



**ASX Announcement** 15 May 2023

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## Notice of General Meeting

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A general meeting of the shareholders of Peak Rare Earths Limited (the **Company**) will be held on Thursday, 15 June 2023 at 11.00am (AEST) in the Banjo Paterson Room at the Sydney Harbour Marriott Hotel, 30 Pitt Street, Sydney, New South Wales, Australia (**General Meeting**).

The General Meeting will consider resolutions that relate to, amongst other matters, the two-tranche placement announced by the Company on 1 May 2023.

Attached is a letter to shareholders, the Notice of General Meeting and a sample Proxy Form.

This announcement is authorised for release by the Company Secretary

Phil Rundell  
Company Secretary

8 May 2023

Dear Shareholder

### **NOTICE OF GENERAL MEETING AND PROXY FORM**

A general meeting of the shareholders of Peak Rare Earths Limited (the **Company**) will be held on Thursday, 15 June 2023 at 11.00am (AEST) in the Banjo Paterson Room at the Sydney Harbour Marriott Hotel, 30 Pitt Street, Sydney, New South Wales, Australia (**General Meeting**).

The General Meeting will consider resolutions that relate to, amongst other matters, the two-tranche placement announced by the Company on 1 May 2023.

The General Meeting will be held as a physical meeting and all shareholders are entitled to attend the General Meeting at the time, date and place set out above. The Company will also webcast the General Meeting to enable shareholders to view the meeting online. Shareholders can request details on how to watch the General Meeting by emailing the Company at [info@peakrareearth.com](mailto:info@peakrareearth.com). Shareholders will not be able to vote, ask questions or otherwise participate in the General Meeting through the webcast.

The Notice of Meeting (which sets out the agenda and resolutions being put to the General Meeting, as well as important voting information), and other meeting documents are now available online at the Company's website at <https://peakrareearth.com/> or from the ASX market announcements platform website under the Company's code "PEK". You will not receive a paper copy of the Notice of Meeting unless you have elected to receive one. You can request a paper copy of the Notice of Meeting by contacting the Company's share registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

If you nominated an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and other meeting documents. In order to receive electronic communications from the Company in the future, please update your shareholder details online at <https://peakrareearth.com/investor-centre/>

Enclosed for your convenience is a copy of your personalised Proxy Form for the General Meeting.

Shareholders who cannot attend the General Meeting in person are encouraged to appoint a proxy prior to the meeting by lodging the Proxy Form by no later than 11.00 am (AEST) on 13 June 2023, in accordance with the instructions on the Proxy Form.

The Notice of Meeting and other meeting documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to the General Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Phil Rundell", written in a cursive style.

**Phil Rundell**  
Company Secretary  
Peak Rare Earths Limited

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**PEAK RARE EARTHS LIMITED**  
**ACN 112 546 700**  
**NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11.00am (AEST)  
**DATE:** 15 June 2023  
**PLACE:** Banjo Paterson Room  
Sydney Harbour Marriott Hotel  
30 Pitt Street  
Sydney, New South Wales, Australia

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

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

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00 pm (Sydney time) on 13 June 2023.***

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## **BUSINESS OF THE MEETING**

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### **AGENDA**

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#### **1. RESOLUTION 1 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 28,648,186 Shares under the Tranche 1 Placement, on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **2. RESOLUTION 2 – ISSUE OF TRANCHE 2 PLACEMENT SHARES TO NON-RELATED PARTIES**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 14,600,000 Shares under the Tranche 2 Placement, on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **3. RESOLUTION 3 – ISSUE OF PLACEMENT SHARES TO SHENGHE**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 11,136,814 Shares to Shenghe under the Tranche 2 Placement, on the terms and conditions set out in the Explanatory Statement.”*

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

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#### **4. RESOLUTION 4 – ISSUE OF PLACEMENT SHARES TO DR RUSSELL SCRIMSHAW**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 300,000 Shares to Dr Russell Scrimshaw (and/or his nominee) under the Tranche 2 Placement, on the terms and conditions set out in the Explanatory Statement.”*

