



Cobalt Blue Holdings Limited
(ASX:COB)

2021 Annual General Meeting

The 2021 Annual General Meeting (AGM) of Cobalt Blue Holdings Limited ABN 90 614 466 607 is to be held at 11:00am (AEDT) on Friday, 26 November 2021 at the Company's North Sydney Office.



Cobalt Blue Holdings Limited ABN 90 614 466 607
Address: Suite 17.03, Level 17, 100 Miller Street, North Sydney, NSW 2060
Website: www.cobaltblueholdings.com
Facebook: www.facebook.com/Cobalt.Blue.Energy
LinkedIn: www.linkedin.com/company/cobalt-blue-holdings

NOTICE OF 2021 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (AGM) of Shareholders of Cobalt Blue Holdings Limited ABN 90 614 466 607 (the Company) will be held at 11:00am (AEDT) on Friday, 26 November 2021, at the Company's North Sydney office.

| | | |
|-----|--|----|
| 1. | AGENDA | 3 |
| 1.1 | VOTING PROHIBITIONS AND EXCLUSION STATEMENTS | 5 |
| 1.2 | VOTING RIGHTS AND PROXIES | 6 |
| 1.3 | DATE FOR DETERMINING HOLDERS OF SHARES | 7 |
| 1.4 | RESOLUTIONS | 7 |
| 2. | LODGING YOUR PROXY | 7 |
| 3. | EXPLANATORY MEMORANDUM | 8 |
| 4. | INTERPRETATION | 27 |
| 5. | GLOSSARY | 28 |
| | Proxy From | |

Refer to the Explanatory Memorandum for further information on the proposed Resolutions.

By order of the Board of Cobalt Blue Holdings Limited:

Danny Morgan
Company Secretary
19 October 2021

1. AGENDA

RECEIPT OF FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 30 June 2021.

Note: There is no requirement for Shareholders to approve these reports.

RESOLUTION 1: TO RE-ELECT A DIRECTOR – MR HUGH KELLER

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

"That, for the purposes of Article 3.6 of the Company's Constitution and ASX Listing Rule 14.4, Mr Hugh Keller, who retires from office by rotation, and is eligible for re-election, is re-elected as a Director of the Company."

RESOLUTION 2: TO ADOPT THE REMUNERATION REPORT

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

"For the purposes of section 250R(2) of the Corporations Act approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2021."

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

RESOLUTION 3: AMENDMENTS TO THE COMPANY'S CONSTITUTION

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

"That, in accordance with section 136(2) of the Corporations Act, the amendments to the Company's Constitution as described in the Explanatory Memorandum accompanying this Notice of Meeting, be approved with effect from the end of the Meeting."

Note: A marked up version of the amended Constitution is available at <https://cobaltblueholdings/resources> (and will be mailed out on request by shareholders).

RESOLUTION 4: APPROVAL FOR FUTURE ISSUE OF FULLY PAID ORDINARY SHARES

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

"That, for the purpose of ASX Listing Rule 7.1, Shareholders approve the issue and allotment of up to 44,774,527 fully paid ordinary shares to investors that are not Related Parties of the Company, as described in the Explanatory Memorandum accompanying this Notice of Meeting."

RESOLUTION 5: APPROVAL OF 10% PLACEMENT FACILITY

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

"That, for the purpose of ASX Listing Rule 7.1A, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2."

RESOLUTION 6: APPROVAL OF THE ISSUE OF ORDINARY SHARES TO DIRECTORS

Resolution 6.1: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval be hereby given for the issue of fully paid ordinary shares to Mr Robert Biancardi to be issued in satisfaction of a proportion of his Directors' Fees for the year ending 30 June 2022, as set out in the Explanatory Memorandum."

Resolution 6.2: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval be hereby given for the issue of fully paid ordinary shares to Mr Hugh Keller to be issued in satisfaction of a proportion of his Directors' Fees for the year ending 30 June 2022, as set out in the Explanatory Memorandum."

Resolution 6.3: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval be hereby given for the issue of fully paid ordinary shares to Mr Robert McDonald to be issued in satisfaction of a proportion of his Directors' Fees for the year ending 30 June 2022, as set out in the Explanatory Memorandum."

RESOLUTION 7: APPROVAL OF THE ISSUE OF ORDINARY SHARES TO THE CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR

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

"That, for the purposes of ASX Listing Rule 10.11, approval be hereby given for the issue of 336,692 fully paid ordinary shares to Chief Executive Officer and Executive Director Mr Josef Kaderavek in satisfaction of amounts owing to him under his employment contract for his services as Chief Executive Officer and Executive Director for the period ended 30 June 2021, as set out in the Explanatory Memorandum."

RESOLUTION 8: APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO NON-EXECUTIVE DIRECTORS

Resolution 8.1: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval is given for the Company to issue a total of 1,000,000 Performance Rights to Mr Robert Biancardi, being a Non-Executive Director of the Company (or his nominee) on the terms and conditions set out set out in the Explanatory Memorandum."

Resolution 8.2: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval is given for the Company to issue a total of 1,000,000 Performance Rights to Mr Hugh Keller, being a Non-Executive Director of the Company (or his nominee) on the terms and conditions set out set out in the Explanatory Memorandum."

Resolution 8.3: To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary** resolution:

"That, for the purposes of ASX Listing Rule 10.11, approval is given for the Company to issue a total of 1,000,000 Performance Rights to Mr Robert McDonald, being a Non-Executive Director of the Company (or his nominee) on the terms and conditions set out set out in the Explanatory Memorandum."

RESOLUTION 9: APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO THE CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

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

"That, for the purposes of ASX Listing Rule 10.11, approval is given for the Company to issue a total of 2,511,468 Performance Rights to the Chief Executive Officer and Executive Director, Mr Josef Kaderavek (or his nominee) under his Long-Term Incentive, on the terms and conditions set out set out in the Explanatory Memorandum."

1.1 VOTING PROHIBITIONS AND EXCLUSION STATEMENTS

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on the Resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

| Resolution | Persons excluded from voting |
|---|---|
| Resolution 2 To adopt the remuneration report | In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast on the resolution by an Excluded Person. |
| Resolution 4 To approve the proposed issue of shares | The Company will disregard any votes cast in favour of the resolution by or on behalf of: <ul style="list-style-type: none">• 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 entity) if Resolution 4 is passed; or• an Associate of that person (or those persons). |
| Resolution 5 Approval of 10% Placement Facility | The Company will disregard any votes cast in favour of the resolution by or on behalf of: <ul style="list-style-type: none">• a person who is anticipated 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. |
| Resolution 6 To approve the issue of ordinary shares to Non-Executive Directors | The Company will disregard any votes cast in favour of Resolutions 6.1 to 6.3 by or on behalf of: <ul style="list-style-type: none">(a) Mr Robert Biancardi and his Associates (in respect to Resolution 6.1);(b) Mr Hugh Keller and his Associates (in respect to Resolution 6.2); and(c) Mr Robert McDonald and his Associates (in respect to Resolution 6.3), |

| Resolution | Persons excluded from voting |
|---|---|
| Resolution 7 To approve the issue of ordinary shares to the CEO & Executive Director | The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Josef Kaderavek (and any of his Associates). |
| Resolution 8 To approve the issue of Performance Rights to Non-Executive Directors | The Company will disregard any votes cast in favour of Resolutions 8.1 to 8.3 by or on behalf of: (a) Mr Robert Biancardi and his Associates (in respect to Resolution 8.1); (b) Mr Hugh Keller and his Associates (in respect to Resolution 8.2); and (c) Mr Robert McDonald and his Associates (in respect to Resolution 8.3), |
| Resolution 9 To approve the issue of Performance Rights to the CEO & Executive Director | The Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Kaderavek (and any of his Associates). |

