

ASX ANNOUNCEMENT
18 December 2023

Notice of General Meeting of Shareholders

Desert Metals Limited (**ASX:DM1**) provides the following documents in relation to a general meeting of shareholders;

- notice of meeting
- sample proxy form

For further information please contact:

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DESERT METALS LIMITED
ACN 617 947 172
NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2.30pm (Perth time)
DATE: 17 January 2024
PLACE: The Park Business Centre
45 Ventnor Avenue
WEST PERTH WA 6005

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

This Notice of Meeting 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 2.30pm (Perth time) on 15 January 2024.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – APPROVAL TO ISSUE CONSIDERATION SHARES TO CDI VENDORS

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

“That, subject to the passing of Resolution 2 and conditional upon completion of the Acquisition, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 75,000,000 Consideration Shares to the CDI Vendors on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – APPROVAL TO ISSUE PLACEMENT SHARES AND FREE ATTACHING OPTIONS

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

“That, subject to the passing of Resolution 1 and conditional upon completion of the Acquisition, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 115,384,615 Shares, together with up to 57,692,308 free attaching Options, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

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

“That, subject to the passing of Resolution 1 and Resolution 2 and completion of the Acquisition, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 7,500,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – ACQUISITION CONSIDERATION FOR LITTLE GAP WELL AND MOUNT OPAL GOLD PROJECTS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – ACQUISITION CONSIDERATION FOR LITTLE GAP WELL AND MOUNT OPAL GOLD PROJECTS

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,250,000 Options on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO PROPOSED DIRECTOR – STEPHEN ROSS

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

“That, subject to the passing of Resolution 1 and Resolution 2 and completion of the Acquisition, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Options to Stephen Ross (or his nominee(s)) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 14 December 2023

By order of the Board

**Paul Heatley
Company Secretary**

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:

Resolution 1 – Approval to issue Consideration Shares to CDI Vendors	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely CDI and/or the CDI Vendors) or an associate of that person (or those persons).
Resolution 2 – Approval to issue Placement Shares and Free Attaching Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (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).
Resolution 3 – Approval to issue Lead Manager Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely CPS Capital Group Pty Ltd) or an associate of that person (or those persons).
Resolution 4 – Ratification of prior issue of Shares - Acquisition consideration for Little Gap Well and Mount Opal Gold Projects	A person who participated in the issue or is a counterparty to the agreement being approved (namely Diversified Asset Holdings Pty Ltd (ACN 169 563 795)) or an associate of that person or those persons.
Resolution 5 – Ratification of prior issue of Options- Acquisition consideration for Little Gap Well and Mount Opal Gold Projects	A person who participated in the issue or is a counterparty to the agreement being approved (namely Diversified Asset Holdings Pty Ltd (ACN 169 563 795)) or an associate of that person or those persons.
Resolution 6 – Approval to issue Options to Proposed Director – Stephen Ross	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Stephen Ross) or an associate of that person (or those persons).

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

member 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 of Meeting please do not hesitate to contact the Company Secretary on +61 8 6458 4200.

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. BACKGROUND TO THE ACQUISITION

1.1 Background

On 4 December 2023, the Company announced that it had entered into a binding agreement (**Agreement**) to acquire 100% of the issued share capital of Côte d'Ivoire mineral explorer CDI Resources Limited (ACN 654 999 210) (**CDI Acquisition**).

CDI has two wholly owned subsidiaries, CDI Minerals Pty Ltd (**CDIM**) and CDI Lithium Pty Ltd (**CDIL**). Via CDIM, CDI is currently entitled to a 51% interest in Smart Mineral Exploration Côte d'Ivoire SARL (**SMEX**), which holds the flagship **Tengrela South Project** and has a right to earn up to an 80% interest.

In addition, CDI has rights to earn a majority interest in six additional mineral exploration projects in Côte d'Ivoire under low-cost joint venture arrangements including:

- (a) **Adzope gold project** (application) and **Agboville lithium project** (3 applications) in southeastern Côte d'Ivoire;
- (b) **Vavoua and Vavoua West gold projects** (two applications) in central west Côte d'Ivoire; and
- (c) **Kounahiri** (granted and subject to renewal) and **Kounahiri West gold projects** (application).

(together, the **CDI Projects**).

Further details regarding the Acquisition, including summaries of the agreements giving rise to the above interests and earn-in rights are set out in the Company's ASX announcements published 4 December 2023 and 6 December 2023.

