: AMI) and Chairman of Genesis Minerals Limited (ASX: GMD). He is currently the Chairman of New World Resources Limited (ASX: NWC), and Chairman of Accelerate Resources Limited (ASX: AX8). In addition to his corporate, commercial and fund raising roles, Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities worldwide.
Term of office	Mr Hill has served as a Director since 20 June 2019 and was last re-elected on 16 December 2021.
Independence	If re-elected, the Board considers that Mr Hill will be an independent Director.
Board recommendation	Having received an acknowledgement from Mr Hill that he will have sufficient time to fulfil his responsibilities as a Director and having reviewed the performance of Mr Hill since his appointment to the Board and the skills, knowledge, experience and capabilities required by the Board, the Directors (other than Mr Hill) recommend that Shareholders vote in favour of this Resolution.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Mr Hill will be re-elected to the Board as an independent Director.

If Resolution 2 is not passed, Mr Hill will not continue in his role as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

4. RESOLUTION 3 – APPROVAL OF 7.1A MANDATE

4.1 General

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

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

Under Listing Rule 7.1A, an Eligible Entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**). The Company is an Eligible Entity.

4.2 Technical information required by Listing Rule 14.1A

For this Resolution to be passed, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be cast in favour of the Resolution.

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

4.3 Technical information required by Listing Rule 7.3A

REQUIRED INFORMATION	DETAILS
Period for which the 7.1A Mandate is valid	<p>The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:</p> <ul style="list-style-type: none"> (a) the date that is 12 months after the date of this Meeting; (b) the time and date of the Company's next annual general meeting; and (c) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).
Minimum price	<p>Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> (a) 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 (b) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
Use of funds	<p>The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for ongoing exploration on the Company's existing assets, consideration and potential acquisition of any new opportunities that arise throughout the year and general working capital.</p>
Risk of economic and voting dilution	<p>Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.</p> <p>If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.</p> <p>The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the</p>

REQUIRED INFORMATION		DETAILS																																																
		<p>number of Equity Securities on issue proposed to be issued as at 3 October 2024.</p> <p>The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.</p>																																																
		<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">Dilution</th> </tr> <tr> <th colspan="2" rowspan="2">Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)</th> <th rowspan="2">Shares issued – 10% voting dilution</th> <th colspan="3">Issue Price</th> </tr> <tr> <th>\$0.025</th> <th>\$0.05</th> <th>\$0.08</th> </tr> <tr> <th colspan="2"></th> <th></th> <th>50% decrease</th> <th>Issue Price</th> <th>50% increase</th> </tr> <tr> <th colspan="2"></th> <th></th> <th colspan="3">Funds Raised</th> </tr> </thead> <tbody> <tr> <td>Current</td> <td>590,703,166 Shares</td> <td>59,070,316 Shares</td> <td>\$1,476,757</td> <td>\$2,953,515</td> <td>\$4,430,273</td> </tr> <tr> <td>50% increase</td> <td>886,054,749 Shares</td> <td>88,605,474 Shares</td> <td>\$2,215,136</td> <td>\$4,430,273</td> <td>\$6,645,410</td> </tr> <tr> <td>100% increase</td> <td>1,181,406,332 Shares</td> <td>118,140,633 Shares</td> <td>\$2,953,515</td> <td>\$5,907,031</td> <td>\$8,860,547</td> </tr> </tbody> </table>						Dilution				Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Issue Price			\$0.025	\$0.05	\$0.08				50% decrease	Issue Price	50% increase				Funds Raised			Current	590,703,166 Shares	59,070,316 Shares	\$1,476,757	\$2,953,515	\$4,430,273	50% increase	886,054,749 Shares	88,605,474 Shares	\$2,215,136	\$4,430,273	\$6,645,410	100% increase	1,181,406,332 Shares	118,140,633 Shares	\$2,953,515	\$5,907,031	\$8,860,547
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		<p>*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.</p> <p>The table above uses the following assumptions:</p> <ol style="list-style-type: none"> There are currently 590,703,166 Shares on issue. The issue price set out above is the closing market price of the Shares on the ASX on 2 October 2024 (being \$0.05). The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed. 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 under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting. <p>Shareholders should note that there is a risk that:</p> <ol style="list-style-type: none"> the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and 																																																