With respect to Resolutions 2, 6, 7, 8 and 9, the Company will not disregard a vote made by an Excluded Person as proxy if the vote is not cast on behalf of a person who is excluded from voting on those Resolutions, and either:

- the Excluded Person is appointed as a proxy in writing that specifies the way the proxy is to vote on the Resolution; or
- the Excluded Person is the Chairman and the appointment of the Chairman:
 - does not specify the way the proxy is to vote on the Resolution; and
 - expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

With respect to Resolutions 2, 5, 6, 7, 8 and 9, the Company need not disregard a vote if cast in favour of the resolution:

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

1.2 VOTING RIGHTS AND PROXIES

A member who is entitled to attend and vote at the Meeting has a right to appoint a proxy. This appointment may specify the proportion or number of votes that the proxy may exercise. The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that 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 that each proxy may exercise, each proxy may exercise half of the votes. If a proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must only vote on a poll.

Unless otherwise stated, the Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution. Section 250B of the Corporations Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 11:00 am (AEDT) 24 November 2021 or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Computershare Investor Services Pty Limited as follows:

| | |
|------------------------------|--|
| 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); |
| In Person: | Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067 Australia |
| Lodge Electronically: | In accordance with the instructions on the proxy form or for Intermediary Online Subscribers only (custodians) cast (on behalf of the Shareholder) online by visiting www.intermediaryonline.com |

Corporate Representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative must submit a properly executed Certificate of Appointment of Corporate Representative (available from the Company's share registry) by no later than 11:00 am (AEDT) on 24 November 2021, by one of the above identified methods.

1.3 DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1, the Directors have set 7:00pm (AEDT) on 24 November 2021 as the time and date to determine holders of the Company's fully paid ordinary shares for the purposes of determining entitlements to attend and vote at the General Meeting. Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the Meeting.

1.4 RESOLUTIONS

All items of business involving a vote by Shareholders, other than Resolutions 3 and 5, are ordinary resolutions, which means that, to be passed, the item needs approval of a simple majority of the votes cast by Shareholders entitled to vote on the resolution.

Resolutions 3 and 5 are special resolutions which means that, to be passed, the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

2. LODGING YOUR PROXY

Completed and signed proxies must be either:

- sent by post to the following address:
**Computershare Investor Services Pty Limited GPO
Box 242, MELBOURNE VIC 3001 Australia;** or
- sent by facsimile to Computershare on:
1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- voted online by following the instructions on the attached Proxy Form; or
- for Intermediary Online subscribers only (custodians), cast online for the Shareholder's vote by visiting www.intermediaryonline.com so that it is received not later than 11:00am (AEDT) on 25 November 2021.

3. EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company to explain the Resolutions to be put to Shareholders at the Annual General Meeting (AGM) on 26 November 2021. The Board recommends that Shareholders read the accompanying Notice of AGM and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

3.0 Receipt of financial statements and reports

The Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the financial year ended 30 June 2021 (collectively the Reports) will be put before the AGM. The Reports are contained in the Company's Annual Report for the financial year 30 June 2021 which is available at www.cobaltblueholdings.com/resources.

There is no requirement for Shareholders to approve the Reports. However, the Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the management of the Company. Shareholders will be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the content of the Auditor's Report.

3.1 Resolution 1: To Re-Elect a Director – Mr Hugh Keller

3.1 Background

Under ASX Listing Rule 14.4, a Director must not hold office without re-election past the third annual general meeting following the Director's appointment, or three years, whichever is longer. A Director who retires in accordance with these requirements is eligible for re-election. Under ASX Listing Rule 14.5, an election of Directors must be held each year.

Article 3.6 of the Company's Constitution requires that at each AGM:

- (a) one third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not:
 - (i) appointed, and required to retire under Article 3.3; or
 - (ii) the Managing Director; and
- (b) any Director who would, if that Director remained in office until the next AGM, have held that office for more than three years since last being elected or appointed, must retire from office and are eligible for re-election.

The Director to retire under Article 3.6 of the Company's Constitution is the one who has held office the longest since last being elected or appointed. Mr Hugh Keller was last re-elected in 2018. He will retire at the AGM and is eligible for re-election and is seeking re-election as a Director at the AGM.

Mr Keller's biographical details are set out below.

Mr Hugh Keller, LLB

Independent Non-Executive Director, Chair Audit & Risk Committee, Member Nomination & Remuneration Committee
Appointed: 31 October 2016

After graduating with a law degree, Mr Keller had a successful career as a solicitor in Sydney and became a partner at Dawson Waldron (now Ashurst) in 1976 and remained a partner in its successor firms for 34 years until retirement from full time legal practice in 2010. During his time at the firm, Mr Keller served as joint national managing partner, Sydney office managing partner, chairman of the staff superannuation fund, one of the practice leaders and as a board member.

Mr Keller was a Non-Executive Director of ASX listed Thakral Holdings Limited and a member of its Audit Committee until the company was acquired in a public takeover by Brookfield. Mr Keller was also a Non-Executive Director of LJ Hooker Limited and a member of its audit committee. He has also served as chairman of a large private investment company, several small investment companies and a private small exploration company. Mr Keller currently provides consulting services to several companies and is, and has been for over 10 years, a Non-Executive Director of a charity and chairman of its audit committee. He has extensive legal experience and expertise in the review of commercial contracts and arrangements, as well as experience in public company audit committee procedures and requirements and hands on experience in the dynamics of managing people and resources in long term large projects.

3.1.2 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

3.2 Resolution 2: To Adopt the Remuneration Report

3.2.1 Background

The Remuneration Report of the Company for the financial year ended 30 June 2021 is set out in the Company's 2021 Annual Report, which is available on the Company's website at www.cobaltblueholdings.com/resources/.

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, Shareholders will be asked to vote on the Remuneration Report.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Company or its Directors. A failure of Shareholders to pass Resolution 2 will not require the Directors to alter any of the arrangements in the Remuneration Report. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act rule known as the "two strike rule", if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors must go up for re-election.

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

All of the Directors 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 is approved will be the Directors.

3.2.2 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, a spill resolution will not be put to a vote as a result of the vote at this AGM.

3.2.3 Board Recommendation

The Board recommends that Shareholders vote in favour of the adoption of the Remuneration Report.