1.2 Consideration

In consideration for the Acquisition, the Company has agreed to issue the shareholders of CDI (**CDI Vendors**) a total of 75,000,000 Shares (**Consideration Shares**) pro rata according to their ownership interest in CDI.

The issue of the Consideration Shares is subject to Resolution 1 of this Notice.

1.3 Material terms of Agreement

A summary of the material terms of the Agreement is set out under Schedule 1 of this Notice.

1.4 Share Placement

In connection with the Acquisition, the Company has received firm commitments for a conditional share placement to raise \$3.75 million via the issue of Shares at an issue price of \$0.0325 per Share (3.25 cents) to sophisticated and professional investors (**Placement Shares**), together with one (1) free-attaching Option for

every two (2) Shares subscribed for and issued, exercisable at \$0.06 on or before 31 December 2025 (**Free Attaching Options**) (**Placement**).

The Placement Shares will rank equally with the Company's existing Shares. It is anticipated funds raised from the Placement will be applied toward expenditure on the Company's existing projects, expenditure on the CDI Projects and working capital and corporate administration.

The Placement Shares and Free Attaching Options will be issued subject to Shareholder approval being received for Resolution 2 of this Notice (and subject to the passing of Resolution 1 and completion of the Acquisition).

1.5 **Advisors**

The Company has entered into a mandate letter with CPS Capital Group Pty Ltd (**CPS Capital**) pursuant to which CPS Capital has been appointed Corporate Advisor of the Company and Lead Manager to the Placement (**Mandate**).

In accordance with the terms of the Mandate, subject to completion of the Placement, the Company has agreed to:

- (a) pay CPS Capital a capital raising fee equal to 6% of the funds raised under the Placement;
- (b) subject to shareholder approval for Resolution 3, issue 7,500,000 Options (exercisable at \$0.06, on or before 31 December 2026) to CPS Capital (or its nominees) (**Lead Manager Options**); and
- (c) pay CPS Capital a monthly corporate advisory fee of \$5,000 per month (plus GST) until May 2024.

2. **RESOLUTION 1 – APPROVAL TO ISSUE CONSIDERATION SHARES TO CDI VENDORS**

2.1 **General**

As set out in Section 1 above, the Company has entered into the Agreement pursuant to which it has agreed to issue 75,000,000 Shares to the CDI Vendors in consideration for Acquisition (**Consideration Shares**).

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.

The proposed issue of the Consideration Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.2 **Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Company will be able to proceed with the issue of the Consideration Shares. In addition, the issue of the Consideration Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Consideration Shares. Moreover, the Company will not be able to satisfy its obligations under the Agreement, and the Acquisition will not proceed.

The completion of the Placement (which is the subject of Resolution 2) is a condition precedent to completion of the Acquisition. Accordingly, Resolutions 1 and 2 are inter-conditional. If either of Resolutions 1 or 2 are not passed, the Company will not be able to complete the Acquisition and/or the Placement. For the avoidance of doubt, Resolution 1 is not conditional on the passing of Resolution 3.

Resolution 1 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consideration Shares.

2.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Consideration Shares will be issued to the CDI Vendors (or their nominees);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company, other than Stephen Ross who is a related party by virtue of being a proposed Director of the Company and will receive 6,400,000 Consideration Shares, but for whom Shareholder approval is not required as he is only becoming a Director as a result of the transaction contemplated;
- (c) the maximum number of Consideration Shares to be issued is 75,000,000. The Consideration Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Shares will occur on the same date;
- (e) the Consideration Shares will be issued at a nil issue price, in consideration for the Acquisition;
- (f) the purpose of the issue of the Consideration Shares is to satisfy the Company's obligations under the Agreement;
- (g) the Consideration Shares are being issued to the CDI Vendors (or their nominees) under the Agreement. A summary of the material terms of the Agreement is set out in Schedule 1; and
- (h) the Consideration Shares are not being issued under, or to fund, a reverse takeover.

Refer to Section 3.4 for details with respect to the dilutive effect of the issue of Consideration Shares and Placement Securities (being the Securities to be issued in respect of inter-conditional Resolutions 1 and 2).

3. RESOLUTION 2 – APPROVAL TO ISSUE PLACEMENT SHARES AND FREE ATTACHING OPTIONS

3.1 General

Pursuant to Resolution 2, the Company seeks Shareholder approval for the issue of up to 115,384,615 Placement Shares and 57,692,308 Free Attaching Options to raise up to \$3.75 million under the Placement (together, the **Placement Securities**).