REQUIRED INFORMATION	DETAILS
	(b) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.
Allocation policy under 7.1A Mandate	<p>The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.</p> <p>The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:</p> <p>(a) the purpose of the issue;</p> <p>(b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;</p> <p>(c) the effect of the issue of the Equity Securities on the control of the Company;</p> <p>(d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;</p> <p>(e) prevailing market conditions; and</p> <p>(f) advice from corporate, financial and broking advisers (if applicable).</p>
Previous approval under Listing Rule 7.1A.2	<p>The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 30 October 2023 (Previous Approval).</p> <p>During the 12 month period preceding the date of the Meeting, being on and from 30 October 2023, the Company has not issued any Equity Securities pursuant to the Previous Approval.</p>
Voting exclusion statement	As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

5. RESOLUTIONS 4 TO 7 – ISSUE OF PERFORMANCE RIGHTS TO THE RELATED PARTIES

5.1 General

Resolutions 4 to 7 seek Shareholder approval for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14 for the issue of up to an aggregate of 15,000,000 Performance Rights to Mr Oliver Davies, Mr Richard Hill, Mr Rimas Kairaitis and Mr Norman Seckold (or their respective nominee(s)) (**Related Parties**) pursuant to the Employee Incentive Performance Rights and Options Plan (**Plan**) on the terms and conditions set out below (**Incentive Performance Rights**).

Further details in respect of the Incentive Performance Rights proposed to be issued are set out in the table below.

RECIPIENT	CLASS	QUANTUM	VESTING CONDITION	EXPIRY DATE
Oliver Davies	A	2,000,000	The Class A Performance Rights shall vest upon the Company's Shares achieving a volume weighted average price (VWAP) of \$0.065 over 5 continuous trading days on	3 years from the date of issue.

RECIPIENT	CLASS	QUANTUM	VESTING CONDITION	EXPIRY DATE
			which trades in the Shares are recorded.	
	B	2,000,000	The Class B Performance Rights shall vest upon the Company's Shares achieving a VWAP of \$0.08 over 5 continuous trading days on which trades in the Shares are recorded.	3 years from the date of issue.
	C	2,000,000	The Class C Performance Rights shall vest upon the Company's Shares achieving a VWAP of \$0.10 over 5 continuous trading days on which trades in the Shares are recorded.	3 years from the date of issue.
Richard Hill	A	1,000,000	As above.	As above.
	B	1,000,000	As above.	As above.
	C	1,000,000	As above.	As above.
Rimas Kairaitis	A	1,000,000	As above.	As above.
	B	1,000,000	As above.	As above.
	C	1,000,000	As above.	As above.
Norman Seckold	A	1,000,000	As above.	As above.
	B	1,000,000	As above.	As above.
	C	1,000,000	As above.	As above.

5.2 Director Recommendation

Each Director has a material personal interest in the outcome of Resolutions 4 to 7 on the basis that all of the Directors (or their nominee(s)) are to be issued Incentive Performance Rights should Resolutions 4 to 7 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 4 to 7 of this Notice.

5.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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 constitutes giving a financial benefit and each of the proposed recipients is a related party of the Company by virtue of being a Director.

As the Incentive Performance Rights are proposed to be issued to all of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue. Accordingly, Shareholder approval for the issue is sought in accordance with Chapter 2E of the Corporations Act.

5.4 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 4 to 7 seek the required Shareholder approval for the issue of the Incentive Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 4 to 7 are passed, the Company will be able to proceed with the issue within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Incentive Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 7 are not passed, the Company will not be able to proceed with the issue of the Incentive Performance Rights and the Company will consider other methods to appropriately remunerate the Related Parties (which may include by way of cash bonuses).

5.6 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

REQUIRED INFORMATION	DETAILS
Name of the persons to whom Securities will be issued	The proposed recipients of the Incentive Performance Rights are set out in Section 5.1.
Categorisation under Listing Rule 10.14	Each of the proposed recipients falls within the category set out in Listing Rule 10.14.1 as they are a related party of the Company by virtue of being a Director. Any nominee(s) of the proposed recipients who receive Incentive Performance Rights may constitute 'associates' for the purposes of Listing Rule 10.14.2.
Number of Securities and class to be issued	The maximum number of Incentive Performance Rights to be issued (being the nature of the financial benefit proposed to be given) is 15,000,000 which will be allocated as set out in the table included at Section 5.1 above.
Terms of Securities	The Incentive Performance Rights will be issued on the terms and conditions set out in Schedule 1.
Material terms of the Plan	A summary of the material terms and conditions of the Plan is set out in Schedule 2.
Material terms of any loan	No loan is being made in connection with the acquisition of the Incentive Performance Rights.
Date(s) on or by which the Securities will be issued	The Company expects to issue the Incentive Performance Rights within 5 Business Days of the Meeting.