3.3 Resolution 3: To amend the Constitution

3.3.1 Background

The Constitution of the Company was adopted on incorporation of the Company on 26 August 2016. The Company has undertaken a review of the Constitution and proposes a number of modifications to reflect changes to corporate governance practices, the Corporations Act and ASX Listing Rules and which update certain legacy provisions and outdated terminology. A number of the changes also seek to achieve efficient and flexible administration of the Company and relations with shareholders.

Under section 136 of the Corporations Act, amendments to the Constitution may only be made by a special resolution of shareholders.

A copy of the proposed changes to the Constitution is available for perusal by Shareholders at www.cobaltblueholdings.com/resources. It is not practical to list all the proposed changes to the Constitution, however a summary of the key proposed amendments is set out below.

| Topic | Summary of proposed amendment(s) |
|---|--|
| Proceedings at meetings of members (Clause 13.1,13.2) | <p>A number of amendments are proposed to be made to facilitate use of virtual meetings by the Company, now that the law has changed to allow the use of virtual or hybrid meetings, including as set out below:</p> <ul style="list-style-type: none"> – clarification that Directors may determine that a meeting be held by means of virtual meeting technology or other communication facilities that gives the members as a whole a reasonable opportunity to participate; and – providing the ability to use direct voting (whereby shareholders may lodge a vote directly with the Company by way of post, fax or other electronic means, without having to attend a meeting or appoint a proxy or representative). Direct voting addresses deficiencies in existing voting procedures by facilitating greater voting participation and minimises the potential risks of a proxy vote not being cast. |
| Company seal (Clause 19) | Clause removed as the company seal is not used and is not required. |
| Monies payable (Clause 26.6) | Changed the default payment method from cheque to electronic funds transfer for any cash dividend, interest or other amount payable. |
| Restricted Securities (Clause 28.4) | <p>These changes align with changes to ASX Listing Rule 15.12 (which required amendments to any ASX listed entity constitution), which came into effect on 1 December 2019. The proposed amendments to the Constitution provide that:</p> <ul style="list-style-type: none"> - the holder will be taken to have agreed that the restricted securities are to be kept on the entity's issuer sponsored subregister and are to have a holding lock applied for the duration of the applicable escrow period; and - a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the applicable escrow period, except as permitted by the ASX Listing Rules or ASX. |

3.3.2 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of the approval of Resolution 3.

3.4 Resolution 4: Approval to issue Future Equity Securities

3.4.1 Background

ASX Listing Rule 7.1 prohibits a company from issuing or agreeing to issue Equity Securities that amount to more than 15% of its ordinary securities in any 12-month period, without shareholder approval.

Equity Securities Proposed to be Issued

Resolution 4 seeks approval for the issue of up to 44,774,527 Shares. By obtaining Shareholder approval for the Equity Securities the subject of Resolution 4, the Company will retain the flexibility to issue Equity Securities in the future of up to an additional approximate 15% placement capacity without the requirement to obtain prior Shareholder approval. The Company regularly monitors its ongoing equity requirements for funding the Broken Hill Cobalt Project and its other activities and the need for flexibility to respond to market conditions to raise the additional equity.

The passing of this Resolution will enhance the flexibility of future funding alternatives. Any decision on funding future work on the Project will depend on the results of current activities and, accordingly, at the time of issuing this Notice, no specific plans are in hand to expend all of the funds that could be raised if Resolution 4 is passed.

If Resolution 4 is not passed the Company would need to seek Shareholder approval at a later time, were it to seek to issue new Shares under ASX Listing Rule 7.1, in excess of its 15% placement capacity.

3.4.2 ASX Listing Rule 7.3

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

- the Shares will be issued to sophisticated and professional investors or other eligible parties, who are not Related Parties to the Company;
- the maximum number of Equity Securities that will be issued under the approval sought through Resolution 4 is 44,774,527 Shares;
- the Shares will rank equally in all respects with the Company's existing Shares;
- the Shares will be issued and allotted progressively, and no later than three months after the date of the Meeting (or such later date as may be permitted by a waiver of the ASX Listing Rules);
- the issue price of the Shares will be no less than 80% of the volume weighted average price (VWAP) of the Company's Shares for the five Trading Days prior to the date of issue;
- funds raised by the issue of the Equity Securities will be applied as a source of funds to support further development of the Broken Hill Cobalt Project, including work on the pilot and demonstration plant, for engineering and technical studies towards the Feasibility Study, to advance BHCP permits and approvals (including commencing Environmental Impact Statement studies), to fund the process of obtaining a major joint venture partner for the BHCP, for COB's other projects, for project acquisitions, and for working capital and other general corporate purposes; and
- a Voting Exclusion statement is contained in the Notice.

3.4.3 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of the approval of Resolution 4.

3.5 Resolution 5: Approval of 10% Placement Facility

3.5.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities (as that term is defined in the ASX Listing Rules) up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index; and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility in addition to its 15% placement capacity under ASX Listing Rule 7.1. The exact number of Equity Securities (if any) to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2. Further information is set out in section 3.5.2 (c) below.

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period (as defined below) without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Resolution 5 is not passed, the Company would need to seek Shareholder approval at a later time, were it to seek to issue new Shares that otherwise could have been issued under ASX Listing Rule 7.1A.

Resolution 5 is a special resolution, and therefore requires approval of 75% of the votes cast by Shareholders' present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3.5.2 Description of ASX Listing Rule 7.1A

(a) Shareholder Approval

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

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. At the date of this Notice, the Company only has quoted Shares and unquoted options on issue.

(c) Formula for Calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

(A x D) – E; where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2 other than exceptions 9, 16 or 17;
- plus the number of fully paid ordinary shares issued in the previous 12 months on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or 7.4;
- plus the number of Shares issued in the previous 12 months under an agreement to issue securities within ASX Listing Rule 7.3 exception 16 where:
 - the agreement was entered into before the commencement of the previous 12-month period; or
 - the agreement or issue was approved, or taken under the ASX Listing Rules to have been approved, under ASX Listing Rule 7.1 or rule 7.4;
- plus the number of partly paid ordinary shares that become fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under ASX Listing Rules 7.1 or 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
- less the number of fully paid ordinary shares cancelled in the 12 months.

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

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under ASX Listing Rules 7.4.

(d) Number of Shares on Issue

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under ASX Listing Rule 7.1. At the date of this Notice, the Company has 298,496,847 Shares on issue and therefore, in addition to any other Shares that it can issue under the permitted exceptions to ASX Listing Rules 7.1 and 7.1A, it has the capacity to issue:

- (a) 44,774,527 Shares under ASX Listing Rule 7.1 (assuming Resolution 4 is passed); and
- (b) subject to Shareholder approval being obtained under Resolution 5, up to 29,849,684 Shares under ASX Listing Rule 7.1A.

The actual number of Shares that the Company will have the capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in ASX Listing Rule 7.1A.2.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the AGM at which the approval is obtained and expires the earlier to occur of:

- (a) the date that is 12 months after the date of the AGM at which approval is obtained;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding),

after which date an approval under ASX Listing Rule 7.1A ceases to be valid (**10% Placement Period**).