Further background information regarding the Placement is set out above in Section 1.

The material terms and conditions of the Free Attaching Options are set out in Schedule 2.

As summarised in Section 2.1 above, 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.

The proposed issue of the Placement Securities does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Securities. In addition, the issue of the Placement Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Placement Securities. Moreover, the Company will not be able to satisfy its obligations under the Agreement, and the Acquisition will not proceed.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Securities.

The completion of the Placement (which is the subject of Resolution 2) is a condition precedent to completion of the Acquisition. Accordingly, Resolutions 1 and 2 are inter-conditional. If either of Resolutions 1 or 2 are not passed, the Company will not be able to complete the Acquisition or the Placement. For the avoidance of doubt, Resolution 2 is not conditional on the passing of Resolution 3.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Securities.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Placement Securities will be issued to professional and sophisticated investors who are clients of CPS Capital. The recipients were identified

through a bookbuild process, which involved CPS Capital seeking expressions of interest to participate in the Placement from non-related parties of the Company;

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company.
- (c) the maximum number of Shares to be issued is 115,384,615 and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (being approximately 57,692,308 Options) as the Options will be issued free attaching with the Shares on a 1:2 basis;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Options will be issued on the terms and conditions set out in Schedule 2;
- (f) the Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Securities will occur on the same date;
- (g) the issue price will be \$0.0325 per Share and nil per Option as the Options will be issued free attaching with the Shares on a 1:2 basis. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the Placement Securities is to raise \$3,750,000. The Company intends to apply the funds raised from the issue towards expenditure on the Company's existing projects, expenditure on the CDI Projects and working capital and corporate administration;
- (i) the Placement Securities are not being issued under an agreement; and
- (j) the Placement Securities are not being issued under, or to fund, a reverse takeover.

3.4 Dilution

Assuming:

- (a) the Consideration Shares are issued to the CDI Vendors;
- (b) the Placement Securities are issued to the Placement participants; and
- (c) no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Shares as set out above are issued,

the number of Shares on issue would increase from 75,041,078 (being the number of Shares on issue as at the date of this Notice) to 265,425,693 and the shareholding of existing Shareholders would be diluted by 354%.

Further, assuming no other Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Shares as set out above are issued, in the event all the Options issued pursuant to this Placement were exercised the number of Shares on issue would increase to 323,118,001 and the shareholding of existing Shareholders would be diluted by 431% (being an additional 77%).

4. RESOLUTION 3 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS

4.1 General

As set out in Section 1.4 above, the Company has entered into a mandate letter with CPS Capital pursuant to which CPS Capital has been appointed Corporate Advisor of the Company and Lead Manager to the Placement (**Mandate**).

In accordance with the terms of the Mandate, the Company will pay CPS Capital a capital raising fee equal to 6% of the funds raised under the Placement and, subject to shareholder approval for this Resolution 3, issue 7,500,000 Lead Manager Options to CPS Capital (or its nominees).

As summarised in Section 2.1 above, 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.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options. Instead, if Resolution 3 is not passed, but Resolutions 1 and 2 are passed, the Company will pay CPS a cash payment of \$140,000. This payment is not required to be made to CPS Capital in the event the Acquisition or the Placement do not proceed.

Resolution 3 is conditional on Resolutions 1 and 2 also being passed. Therefore, if either of Resolution 1 or Resolution 2 is not passed, the Board will not be able to complete the Acquisition or the Placement, which would also mean the Company would not proceed with the issue of the Lead Manager Options.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

4.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Lead Manager Options will be issued to CPS Capital (or its nominees);
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company notes that CPS Capital, a corporate adviser to the Company, will be issued 7,500,000 Lead Manager Options equating to more than 1% of the issued capital of the Company;
- (c) the maximum number of Lead Manager Options to be issued is 7,500,000. The terms and conditions of the Lead Manager Options are set out in Schedule 3;
- (d) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Lead Manager Options will occur on the same date;
- (e) the Lead Manager Options will be issued at \$0.0001 per Lead Manager Option, in consideration for lead manager services provided by CPS Capital Group Pty Ltd in relation to the Placement;
- (f) the purpose of the issue of the Lead Manager Options is to satisfy the Company's obligations under the Lead Manager Mandate;
- (g) the Lead Manager Options are being issued to CPS Capital Group Pty Ltd under the Lead Manager Mandate. A summary of the material terms of the Lead Manager Mandate is set out in Section 1.5; and
- (h) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES – ACQUISITION CONSIDERATION FOR LITTLE GAP WELL AND MOUNT OPAL GOLD PROJECTS

5.1 Background

On or about 18 May 2023, the Company entered into an option to purchase agreement with Diversified Asset Holdings Pty Ltd (ACN 169 563 795) (**DAH**) (**Option to Purchase Agreement**) which granted an option to the Company to acquire up to 80% of the Little Gap Well and Mount Opal gold projects (**Projects**).