REQUIRED INFORMATION	DETAILS
	In any event, the Company will not issue any Incentive Performance Rights later than three years after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
Price or other consideration the Company will receive for the Securities	The Incentive Performance Rights will be issued at a nil issue price.
Purpose of the issue, including the intended use of any funds raised by the issue	The purpose of the issue is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward their performance as Directors and to provide cost effective remuneration to the Related Parties, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties.
Consideration of type of Security to be issued	<p>The Company has agreed to issue the Incentive Performance Rights for the following reasons:</p> <ul style="list-style-type: none"> (a) the issue of Incentive Performance Rights has no immediate dilutionary impact on Shareholders; (b) the milestones attaching to the Incentive Performance Rights to the Related Parties will align the interests of the recipients with those of Shareholders; (c) the issue is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and (d) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights on the terms proposed.
Consideration of quantum of Securities to be issued	<p>The number of Incentive Performance Rights to be issued has been determined based upon a consideration of:</p> <ul style="list-style-type: none"> (a) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company; (b) the remuneration of the proposed recipients; and (c) incentives to attract and ensure continuity of service of the proposed recipients who have appropriate knowledge and expertise, while maintaining the Company's cash reserves. <p>The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Incentive Performance Rights upon the terms proposed.</p>
Remuneration package	The total remuneration package for each of the recipients for the previous financial year and the