3.5.3 Specific Information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

1. **Period during which Securities may be Issued:** The Company will only issue and allot the Equity Securities during the 10% Placement Period.

Shareholder approval under ASX Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P / ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the AGM.

2. **Minimum Issue Price:** The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (b) (if the Equity Securities are not issued within ten Trading Days of the date in paragraph (a) above) the date on which the Equity Securities are issued.
3. **Purpose of the 10% Placement:** The Company may seek to issue the Equity Securities under the 10% Placement Capacity for the purpose of obtaining cash consideration in order to allocate the funds towards additional working capital to fund the Company's progress in the development of the Broken Hill Cobalt Project and its other activities.
4. **Risk of voting dilution:** If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,
 which may have an effect on the amount of funds raised by the issue of the Equity Securities.

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

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

| Variable 'A' in ASX Listing Rule 7.1A.2 | | | Dilution | | | |
|---|--------------------|---------------------|---|--------|------------------------|--------------|
| | | | \$0.165 50% decrease in Deemed Price | | \$0.33 Deemed Price | |
| Current Variable A | 298,496,847 Shares | 10% Voting Dilution | 29,849,684 | Shares | 29,849,684 | Shares |
| | | Funds Raised | \$4,925,198 | | \$9,850,396 | \$19,700,791 |
| 50% increase in Current Variable A | 447,745,271 Shares | 10% Voting Dilution | 44,774,527 | Shares | 44,774,527 | Shares |
| | | Funds Raised | \$7,387,797 | | \$14,775,594 | \$29,551,188 |
| 100% increase in Current Variable A | 596,993,694 Shares | 10% Voting Dilution | 59,699,369 | Shares | 59,699,369 | Shares |
| | | Funds Raised | \$9,850,396 | | \$19,700,792 | \$39,401,584 |

The table above has been prepared on the following assumptions:

- There are currently 298,496,847 Shares on issue as at the date of this notice.
- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 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%.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities (noting there are 33,022,500 unquoted Options on issue at the date of this Notice).
- No securities are bought back and cancelled by the Company.
- The price of ordinary securities is deemed for the purposes of the table above to be \$0.33, being the closing price of the Company's shares on the ASX on 28 September 2021 (**Deemed Price**). The Deemed Price is indicative only and does not consider the 25% discount to market that the securities may be placed at.

5. **Allocation Policy:** The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors, including, but not limited to, the following:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including, but not limited to, a pro-rata rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company including, but not limited to, the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice, but may include existing Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company. Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources, assets or investments.

6. **Previous Approval:** The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 27 November 2020 AGM. For the purposes of ASX Listing Rule 7.3A.6, in the 12 months preceding the date of this AGM the following issues were made:
- a. 7,000,000 Shares were issued under ASX Listing Rule 7.1A.2 in the previous 12-month period. This issue represented 2.95% of the Company's outstanding shares on issue at the commencement of that 12-month period.
 - b. The 7,000,000 Shares referred to above were issued as part of a 21 June 2021 placement. These shares were:
 - issued as part of the first tranche of a placement to institutional, sophisticated and professional Investors as identified by the Company and the lead managers to the placement;
 - 7,000,000 fully paid ordinary shares were issued at 30 cents per share with one free attaching option for every two shares issued (exercise price: \$0.45, expiry date: 15/8/22). The Company's ordinary shares closed at 27.5 cents on the date of issue.

Total cash consideration received from these shares was \$2,100,000. This amount forms part of the Company's cash balances at the present time. The cash will be used towards the Company's proposed Demonstration Plant and to advance BHCP feasibility studies, geological and site activities, approvals and permits, additional tenement acquisition, partner and financing investigations and working capital.

7. **Voting Exclusion Statement:** A voting exclusion statement is included at section 1.1.

3.5.4 Board Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the approval of the 10% Placement Facility.

3.6 Resolutions 6.1 to 6.3: To Approve the Issue of Ordinary Shares to Directors

3.6.1 Background

The Non-Executive Directors' remuneration for the year ending 30 June 2022 is as follows:

- \$95,000 for Mr Biancardi (Chairman)
- \$80,000 for Mr Keller
- \$80,000 for Mr McDonald.

It is proposed that the Non-Executive Directors will each receive 54,342 Shares to satisfy \$20,000 of the above Directors' Fees.

3.6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that a 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 grant of the Shares constitutes a financial benefit and Messrs Biancardi, Keller and McDonald are related parties of the Company by virtue of being a Director.

Mr Kaderavek, as the sole Executive Director considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Shares because the remuneration package of the Non-Executive Directors is considered reasonable remuneration in the circumstances.

3.6.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained, unless one of the exceptions in ASX Listing Rule 10.12 applies, where an entity issues, or agrees to issue, securities to a related party under ASX Listing Rule 10.11.1.

As the grant of the Shares to the above-named Directors falls within ASX Listing Rule 10.11.1 and involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11.1 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

These resolutions seek the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 6.1 - 6.3 are passed, the Company will be able to proceed with the issue of Shares to Directors for the purposes of ASX Listing Rule 10.11. It should also be noted that if Resolutions 6.1 to 6.3 are passed, the Shares issued to the Directors will be excluded from the calculation of the Company's Placement capacity under ASX Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Shares.

If Resolutions 6.1 - 6.3 are not passed, the Company will not be able to proceed with the issue of Shares to Directors. In this case the Company will pay the Directors their remuneration for the year ending 30 June 2022 wholly in cash.

3.6.4 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Messrs Biancardi, Keller and McDonald:

1. **The names of the persons to whom the entity proposes to issue the securities**
The Shares are proposed to be issued to Messrs Biancardi, Keller and McDonald, or their nominees.
2. **The category in rules 10.11 in which the person falls within**
The persons are related parties to the Company by virtue of being a Director, therefore fall under ASX Listing Rule 10.11.1.
3. **Number and class of securities to be issued**
54,342 Shares to be each issued to Mr Biancardi, Mr Keller and Mr McDonald.
4. **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**
Not applicable.
5. **Date of Issue**
The Shares will be issued as soon as practicable after the date of the meeting and in any event by 24 December 2021.
6. **Issue price or other consideration**
The Shares will be issued at \$0.368 per share, being the five-day VWAP prevailing prior to the date of this Notice. The Shares will be issued for nil cash consideration, but in satisfaction of the Company's obligation to pay \$20,000 of Director's fees to each Director for the year ending 30 June 2022.
7. **Purpose of the issue, including the intended use of the funds raised.**
The Shares are being issued in payment of a proportion of Directors' Fees.
8. **Director remuneration details**
Section 3.6.1 provides details of the Directors' current remuneration. See also Resolution 8 for regarding the proposed issue of Performance Rights to Non-Executive Directors.
9. **Relevant agreement**
The Shares will not be issued pursuant to any agreement.
10. **Voting exclusion statement**
A Voting Exclusion statement has been provided for these resolutions at section 1.1.