The Option to Purchase Agreement is structured in the following manner following completion of "Stage 1", which was a three month exclusivity period during which the Company undertook due diligence on the Projects:

- (a) **Stage 2:** the Company was granted an option to acquire a 60% interest in the Projects (**Stage 2 Option**) for the following consideration:
 - (i) 2,500,000 Shares (**Stage 2 Consideration Shares**); and
 - (ii) 1,250,000 Options, exercisable at \$0.15 on or before 16 November 2023 (**Stage 2 Consideration Options**).
- (b) **Stage 3:** the Company is granted an option to acquire an additional 20% interest in the Projects (80% total interest) (**Stage 3 Option**). Upon exercise of the Stage 3 Option, the Company has agreed to issue:
 - (i) 4,500,000 Shares; and

(ii) 2,250,000 Options, exercisable at \$0.15.

The Shares and Options to be issued on exercise of the Stage 2 Option will be escrowed for six (6) months from the date of issue.

Should the Company elect to exercise the Stage 3 Option, a 1% Net Smelter Royalty (**NSR**) shall be granted to DAH in respect of minerals extracted from the Projects, with the Company having the right to buy back 50% of the NSR for \$1,000,000 within five years of the date of grant. The Company also has right of first refusal to acquire the remaining 20% of the Projects held by DAH.

On 8 August 2023, following satisfactory due diligence on the Projects, the Company elected to exercise the Stage 2 Option. The Stage 2 Consideration Shares and Stage 2 Consideration Options were subsequently issued on 16 November 2023.

Accordingly, the Company is seeking the ratification for the issue of the Stage 2 Consideration Shares and Stage 2 Consideration Options, the subject of Resolutions 4 and 5, respectively.

5.2 General

The issue of the Stage 2 Consideration Shares did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 2.1 above, 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 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 15 November 2023.

The issue of the Stage 2 Consideration Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Stage 2 Consideration Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Stage 1 Consideration Shares.

Resolution 4 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Stage 2 Consideration Shares.

5.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Stage 2 Consideration Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Stage 2 Consideration Shares.

If Resolution 4 is not passed, the Stage 2 Consideration Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Stage 2 Consideration Shares.

5.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Stage 2 Consideration Shares were issued to DAH;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 2,500,000 Stage 2 Consideration Shares were issued and the Stage 2 Consideration Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Stage 2 Consideration Shares were issued on 16 November 2023;
- (e) the Stage 2 Consideration Shares were issued at a nil issue price, in consideration for the acquisition of a 60% interest in the Projects, as set out in Section 5.1 above. The Company has not and will not receive any other consideration for the issue of the Stage 2 Consideration Shares;
- (f) the purpose of the issue of the Stage 2 Consideration Shares was to satisfy the Company's obligations under the Option to Purchase Agreement; and
- (G) the Stage 2 Consideration Shares were issued to DAH under the Option to Purchase Agreement. A summary of the material terms of the Option to Purchase Agreement is set out in Section 5.1 above.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS – ACQUISITION CONSIDERATION FOR LITTLE GAP WELL AND MOUNT OPAL GOLD PROJECTS

6.1 General

The issue of the Stage 2 Consideration Options did not breach Listing Rule 7.1 at the time of the issue.

As summarised in Section 2.1 above, 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 12 month period.

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

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 15 November 2023.

The issue of the Stage 2 Consideration Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Stage 2 Consideration Options.

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Stage 2 Consideration Options.

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Stage 2 Consideration Options.

6.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Stage 2 Consideration Options will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Stage 2 Consideration Options.

If Resolution 5 is not passed, the Stage 2 Consideration Options will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Stage 2 Consideration Options.