REQUIRED INFORMATION	DETAILS																																					
	<p>proposed total remuneration package for the current financial year are set out below:</p> <table border="1" data-bbox="699 280 1385 562"> <thead> <tr> <th data-bbox="699 280 911 376">RELATED PARTY</th> <th data-bbox="911 280 1150 376">PROPOSED FINANCIAL YEAR ENDED 30 JUNE 2025</th> <th data-bbox="1150 280 1385 376">PREVIOUS FINANCIAL YEAR ENDED 30 JUNE 2024</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 376 911 427">Oliver Davies</td> <td data-bbox="911 376 1150 427">340,000¹</td> <td data-bbox="1150 376 1385 427">363,574²</td> </tr> <tr> <td data-bbox="699 427 911 479">Richard Hill</td> <td data-bbox="911 427 1150 479">60,000³</td> <td data-bbox="1150 427 1385 479">139,497⁴</td> </tr> <tr> <td data-bbox="699 479 911 530">Rimas Kairaitis</td> <td data-bbox="911 479 1150 530">60,000⁵</td> <td data-bbox="1150 479 1385 530">88,564⁶</td> </tr> <tr> <td data-bbox="699 530 911 562">Norman Seckold</td> <td data-bbox="911 530 1150 562">80,000⁷</td> <td data-bbox="1150 530 1385 562">106,064⁸</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Comprising salary of \$310,000, and a superannuation payment of \$30,000. 2. Comprising salaries and fees of \$262,500, other benefits of \$20,942, a superannuation payment of \$28,875 and options and rights valued at \$51,257. 3. Comprising salaries and fees of \$60,000. 4. Comprising salaries and fees of \$105,933 and options and rights valued at 33,564. 5. Comprising salaries and fees of \$60,000. 6. Comprising salaries and fees of \$55,000 and options and rights valued at 33,564. 7. Comprising salaries and fees of \$80,000. 8. Comprising salaries and fees of \$72,500 and options and rights valued at \$33,564. 	RELATED PARTY	PROPOSED FINANCIAL YEAR ENDED 30 JUNE 2025	PREVIOUS FINANCIAL YEAR ENDED 30 JUNE 2024	Oliver Davies	340,000 ¹	363,574 ²	Richard Hill	60,000 ³	139,497 ⁴	Rimas Kairaitis	60,000 ⁵	88,564 ⁶	Norman Seckold	80,000 ⁷	106,064 ⁸																						
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Valuation	<p>The Company values the Incentive Performance Rights at \$525,000 (being \$0.035 per Incentive Performance Right) based on internal management's valuation. Further information in respect of the valuation of the Incentive Performance Rights and the pricing methodology is set out in Schedule 3.</p>																																					
Interest in Securities	<p>The relevant interests of the recipients in Securities as at the date of this Notice and following completion of the issue are set out below:</p> <p>As at the date of this Notice</p> <table border="1" data-bbox="699 1469 1385 1832"> <thead> <tr> <th data-bbox="699 1469 815 1543">RELATED PARTY</th> <th data-bbox="815 1469 954 1543">SHARES¹</th> <th data-bbox="954 1469 1139 1543">PERFORMANCE RIGHTS</th> <th data-bbox="1139 1469 1278 1543">UNDILUTED</th> <th data-bbox="1278 1469 1385 1543">FULLY DILUTED</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1543 815 1617">Oliver Davies</td> <td data-bbox="815 1543 954 1617">2,133,191</td> <td data-bbox="954 1543 1139 1617">18,000,000</td> <td data-bbox="1139 1543 1278 1617">0.36%</td> <td data-bbox="1278 1543 1385 1617">4.07%</td> </tr> <tr> <td data-bbox="699 1617 815 1691">Richard Hill</td> <td data-bbox="815 1617 954 1691">7,809,090</td> <td data-bbox="954 1617 1139 1691">3,600,000</td> <td data-bbox="1139 1617 1278 1691">1.32%</td> <td data-bbox="1278 1617 1385 1691">1.78%</td> </tr> <tr> <td data-bbox="699 1691 815 1765">Rimas Kairaitis</td> <td data-bbox="815 1691 954 1765">11,045,981</td> <td data-bbox="954 1691 1139 1765">3,600,000</td> <td data-bbox="1139 1691 1278 1765">1.87%</td> <td data-bbox="1278 1691 1385 1765">2.29%</td> </tr> <tr> <td data-bbox="699 1765 815 1832">Norman Seckold</td> <td data-bbox="815 1765 954 1832">33,882,575</td> <td data-bbox="954 1765 1139 1832">3,600,000</td> <td data-bbox="1139 1765 1278 1832">5.75%</td> <td data-bbox="1278 1765 1385 1832">5.86%</td> </tr> </tbody> </table> <p>Post issue</p> <table border="1" data-bbox="699 1883 1385 2103"> <thead> <tr> <th data-bbox="699 1883 927 1957">RELATED PARTY</th> <th data-bbox="927 1883 1155 1957">SHARES¹</th> <th data-bbox="1155 1883 1385 1957">PERFORMANCE RIGHTS</th> </tr> </thead> <tbody> <tr> <td data-bbox="699 1957 927 2009">Oliver Davies</td> <td data-bbox="927 1957 1155 2009">2,133,191</td> <td data-bbox="1155 1957 1385 2009">24,000,000</td> </tr> <tr> <td data-bbox="699 2009 927 2060">Richard Hill</td> <td data-bbox="927 2009 1155 2060">7,809,090</td> <td data-bbox="1155 2009 1385 2060">6,600,000</td> </tr> <tr> <td data-bbox="699 2060 927 2103">Rimas Kairaitis</td> <td data-bbox="927 2060 1155 2103">11,045,981</td> <td data-bbox="1155 2060 1385 2103">6,600,000</td> </tr> </tbody> </table>	RELATED PARTY	SHARES ¹	PERFORMANCE RIGHTS	UNDILUTED	FULLY DILUTED	Oliver Davies	2,133,191	18,000,000	0.36%	4.07%	Richard Hill	7,809,090	3,600,000	1.32%	1.78%	Rimas Kairaitis	11,045,981	3,600,000	1.87%	2.29%	Norman Seckold	33,882,575	3,600,000	5.75%	5.86%	RELATED PARTY	SHARES ¹	PERFORMANCE RIGHTS	Oliver Davies	2,133,191	24,000,000	Richard Hill	7,809,090	6,600,000	Rimas Kairaitis	11,045,981	6,600,000
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Dilution	<p>Notes:</p> <p>1 Fully paid ordinary shares in the capital of the Company (ASX: SKY).</p> <p>If the milestones attaching to the Incentive Performance Rights issued under Resolutions 4 to 7 are met and the Incentive Performance Rights are converted, a total of 15,000,000 Shares would be issued. This will increase the number of Shares on issue from 589,553,166 (being the total number of Shares on issue as at the date of this Notice) to 604,553,166 (assuming that no Shares are issued and no other convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.48%, comprising 0.99% by Mr Oliver Davies, 0.50% by Mr Richard Hill, 0.50% by Mr Rimās Kairaitis and 0.50% by Mr Norman Seckold.</p>														
Trading history	<p>The trading history of the Shares on ASX in the 3 months prior to October 3 is set out below:</p> <table border="1" data-bbox="699 880 1390 1115"> <thead> <tr> <th></th> <th>PRICE</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>Highest</td> <td>0.05</td> <td>2 October 2024 – 3 October 2024</td> </tr> <tr> <td>Lowest</td> <td>0.029</td> <td>5 September 2024</td> </tr> <tr> <td>Last</td> <td>0.05</td> <td>3 October 2024</td> </tr> </tbody> </table>				PRICE	DATE	Highest	0.05	2 October 2024 – 3 October 2024	Lowest	0.029	5 September 2024	Last	0.05	3 October 2024
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Last	0.05	3 October 2024													
Securities previously issued to the recipient/(s) under the Plan	<p>27,300,000 Performance Rights have previously been issued to the Related Parties for nil cash under the Plan as follows:</p> <p>(a) Oliver Davies: 16,500,000 Performance Rights;</p> <p>(b) Richard Hill: 3,600,000 Performance Rights;</p> <p>(c) Rimās Kairaitis: 3,600,000 Performance Rights; and</p> <p>(d) Norman Seckold: 3,600,000 Performance Rights.</p>														
Additional Information	<p>Details of any Securities issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Securities under the Plan after this Resolution is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.</p>														
Other information	<p>The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass these Resolutions.</p>														
Voting exclusion statements	<p>Voting exclusion statements apply to these Resolutions.</p>														
Voting prohibition statements	<p>Voting prohibition statements apply to these Resolutions.</p>														