3.6.5 Board Recommendation

All of the Directors (other than the Directors whose Resolution involves them) recommend to Shareholders that they support Resolutions 6.1 to 6.3 regarding the issue of Shares to the Non-Executive Directors as they consider the grant of these Shares to be an appropriate way to pay Directors' Fees to conserve the Company's cash, while managing the Company's working capital position.

3.7 Resolution 7: To Approve the Issue of Ordinary Shares to the Chief Executive Officer and Executive Director

3.7.1 Background

It is proposed to issue 336,692 Shares to the Company's Chief Executive Officer (CEO) and Executive Director Mr Josef Kaderavek as payment of his short-term incentive bonus of \$100,000 under the terms of his employment contract for his services as CEO and Executive Director for the year ended 30 June 2021.

3.7.2 Chapter 2E of the Corporations Act

See section 3.6.2 for a summary of Chapter 2E of the Corporations Act.

The grant of the Shares to the CEO and Executive Director constitutes a financial benefit and Mr Kaderavek is a related

party of the Company by virtue of being a Director.

The Non-Executive Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Shares to Mr Kaderavek because they consider his remuneration package to be reasonable remuneration in the circumstances (pursuant to section 211(1)(b) of the Corporations Act).

3.7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained, unless one of the exceptions in ASX Listing Rule 10.12 applies, where an entity issues, or agrees to issue, securities to a related party under Listing Rule 10.11.1.

The proposed issue of shares to the CEO & Executive Director falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's shareholders under ASX Listing Rule 10.11.

If Resolution 7 is passed, the Company will be able to proceed with the issue of Shares to the CEO & Executive Director for the purposes of ASX Listing Rule 10.11. It should also be noted that if Resolution 7 is passed, the Shares issued to the CEO & Executive Director will be excluded from the calculation of the Company's Placement capacity under ASX Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Shares.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of Shares to the Executive Director & CEO. In this case the Company will pay the CEO & Executive Director his 2021 short-term incentive bonus wholly in cash.

3.7.4 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Mr Kaderavek:

- 1. The names of the persons to whom the entity agreed to issue the securities and the category in rule 10.11 the person falls within**
The Shares are proposed to be issued to Mr Kaderavek, or his nominee, who is a related party to the Company by virtue of being a Director, therefore fall under ASX Listing Rule 10.11.1.
- 2. Number and class of securities to be issued**
336,692 Shares are proposed to be issued to Mr Kaderavek, based on the VWAP of the Company's shares for the 10 days on and before 30 June 2021 of \$0.297.
- 3. Terms of the securities**
The securities shall be fully paid ordinary shares in the Company issued on the same terms and conditions as the Company's existing Shares.
- 4. Date of Issue**
The Shares will be issued as soon as practicable after the date of the meeting and in any event by 24 December 2021.
- 5. Issue price or other consideration**
The Shares will be issued for nil cash consideration, but in satisfaction of the Company's obligation to pay Mr Kaderavek's short term incentive bonus for the year ended 30 June 2021.
- 6. Purpose of the issue, including the intended use of the funds raised.**
The Shares are being issued in payment of Mr Kaderavek's short term incentive bonus.
- 7. Director remuneration details**
The current total fixed remuneration package for Mr Kaderavek is \$382,500 pa, with a provision in his employment contract for a short-term incentive bonus. Mr Kaderavek is also entitled to long term incentives.
- 8. Relevant agreement**
The Shares will be issued pursuant to Mr Kaderavek's short term incentive bonus.

9. Voting exclusion statement

A Voting Exclusion statement has been provided for these resolutions at section 1.1.

3.7.5 Board Recommendation

All of the Directors (other than Mr Kaderavek) recommend to Shareholders that they support Resolution 7 regarding the issue of Shares to the CEO and Executive Director as they consider the grant of these Shares to be an appropriate way to pay Mr Kaderavek's short term incentive bonus to conserve the Company's cash, while managing the Company's working capital position. The Directors (other than Mr Kaderavek) do not have any interest in the outcome of Resolution 7.

3.8 RESOLUTION 8: To approve the issue of Performance Rights to the Non-Executive Directors

3.8.1 Background

After due consideration, taking into account industry practice for rewarding Non-Executive Directors serving on the boards of emerging exploration and development companies, the expiration of the existing Non-Executive Director options (expiring in December 2021), the conservation of working capital, the existing level of Director fees and the likely cost of the Performance Rights to the Company, the Directors agreed, subject to obtaining Shareholder approval, to issue Performance Rights to each of the Non-Executive Directors (**NED Performance Rights**) pursuant to the terms and conditions set out below.

The Resolutions for these proposed issues are set out below:

Resolution 8.1 Mr Robert Biancardi – 1,000,000 Performance Rights;

Resolution 8.2 Mr Hugh Keller – 1,000,000 Performance Rights;

Resolution 8.3 Mr Robert McDonald – 1,000,000 Performance Rights.

The issue of the NED Performance Rights is a non-cash form of remuneration and 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 also provided to the Non-Executive Directors.

Resolutions 8.1 to 8.3 seek Shareholder approval for the issue of the NED Performance Rights.

3.8.2 Terms and conditions of NED Performance Rights

The terms and condition of the NED Performance Rights that have been adopted by the Company are:

- (a) (**Milestones**) The Performance Rights shall have the following milestones attached to them:

| Tranche | Milestone Company Share Price performance during the Performance Period | Quantum of Performance Rights to vest upon achievement of milestone |
|---------|---|--|
| 1 | 10-day VWAP – 50 cents ¹ | 333,334 |
| 2 | 10-day VWAP – 75 cents ¹ | 333,333 |
| 3 | 10-day VWAP - \$1.00 ¹ | 333,333 |

¹ Subject to change in control provisions. See (n) below.

- (b) (**Notification to holder**) The Company shall notify the holder in writer when the relevant milestones have been satisfied.
- (c) (**Vesting**) Performance Rights, that have not lapsed shall vest on the date that the Milestone relating to that Performance Right has been satisfied.
- (d) (**Consideration**) The Performance Rights will be issued for nil consideration and no consideration will be payable upon the vesting of the Performance Rights.
- (e) (**Conversion**) Upon satisfaction of the relevant Performance Rights vesting, each Performance Right will automatically convert into one (1) Share (subject to adjustment as set out below).

- (f) **(Performance Period)** The Performance Period commences on 29 November 2021 and ends on the earlier of the date of a Change in Control or 28 November 2024. Performance Rights will automatically lapse if the Milestone attaching to a Performance Right has not been satisfied by the end of the Performance Period.
- (g) **(Share Ranking)** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares from the date of issue.
- (h) **(Listing of Shares on ASX)** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (i) **(Transfer of Performance Rights)** A Performance Right is only transferrable:
- (i) with the consent of the Board; or
 - (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (j) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders until the Performance Rights vest and convert into Shares.
- (k) **(Adjustment for bonus issue)** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the ASX Listing Rules at the time of the bonus issue.
- (l) **(Adjustment for reconstruction)** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the vesting conditions) are to be changed in a manner consistent with the ASX Listing Rules at the time of the reorganisation.
- (m) **(Dividend and Voting Rights)** A Performance Right does not confer upon the holder an entitlement to vote or receive dividends.
- (n) **(Change in Control)** Subject to paragraph (o), upon:
- (i) a 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 of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, the Board will have the discretion to determine the number of Performance Rights, if any, of those not already vested, that will vest to that holder or their estate.