6.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Stage 2 Consideration Options were issued to DAH;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 1,250,000 Stage 2 Consideration Options were issued and the Stage 2 Consideration Options were issued on the terms and conditions set out in Schedule 4;
- (d) the Stage 2 Consideration Options were issued on 16 November 2023;
- (e) the Stage 2 Consideration Options were issued at a nil issue price, in part consideration for the acquisition of a 60% interest in the Projects, as set out in Section 5.1 above. The Company has not and will not receive any other consideration for the issue of the Stage 2 Consideration Options (other than in respect of funds received on exercise of the Stage 2 Consideration Options);
- (f) the purpose of the issue of the Stage 2 Consideration Options was to satisfy the Company's obligations under the Option to Purchase Agreement; and
- (g) the Stage 2 Consideration Options were issued to DAH under the Option to Purchase Agreement. A summary of the material terms of the Option to Purchase Agreement is set out in Section 5.1.

7. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO PROPOSED DIRECTOR – STEPHEN ROSS

7.1 General

As set out in the ASX Announcement published 4 December 2023, subject to completion of the Acquisition, the Company proposes to appoint Stephen Ross (BSc (Geology), FFin, MAusIMM, MAICD) as a Director and Technical Manager of the Company and in connection with such appointment has resolved to issue Mr Ross 5,000,000 Options on the terms set out in Schedule 5 (**Director Options**).

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.

The proposed issue of the Director Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Subject to completion of the Acquisition, Mr Stephen Ross will become a related party of the Company by virtue of being appointed as a Director of the Company. Prior to entry into the Agreement, Mr Ross was not a related party of the Company.

Exception 12 under Listing Rule 10.12 provides an exception to Listing Rule 10.11 where the relevant issue of equity securities is under an agreement between an entity and a person who would not otherwise be a related party but for the fact that they will become a related party in the future because of the agreement.

The Director Options are to be issued to Mr Ross in reliance on Exception 12 under Listing Rule 10.12, as the Director Options will be issued in connection with the Acquisition, pursuant to which Mr Ross will become a Director.

7.2 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the issue of the Director Options. In addition, the issue of the Director Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

Mr Ross' appointment as a Director and Technical Manager of the Cote d'Ivoire Projects is subject to completion of the Acquisition. Accordingly, if either of Resolutions 1 or 2 are not passed, the Company will not proceed with the issue of the Director Options.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Director Options.

7.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the Director Options will be issued to the Stephen Ross (or his nominees);
- (b) the maximum number of Director Options to be issued is 5,000,000. The Director Options will be issued on the terms and conditions set out in Schedule 5;
- (c) the Director Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Director Options will occur on the same date;
- (d) the Director Options will be issued at a nil or nominal issue price, in consideration for services to be provided by Mr Ross in connection with his proposed appointment as a Director and Technical Manager of the Cote d'Ivoire Projects;
- (e) the purpose of the issue of the Director Options is to provide a share price based remuneration incentive to Mr Ross;
- (f) other than in connection with Mr Ross' appointment as a director occurring in connection with the Acquisition, the Director Options are not being issued under an agreement; and
- (g) the Director Options are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

General Meeting or **Meeting** means the meeting convened by the Notice.

Acquisition has the meaning given in Section 1.

Agreement has the meaning given in Section 1.

Announcement has the meaning given in Section 1.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means an associated entity of the Company, where the associated entity is a body corporate (as that term is used in the ESS Regime).

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.

CDI means CDI Resources Limited (ACN 654 999 210).

CDI Projects has the meaning given in Section 1.

CDI Vendors has the meaning given in Section 1.

CDIM or **CDI Minerals** means CDI Minerals Pty Ltd (ACN 652 433 915).

CDIL or **CDI Lithium** means CDI Lithium Pty Ltd (ACN 668 700 025).

Chair means the chair of the Meeting.

Company means Desert Metals Limited (ACN 617 947 172).

Consideration Shares has the meaning given in Section 1.

Constitution means the Company's constitution.

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

DAH means Diversified Asset Holdings Pty Ltd (ACN 169 563 795).

Director Option means an Option having the terms and conditions on Schedule 5.

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Free Attaching Options means an Option having the terms and conditions on Schedule 2.

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.

Lead Manager Option means an Option having the terms and conditions on Schedule 3.

Listing Rules means the Listing Rules of ASX.

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

NSR has the meaning given in Section 5.1.

Option means an option to acquire a Share.

Option to Purchase Agreement has the meaning given in Section 5.1.

Placement has the meaning given in Section 1.

Placement Shares has the meaning given in Section 1.

Placement Options has the meaning given in Section 1.

Placement Securities has the meaning given in Section 3.1.

Projects has the meaning given in Section 5.1.

Proxy Form means the proxy form accompanying the Notice.

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.

Stage 2 Consideration Options has the meaning given in Section 5.1.