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 4.1.

ASIC means the Australian Securities & Investments Commission.

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

Board means the current board of directors of the Company.

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

Chair means the chair of the Meeting.

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

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Sky Metals Limited (ACN 098 952 035).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Incentive Performance Rights has the meaning given in Section 5.1.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

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

Option means an option to acquire a Share.

Plan has the meaning given in Section 5.1.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2024.

Related Parties has the meaning given in Section 5.1.

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

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

VWAP has the meaning given in Section 5.1.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF INCENTIVE PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Incentive Performance Rights:

(a) **Milestones**

The Incentive Performance Rights will vest upon satisfaction of the following milestones:

- (i) **Class A Incentive Performance Rights:** shall vest upon the Company's Shares achieving a VWAP of \$0.065 over 5 continuous trading days on which trades in the Shares are recorded;
- (ii) **Class B Incentive Performance Rights:** shall vest upon the Company's Shares achieving a VWAP of \$0.08 over 5 continuous trading days on which trades in the Shares are recorded; and
- (iii) **Class C Incentive Performance Rights:** shall vest upon the Company's Shares achieving a VWAP of \$0.10 over 5 continuous trading days on which trades in the Shares are recorded,

(together, the **Milestones** and each, a **Milestone**).

(b) **Notification to holder**

The Company shall notify the holder in writing when the relevant Milestone has been satisfied.

(c) **Conversion**

Subject to paragraph (o), upon vesting, each Incentive Performance Right will, at the election of the holder, convert into one Share.

(d) **Lapse of an Incentive Performance Right**

Tranche A Incentive Performance Rights

A Incentive Performance Right will automatically lapse upon the earlier to occur of:

- (i) the date that is three (3) years from the date of issue of the Incentive Performance Right; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) or an employee of the Company (where they are not an officer at the time of issue), as applicable, unless otherwise determined by the Board at its absolute discretion.

Tranche B Incentive Performance Rights

A Incentive Performance Right will automatically lapse upon the earlier to occur of:

- (i) the date that is three (3) years from the date of issue of the Incentive Performance Right; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) or an employee of the Company (where they are not an officer at the time of issue), as applicable, unless otherwise determined by the Board at its absolute discretion.