- (o) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Right under paragraph (c) or (n) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (**General Prohibition**) then the conversion of that 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 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 a 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 a Performance Right will not result in any person being in contravention of the General Prohibition;
 - (ii) The Company may (but is not obliged to) by written notice to a holder request a holder provide the written notice referred to in sub-paragraph (i) above within seven days if the Company considers that

the conversion of a 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 a Performance Right will not result in any person being in contravention of the General Prohibition.

- (p) **(No rights to return of capital)** A 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)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (r) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Ceasing to be engaged by the Company)** If a holder ceases to act as a Director of the Company, whether through retirement, death or incapacity, the Board will have the discretion to determine the number of Performance Rights, if any, of those not already vested, that will vest to that holder or their estate.

3.8.3 Chapter 2E of the Corporations Act

See summary of Chapter 2E of the Corporations Act in section 3.6.2 above.

The grant of the NED Performance Rights constitutes a financial benefit and Messrs Biancardi, Keller and McDonald are related parties of the Company by virtue of being a Director.

Mr Kaderavek, as the sole Executive Director considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the NED Performance Rights because the remuneration package of the Non-Executive Directors is considered reasonable remuneration in the circumstances (pursuant to section 211(1)(b) of the Corporations Act

3.8.4 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained, unless one of the exceptions in ASX Listing Rule 10.12 applies, where an entity issues, or agrees to issue, securities to a related party under ASX Listing Rule 10.11.1.

As the proposed grant of the Performance Rights to the above-named Directors falls within ASX Listing Rule 10.11.1 and involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11.1 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

These resolutions seek the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.11.

If Resolutions 8.1 to 8.3 are passed, the Company will be able to proceed with the issue of the NED Performance Rights to Directors for the purposes of ASX Listing Rule 10.11. It should also be noted that if Resolutions 8.1 to 8.3 are passed, the NED Performance Rights issued to the above-named Directors will be excluded from the calculation of the Company's Placement capacity under ASX Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the NED Performance Rights.

If Resolutions 8.1 to 8.3 are not passed, the Company will not be able to proceed with the issue of the NED Performance Rights to Directors.

3.8.5 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights to Messrs Biancardi, Keller and McDonald:

1. **The names of the persons to whom the entity proposes to issue the securities**
The securities are proposed to be issued to Messrs Biancardi, Keller and McDonald, or their nominees.
2. **The category in rules 10.11 in which the person falls within**
The persons are related parties to the Company by virtue of being a Director, therefore fall under ASX Listing

Rule 10.11.1.

3. Number and class of securities to be issued

1,000,000 Performance Rights will be issued to each Non-Executive Director.

4. If the securities are not fully paid ordinary securities, a summary of the material terms of the securities

The terms of the securities are set out under section 3.8.2.

5. Date of Issue

The securities will be issued as soon as practicable after the date of the meeting and in any event by 24 December 2021.

6. Issue price or other consideration

The securities will be issued for nil cash consideration.

7. Purpose of the issue, including the intended use of the funds raised.

The securities are being issued as an incentive for the Non-Executive Directors.

8. Director remuneration details

Section 3.6.1 provides details of the Directors' current remuneration.

9. Relevant agreement

The securities will be issued on the terms and conditions set out under section 3.8.2.

10. Voting exclusion statement

A Voting Exclusion statement has been provided for these resolutions at section 1.1.

3.8.6 Other Information

The relevant interests of the Non-Executive Directors in the securities of the Company are set out below:

| Non-Executive Director | Shares | Options |
|------------------------|-----------|---------|
| Robert Biancardi | 3,963,444 | 500,000 |
| Hugh Keller | 1,689,990 | 500,000 |
| Rob McDonald | 525,296 | 750,000 |

Notes: The options are exercisable at \$0.25 each on or before 21 December 2021.

The indicative value of the NED Performance Rights is set out below, based on a Single Barrier pricing model, with a Parisian barrier adjustment, along with the key valuation assumptions. The Parisian barrier adjustment adjusts the barrier or price target such that the share price must remain above the barrier for a specified number of days (10 days in the present case) for the barrier to take effect.

| | Price Target | Adjusted Price Target | Indicative value per Performance Right | No of Performance Rights (per Non-Executive Director) | Total indicative value of Performance Rights |
|-----------|--------------|-----------------------|--|---|--|
| Tranche 1 | \$0.50 | \$0.59 | \$0.24 | 333,334 | \$80,000 |
| Tranche 2 | \$0.75 | \$0.89 | \$0.20 | 333,333 | \$66,667 |
| Tranche 3 | \$1.00 | \$1.18 | \$0.17 | 333,333 | \$56,667 |
| Total | | | | 1,000,000 | \$203,334 |

| Assumptions: | |
|--|-----------|
| Valuation Date | 6/10/2021 |
| Market price of Shares | \$0.30 |
| Exercise price | Nil |
| Term | 3 years |
| Risk free interest rate (pa) | 0.26% |
| Volatility measure (Company 3-year historical volatility) | 80% |
| Dividend yield | Nil |

The Performance Rights valuation noted above is based on the market price of the Shares at the date of the valuation. There is a possibility that the market price of the Shares on the date of issue of the NED Performance Rights will be different to this and that the market price of the Shares will change up to the date of the meeting.

The effect on the valuation per Performance right of movements in the market price of the Shares is set out below:

| Impact of share price movements Underlying Company spot price at date of valuation | Tranche 1 value/right | Tranche 2 value/right | Tranche 3 value/right | Total indicative value of Performance Rights |
|---|-----------------------|-----------------------|-----------------------|--|
| \$0.25 | \$0.19 | \$0.15 | \$0.12 | \$153,333 |
| \$0.30 | \$0.24 | \$0.20 | \$0.17 | \$203,334 |
| \$0.35 | \$0.30 | \$0.25 | \$0.21 | \$253,333 |
| \$0.40 | \$0.36 | \$0.31 | \$0.27 | \$313,333 |

If the milestones attaching to the Performance Rights issued to the Non-Executive Directors are met and the Performance Rights are converted, a total of 3,000,000 Shares would be issued. This will increase the number of shares on issue, as at the date of this Notice, from 298,496,847 to 301,496,847 (assuming that no other Shares are issued and no options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1%.

Mr Kaderavek acknowledges that the issue of the Performance Rights to the Non-Executive Directors is contrary to the suggested guidelines for Non-Executive Director remuneration contained in the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, Mr Kaderavek considers the issue of the Performance Rights to the Non-Executive Directors to be reasonable in the circumstances.

3.8.7 Board Recommendation

Mr Kaderavek as the sole Executive Director recommends that Shareholders vote in favour of Resolution 8.