Stage 2 Consideration Shares has the meaning given in Section 5.1.

Stage 3 Option has the meaning given in Section 5.1.

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

SCHEDULE 1 – MATERIAL TERMS OF THE AGREEMENT

The material terms and conditions of the Agreement are summarised below:

Consideration	<p>Subject to the terms and conditions of the Agreement, the Company agreed to issue the CDI Vendors in aggregate 75,000,000 Shares (Consideration Shares) in consideration for the Acquisition.</p> <p>The Consideration Shares will be apportioned between the CDI Vendors using the following formula:</p> <p>X = V/T x 75,000,000, where:</p> <p>X is the number of Consideration Shares to be issued to the relevant CDI Vendor</p> <p>V is the number of CDI shares held by the relevant CDI Vendor at Settlement</p> <p>T is the total number of shares on issue in CDI at Settlement</p>
Conditions Precedent	<p>Settlement of the Acquisition (Settlement) is conditional upon the satisfaction (or waiver) of the following conditions precedent:</p> <p>(a) (Due Diligence): CDI having provided evidence and confirmations in respect of payments made or requirement to be made by CDIM, CDIL and SMEX in respect of the CDI Projects and a lab report and assays in respect of the Tengrela South Project to the Company;</p> <p>(b) (CDIM Contracts): CDIM having:</p> <p>(i) acquired a 51% interest in Smart Mineral Exploration Côte d'Ivoire SARL (SMEX); and</p> <p>(ii) issued all shares contemplated by paragraph (f) of Section 2 to Schedule 4 of the Agreement;</p> <p>(c) (Shareholder Approvals): the Company obtaining such shareholder approvals as are required to complete the Acquisition;</p> <p>(d) (Minority Vendor Agreements): Roman Resource Management Pty Ltd, Patrick Flint and Susmit Shah (the Procuring Vendors) having procured that all of the other shareholders of CDI at Settlement accept a separate offer by the Company to acquire their shares in CDI to be made under a short form agreement;</p> <p>(e) (No Material Adverse Change – CDI): there being no material adverse change in the circumstances of CDI and none of the warranties given by the CDI and the CDI Vendors becoming untrue, incorrect or misleading each prior to the date of satisfaction (or waiver) of all other conditions;</p> <p>(f) (No Material Adverse Change – DM1): there being no material adverse change in the circumstances of the Company and none of the warranties given by the Company becoming untrue, incorrect or misleading each prior to the date of satisfaction (or waiver) of all other conditions; and</p> <p>(g) (No Breach): none of CDI, the CDI Vendors nor the Company being in breach of the terms of the Agreement (including but not limited to a breach of any warranty) provided no party can rely on its own breach to prevent Settlement,</p> <p>(together, the Conditions Precedent).</p> <p>If the Conditions Precedent set out above are not satisfied (or waived) by 5.00pm on 15 February 2024 (or such later date as is agreed between the</p>

	Parties in writing) (End Date), either party may terminate the Agreement by notice in writing to the other party, in which case, the agreement constituted by the Agreement will be at end and the parties will be released from their obligations under the Agreement other than those which survive termination and any pre-existing liabilities for breach of the Agreement, which shall survive termination of the Agreement.
Settlement	Settlement will occur on that date which is five (5) business days after the satisfaction (or waiver) of the Conditions Precedent or such other date as the parties may agree in writing.
Board changes	It is proposed that Stephen Ross will be appointed as a Director and Technical Manager of the Cote d'Ivoire projects subject to and with effect from Settlement and that Tony Worth and Keith Murray will resign as Directors of the Company with effect from Settlement.
Other provisions	The Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

SCHEDULE 2 – TERMS AND CONDITIONS OF FREE ATTACHING OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 exercise of the Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 exercise of the Options.

If a notice delivered under (g)(g)(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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

SCHEDULE 4 – TERMS AND CONDITIONS OF STAGE 2 CONSIDERATION OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.15 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 16 November 2026 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares (i) required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)I 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 exercise of the Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to a 25% premium to the volume average weighted price of Shares as calculated over the 10 trading days prior (but not including) the date of issue of the Options (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the earlier of:

- (i) the date that is 3 years from the date of issue; and
- (ii) 30 days following the holder ceasing to be a Director,

(**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (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 exercise of the Options.

If a notice delivered under (g)(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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are not transferable.

Your proxy voting instruction must be received by **02.30pm (AWST) on Monday, 15 January 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online

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

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



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