Tranche C Incentive Performance Rights

A Incentive Performance Right will automatically lapse upon the earlier to occur of:

- (i) the date that is three (3) years from the date of issue of the Incentive Performance Right; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) or an employee of the Company (where they are not an officer at the time of issue), as applicable, unless otherwise determined by the Board at its absolute discretion.

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- (e) **Consideration**
- The Incentive Performance Rights will be issued for nil consideration and no consideration will be payable upon the conversion of the Incentive Performance Rights into Shares.
- (f) **Share ranking**
- All Shares issued upon the vesting of Incentive Performance Rights will upon issue rank pari passu in all respects with other existing Shares.
- (g) **Application to ASX**
- The Incentive Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Incentive Performance Right on ASX within the time period required by the ASX Listing Rules.
- (h) **Timing of issue of Shares on conversion**
- Within 5 business days after the date that the Incentive Performance Rights are converted, the Company will:
- (i) issue the number of Shares required under these terms and conditions in respect of the number of Incentive Performance Rights converted;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the Official List of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the conversion of the Incentive Performance Rights.
- If a notice delivered under paragraph (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (i) **Transfer of Incentive Performance Rights**
- The Incentive Performance Rights are not transferable.
- (j) **Participation in new issues**
- A Incentive Performance Right does not entitle a holder (in their capacity as a holder of a Incentive Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues without exercising the Incentive Performance Right.
- (k) **Reorganisation of capital**
- If at any time the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- (l) **Adjustment for bonus issues of Shares**
- If the Company makes a bonus issue of Shares or other securities to the Company's existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Incentive Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

(m) **Dividend and voting rights**

The Incentive Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(n) **Change in control**

Subject to paragraph (o), upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a 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 or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, to the extent Incentive Performance Rights have not converted into Shares due to satisfaction of the relevant Milestones, the Board may in its absolute discretion determine the manner in which any or all of the holder's Incentive Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of an Incentive Performance Right under paragraphs (c) or (n) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001 (Cth)* (**General Prohibition**) then the conversion of that Incentive Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Incentive Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of an Incentive Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (o)(i) within 7 days if the Company considers that the conversion of a Incentive Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of an Incentive Performance Right will not result in any person being in contravention of the General Prohibition.

(p) **No rights to return of capital**

An Incentive Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(q) **Rights on winding up**

An Incentive Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(r) **ASX Listing Rule compliance**

The Board reserves the right to amend any term of the Incentive Performance Rights to ensure compliance with the ASX Listing Rules.

(s) **No other rights**

An Incentive Performance Right gives the holder no rights other than those expressly provided by these terms and conditions and those provided at law where such rights at law cannot be excluded by these terms.

SCHEDULE 2 – TERMS AND CONDITIONS OF THE PLAN

A summary of the material terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

(a) **Eligible Participant**

Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.

(b) **Purpose**

The purpose of the Plan is to:

- (i) assist in the reward, retention and motivation of Eligible Participants;
- (ii) link the reward of Eligible Participants to Shareholder value creation; and
- (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities.

(c) **Plan administration**

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth). The Board may delegate its powers and discretion.

(d) **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) Options and Performance Rights provided under the Plan on such terms and conditions as the Board decides.

On receipt of an invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

(e) **Grant of securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

(f) **Rights attaching to securities**

Prior to an Option or Performance Right being exercised, the holder:

- (i) does not have any interest (legal, equitable or otherwise) in any Share the subject of the convertible security other than as expressly set out in the Plan;
- (ii) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;
- (iii) is not entitled to receive any dividends declared by the Company; and

(iv) is not entitled to participate in any new issue of Shares (see Adjustment of convertible securities section below).

(g) **Vesting of convertible securities**

Any vesting conditions applicable to the Options or Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant securities have vested. Unless and until the vesting notice is issued by the Company, the securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to an Option or Performance Right are not satisfied and/or otherwise waived by the Board, that security will lapse.

(h) **Exercise of convertible securities and cashless exercise**

To exercise a security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Option or Performance Right (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.