RESOLUTION 9: To approve the issue of Performance Rights to the CEO and Executive Director

3.9.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue 2,511,468 Performance Rights to the CEO & Non-Executive Director, Mr Kaderavek in respect of his Long-Term Incentive (LTI) award. The 2021 LTI award includes an allocation for the current and an amount for the prior financial year. As no LTI award was made to Mr Kaderavek in the prior financial year, the Directors considered it appropriate to include in this years' award, an allocation for last financial year.

The number of Performance Rights to be granted under the LTI is calculated by dividing Mr Kaderavek's maximum LTI opportunity, which is 50% of his total fixed remuneration package, by the VWAP of the Company's shares over the 10 trading days preceding the start of the relevant financial year. This is shown in the table below.

| Tranche | Financial Year (ended 30 June) | Fixed Annual Remuneration | LTI Opportunity | Face value LTI Award | VWAP | Number of Performance Rights |
|---------|-----------------------------------|------------------------------|--------------------|-------------------------|--------------|------------------------------------|
| One | 2020 | \$375,000 | 50% | \$187,500 | \$0.1004 | 1,867,529 |
| Two | 2021 | \$382,500 | 50% | \$191,250 | \$0.2970 | 643,939 |
| | | | | | | |
| | | | | | Total | 2,511,468 |

The issue of the Performance Rights is a non-cash form of remuneration and will allow the Company to reserve a greater proportion of its cash for its operations than it would if cash forms of remuneration were provided to Mr Kaderavek.

Resolution 9 seek Shareholder approval for the issue of the Performance Rights to Mr Kaderavek.

3.9.2 Summary of Terms and conditions of Performance Rights

The terms and condition of the CEO Performance Rights that have been adopted by the Company are:

- **Performance Rights** – Each Performance Right is a right to acquire one ordinary share in the Company (subject to adjustment as noted below) if certain vesting criteria described below are satisfied. There is no acquisition price payable by Mr Kaderavek to acquire the Performance Rights and no amount payable on conversion of the Performance Rights.
- **Settlement of the Performance Rights** – The Company will issue new Shares automatically on conversion of the Performance Rights once they have vested. Mr Kaderavek does not receive any voting or dividend entitlements before the Performance Rights have vested and been converted.
- **Performance Right Issue Date** – If approved by Shareholders, the Performance Rights will be allocated shortly after, but within one month of the AGM.
- **Performance Period** – Tranche One: The performance period for the testing of whether the Performance Rights will vest is from 1 July 2020 to 30 June 2023; Tranche Two: The performance period for the testing of whether the Performance Rights will vest is from 1 July 2021 to 30 June 2024.
- **Cessation of employment** – If Mr Kaderavek's employment is summarily terminated by the Company prior to the end of the Performance Period, any unvested Performance Rights will automatically lapse (unless the Board determines otherwise). The Board has discretion to determine a different treatment if Mr Kaderavek's employment with the Company ceases due to death, redundancy, retirement, incapacity or other circumstances where the Board determines good leaver treatment is appropriate. In particular, the Board can allow some or all of Mr Kaderavek's unvested Performance Rights to remain on foot subject to performance conditions, can bring forward testing of the performance conditions or can waive the performance conditions.
- **Vesting criteria** – The percentage of Performance Rights that vest and become exercisable (if any) will be determined by the Board and will depend on the achievement of performance hurdles based on relative Total Shareholder Return (Relative TSR) as set out in the vesting schedule. The vesting conditions are Relative TSR of the Company's Shares against two comparator groups:

| | | |
|---|---|---|
| 1 st Comparator Group (50% weighting) | <ul style="list-style-type: none"> • Sheffield Resources Ltd (SFX) • Sunrise Resources Ltd (SRL) • Jervois Global Ltd (JRV) • Australian Vanadium Ltd (AVL) • Ardea Resources Ltd (ARL) • American Pacific Borates Ltd (ABR) • Aeon Metals Ltd (AML) • Rex Minerals Ltd (RXM) • Arafura Resources Ltd (ARU) • Havilah Resources Ltd (HAV) | <ul style="list-style-type: none"> • KGL Resources Ltd (KGL) • Liontown Resources Limited (LTR) • Peel Mining Ltd (KGL) • Hillgrove Resources Limited (HGO) • Poseidon Nickel Ltd (POS) • Greenwing Resources Ltd (GW1) • Queensland Pacific Metals Ltd (QPM) • Lake Resources NL (LKE) • Lithium Australia NL (LIT) • Venturex Resources Ltd (VXR) |
|---|---|---|

| | |
|--|--|
| 2 nd Comparator Group (50% weighting) | ASX listed mining companies making up the ASX 300 Mining and Metals index as at 1 July 2020 (Tranche 1) and 1 July 2021 (Tranche 2). The Board has discretion to make changes to the Comparator group (for example if there is a corporate action at a comparator organisation). |
|--|--|

The Board is of the view that use of a relative TSR hurdle is appropriate as it provides a strong link between executive remuneration levels and shareholder value, such that executives benefit where there is a corresponding relative benefit delivered to shareholders over the relevant period. The Board also considers that it is appropriate to use broadly based comparator groups as there are few Australian companies of similar size and scope of operations to the Company for benchmarking purposes.

Vesting Schedule - The following table sets out the percentage of Performance Rights that may vest based on the Company's TSR ranking over the Performance Period:

| Company's TSR ranking in the comparator group | Percentage of Performance Rights available to vest |
|---|---|
| TSR below 50th percentile | Nil |
| TSR at 50th percentile | 50% |
| TSR between 50th and 75th percentile | Between 50% and 100%, increasing on a straight-line basis |
| TSR above 75th percentile | 100% |

3.9.3 Other Terms

- (a) **(Lapse of a Performance Right)** The Performance Rights will automatically lapse if the Vesting Criteria attaching to a Performance Right has not been satisfied by 1 July 2023 (Tranche One) and 1 July 2024 (Tranche Two). Upon satisfaction of the Vesting Criteria the Performance Rights will automatically convert into the respective number of Shares.
- (b) **(Share Ranking)** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares from the date of issue.
- (c) **(Listing of Shares on ASX)** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
- (d) **(Transfer of Performance Rights)** A Performance Right is only transferrable:
 - (i) With the consent of the Board; or
 - (ii) by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.
- (e) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders until the Performance Rights vest and convert into Shares.
- (f) **(Adjustment for bonus issue)** If securities are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled, will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the ASX Listing Rules at the time of the bonus issue.
- (g) **(Adjustment for reconstruction)** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right (including the vesting conditions) are to be changed in a manner consistent with the ASX Listing Rules at the time of the reorganisation.
- (h) **(Dividend and Voting Rights)** A Performance Right does not confer upon the holder an entitlement to vote

or receive dividends.

- (i) **(Change in Control)** Subject to paragraph (j), upon:
- a. a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - i. having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - ii. having been declared unconditional by the bidder; or
 - b. a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the Milestone, Performance Rights will accelerate vesting conditions, with the assessment of the Company's performance against the comparator groups considered and applied for the Performance Period until the time of change in control.