An invitation to apply for Options may specify that at the time of exercise of the Options, the Participant may elect not to be required to provide payment of the exercise price for the number of Options specified in a notice of exercise, but that on exercise of those Options the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Options.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

An Option or a Performance Right may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

(i) **Timing of issue of Shares and quotation of Shares**

As soon as practicable after the valid exercise of an Option or a Performance Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised securities held by that Participant.

(j) **Restrictions on dealing with securities**

A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with an Option or a Performance Right that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Option or a Performance Right that has been granted to them.

However, in Special Circumstances as defined under the Plan (including in the case of death, total or permanent disability, retirement, redundancy or severe financial hardship of the Participant) a Participant may deal with convertible securities granted to them under the Plan with the consent of the Board which may be withheld in its absolute discretion.

(k) **Listing of convertible securities**

An Option or a Performance Right granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.

(l) **Forfeiture of convertible securities**

Options and Performance Rights will be forfeited in the following circumstances:

- (i) where a Participant who holds Options or Performance Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested convertible securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the convertible securities to vest;
 - (ii) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;
 - (iii) where there is a failure to satisfy the vesting conditions in accordance with the Plan;
 - (iv) on the date the Participant becomes insolvent; or
 - (v) on the expiry date of the Options or Performance Rights,
- unless the Board otherwise determines.

(m) **Change of control**

If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Options or Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

(n) **Adjustment of convertible securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Options or Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Options or Performance Rights is entitled, upon exercise of those securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Options or Performance Rights are exercised.

Unless otherwise determined by the Board, a holder of Options or Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

(o) **Rights attaching to Shares**

All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of an Option or a Performance Right, will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares issued upon exercise of an Option or a Performance Right and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.

(p) **Disposal restrictions on Shares**

If the invitation provides that any Shares issued upon the valid exercise of an Option or a Performance Right are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or

- (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company

(q) **General Restrictions on Transfer of Shares**

If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of an Option or a Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.

Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.

Any Shares issued to a holder upon exercise of an Option or a Performance Right shall be subject to the terms of the Company's Securities Trading Policy.

(r) **Buy-Back**

Subject to applicable law, the Company may at any time buyback Options or Performance Rights in accordance with the terms of the Plan.

(s) **Employee Share Trust**

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Options or Performance Rights.

(t) **Maximum number of securities**

The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Options or Performance Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).

(u) **Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

(v) **Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those securities may be cancelled in the manner agreed between the Company and the Participant.

(w) **Income Tax Assessment Act**

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

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SCHEDULE 3 – VALUATION OF INCENTIVE PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolutions 4 to 7 have been valued by internal management.

Using an appropriate pricing model and based on the assumptions set out below, the Incentive Performance Rights were ascribed the following value:

ITEM				Total
	Class A	Class B	Class C	
Valuation date	2 October 2024			
Market Price of Shares	\$0.05			
Commencement of performance/vesting period	On issue of performance rights			
Performance measurement/vesting date	Refer to Schedule 1			
Expiry date	Three (3) years from the date of issue			
Vesting Probability	90%	70%	50%	
Total Value of Incentive Performance Rights	\$0.05	\$0.05	\$0.05	\$0.15
Oliver Davies - Resolution 4	\$90,000	\$70,000	\$50,000	\$210,000
Richard Hill – Resolution 5	\$45,000	\$35,000	\$25,000	\$105,000
Rimas Kairaitis - Resolution 6	\$45,000	\$35,000	\$25,000	\$105,000
Norman Seckold Resolution 7	\$45,000	\$35,000	\$25,000	\$105,000

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S K Y M E T A L S

ACN 098 952 035

SKY

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 855 080 (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 **10:30am (AEDT) on Saturday, 23 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:

XX

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: 999999

SRN/HIN: I9999999999

PIN: 99999

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.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

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.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Sky Metals Limited 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 Sky Metals Limited to be held at Level 2, 66 Hunter Street, Sydney, NSW 2000 on Monday, 25 November 2024 at 10:30am (AEDT) 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, 4, 5, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 5, 6 and 7 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, 4, 5, 6 and 7 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
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Richard Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Issue of Incentive Performance Rights to Director – Mr Oliver Davis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Issue of Incentive Performance Rights to Director – Mr Richard Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Incentive Performance Rights to Director – Mr Rimas Kairaitis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of Incentive Performance Rights to Director – Mr Norman Seckold	<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 / /
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

SKY

3 1 2 8 6 4 A



Computershare



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