- (j) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Right generally or under paragraph (i) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (**General Prohibition**) then the conversion of that 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 Performance Right would result in a contravention of the General Prohibition:
- a. holders may give written notification to the Company if they consider that the conversion of a 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 a Performance Right will not result in any person being in contravention of the General Prohibition;
 - b. The Company may (but is not obliged to) by written notice to a holder request a holder provide the written notice referred to in paragraph (a) (i) within seven days if the Company considers that the conversion of a 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 a Performance Right will not result in any person being in contravention of the General Prohibition.
- (k) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (l) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (m) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

3.9.4 Chapter 2E of the Corporations Act

See summary of Chapter 2E of the Corporations Act in section 3.6.2 above.

The grant of the Performance Rights to Mr Kaderavek constitutes a financial benefit as Mr Kaderavek is a related party of the Company by virtue of being a Director.

The Non-Executive Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Performance Rights to Mr Kaderavek because his remuneration package is considered reasonable remuneration in the circumstances (pursuant to section 211(1)(b) of the Corporations Act).

3.9.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained, unless one of the exceptions in ASX Listing Rule 10.12 applies, where an entity issues, or agrees to issue, securities to a related party under ASX Listing Rule 10.11.1.

As the proposed grant of the Performance Rights to Mr Kaderavek falls within Listing Rule 10.11.1 and involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11.1 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

This resolution seeks the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.11. If Resolution 9 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Kaderavek for the purposes of ASX Listing Rule 10.14. It should also be noted that if Resolution 9 is passed, the Performance Rights issued to Mr Kaderavek will be excluded from the calculation of the Company's Placement capacity under ASX Listing Rule 7.1, preserving the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue date of the Performance Rights.

If Resolution 9 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Kaderavek. In this case, the Company will structure a plan such that Mr Kaderavek is provided with a right to receive a cash payment equivalent to the value of shares he would have ultimately received (if any) had Resolution 9 passed.

3.9.6 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights to Mr Kaderavek:

1. **The names of the persons to whom the entity proposes to issue the securities**
The securities are proposed to be issued to Mr Kaderavek or his nominee.
2. **The category in rules 10.11 in which the person falls within**
Mr Kaderavek is a related party to the Company by virtue of being a Director, and therefore falls under ASX Listing Rule 10.14.1.
3. **Number and class of securities to be issued**
2,511,468 Performance Rights will be issued.
4. **Director remuneration details**
Section 3.7.4 provides details of Mr Kaderavek's current remuneration.
5. **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities**
The terms of the securities are set out at section 3.9.2.
6. **Date of Issue**
The Performance Rights will be issued as soon as practicable after the date of the meeting and in any event by 24 December 2021.
7. **Issue price or other consideration**
The Performance Rights will be issued for nil cash consideration.
8. **Loan**
There is no loan in relation to the Performance Rights, as no payment is required.
9. **Voting exclusion statement**
A Voting Exclusion statement has been provided for these resolutions at section 1.1.

3.9.7 Other Information

The relevant interests of Mr Kaderavek in the securities of the Company is set out below:

| CEO & Non-Executive Director | Shares | Options |
|------------------------------|-----------|---------|
| Joe Kaderavek | 6,443,145 | Nil |

3.9.7 Board Recommendation

The Directors (other than Mr Kaderavek) recommends that Shareholders vote in favour of Resolution 9.

4. INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments, and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only, and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to cents, \$, A\$, Australian Dollars or dollars is a reference to the lawful tender for the time being and from time-to-time of the Commonwealth of Australia.

5. GLOSSARY

AEDT means Australian Eastern Daylight Time.

Associate has the meaning given to that term in ASX Listing Rule 19.12.

AGM or Annual General Meeting means the annual general meeting of the Company to commence at 11:00am (AEDT) on Friday, 26 November 2021, as notified to Shareholders by this Notice.

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time-to-time.

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

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Cobalt Blue Holdings Limited ABN 90 614 466 607.

Consolidated Entity means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.

Constitution means the constitution of the Company, as amended from time-to-time.

Corporations Act means the *Corporations Act 2001 (Cth)* as amended from time-to-time.

Equity Securities has the meaning given in the ASX Listing Rules.

Excluded Person means a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party or associate of such member.

Explanatory Memorandum means this explanatory memorandum.

Key Management Personnel has the meaning in Accounting Standard AASB 124 Related Party Disclosure and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Meeting means the AGM.

Notice means this notice of Annual General Meeting.

Performance Right means a performance right that, when vested, converts into one fully paid ordinary share in the issued capital of the Company on the terms set out in the Explanatory Memorandum.

Related Party has the meaning given to that term in section 228 of the Corporations Act.

Remuneration Report means the remuneration report that forms part of the Directors' Report of the Company for the financial year ended 30 June 2021, which is set out in the 2021 Annual Report.

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

Shareholder means a shareholder of the Company.

Spill Meeting means a meeting to hold fresh elections for Directors at a special meeting that is put to vote at an annual general meeting where two consecutive Remuneration Reports have received 25% or greater votes against it. This Spill Meeting resolution requires 50% of the votes to be carried and, if achieved, a company's members meeting must be held within 90 days. Directors who are not the Managing Director and were in office at the second annual general meeting will cease to hold office immediately before the end of the Spill Meeting. Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting are put to a vote at the Spill Meeting.

Trading Day means a day determined by the ASX to be a Trading Day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

VWAP means the arithmetic average of the daily volume weighted average price of the fully paid ordinary shares in the Company traded on the ASX.



COB

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 **11:00am (AEDT) on Wednesday, 24 November 2021.**

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.

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 Cobalt Blue Holdings 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 Cobalt Blue Holdings Limited to be held at Suite 17.03, 100 Miller Street North Sydney NSW 2060 on Friday, 26 November 2021 at 11:00am (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 items 2, 6, 7, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though items 2, 6, 7, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on items 2, 6, 7, 8 and 9 by marking the appropriate box in step 2.

Step 2

Item of Business

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

| | | For | Against | Abstain | | | For | Against | Abstain |
|----------|--|--------------------------|--------------------------|--------------------------|----------|--|--------------------------|--------------------------|--------------------------|
| Item 1 | To re-elect a director - Mr Hugh Keller | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 7 | To approve the issue of ordinary shares to the chief executive officer & executive director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 2 | To adopt the remuneration report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 8.1 | To approve the issue of performance rights to non-executive directors - Mr Robert Biancardi | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 3 | To amend the constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 8.2 | To approve the issue of performance rights to non-executive directors - Mr Hugh Keller | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 4 | Approval to issue future equity securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 8.3 | To approve the issue of performance rights to non-executive directors - Mr Robert McDonald | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 5 | Approval of 10% placement facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Item 9 | To approve the issue of performance rights to the chief executive officer and executive director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Item 6.1 | To approve the issue of ordinary shares to directors - Mr Robert Biancardi | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Item 6.2 | To approve the issue of ordinary shares to directors - Mr Hugh Keller | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | | |
| Item 6.3 | To approve the issue of ordinary shares to directors - Mr Robert McDonald | <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

COB

2 8 1 2 8 9 A



Computershare