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

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**5. RESOLUTION 5 – ISSUE OF PLACEMENT SHARES TO MR IAN CHAMBERS**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 315,000 Shares to Mr Ian Chambers (and/or his nominee) under the Tranche 2 Placement, on the terms and conditions set out in the Explanatory Statement.”*

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

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**6. RESOLUTION 6 – APPROVAL OF EMPLOYEE INCENTIVE PLAN**

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

*“That, for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the Company adopting the Employee Incentive Plan, and for the issue of Equity Securities under that plan, on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and a voting prohibition statement apply to this Resolution. Please see below.

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**7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR IAN CHAMBERS**

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

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the Company issuing 600,000 Performance Rights to Mr Ian Chambers (and/or his nominee) under the Employee Incentive Plan, on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and a voting prohibition statement apply to this Resolution. Please see below.

**Dated: 8 May 2023**

**By order of the Board**



**Dr Russell Scrimshaw  
Chairman**

## Voting Exclusion Statements

<b>Resolution 1 – Ratification of issue of Tranche 1 Placement Shares</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the Tranche 1 Placement or an Associate of that person or those persons.
<b>Resolution 2 – Issue of Tranche 2 Placement Shares to Non-Related Parties</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the Tranche 2 Placement (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.
<b>Resolution 3 – Issue of Placement Shares to Shenghe</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Shenghe and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.
<b>Resolution 4 – Issue of Placement Shares to Dr Russell Scrimshaw</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Russell Scrimshaw (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.
<b>Resolution 5 – Issue of Placement Shares to Mr Ian Chambers</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Ian Chambers (and/or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person or those persons.
<b>Resolution 6 – Approval of Employee Incentive Plan</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of: <ol style="list-style-type: none"> <li>1. a person who is eligible to participate in the Employee Incentive Plan;</li> <li>2. an officer of the Company or any of its child entities who is entitled to participate in a termination benefit; or</li> <li>3. an Associate of that person or those persons.</li> </ol>
<b>Resolution 7 – Issue of Performance Rights to Director – Mr Ian Chambers</b>	The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan or an Associate of that person or those persons.

However, the above voting exclusions do not apply to a vote cast in favour of the Resolution by:

1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
2. the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. 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
  - b. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statements**

<p><b>Resolution 6 – Approval of Employee Incentive Plan</b></p>	<p>In accordance with the Corporations Act, a vote must not be cast on this Resolution by a person appointed as a proxy if:</p> <ol style="list-style-type: none"><li>1. the proxy is either:<ol style="list-style-type: none"><li>a. a member of the Key Management Personnel; or</li><li>b. a Closely Related Party of a member of the Key Management Personnel; and</li></ol></li><li>2. the appointment does not specify the way the proxy is to vote on this Resolution.</li></ol> <p>However, the above prohibition does not apply if:</p> <ol style="list-style-type: none"><li>3. the proxy is the Chair; and</li><li>4. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li></ol> <p>In accordance with the Corporations Act, if any Shareholder is an employee or Director of the Company (or a related body corporate of the Company), a potential employee or director of the Company (or a related body corporate of the Company) or an Associate of such a person, and wishes to preserve the benefit of this Resolution for that person, they should not vote on this Resolution or they will lose the benefit of this Resolution unless the vote is cast in accordance with section 200E(2B) of the Corporations Act.</p>
<p><b>Resolution 7 – Issue of Performance Rights to Director – Mr Ian Chambers</b></p>	<p>In accordance with the Corporations Act, a vote must not be cast on this Resolution by a person appointed as a proxy if:</p> <ol style="list-style-type: none"><li>1. the proxy is either:<ol style="list-style-type: none"><li>a. a member of the Key Management Personnel; or</li><li>b. a Closely Related Party of a member of the Key Management Personnel; and</li></ol></li><li>2. the appointment does not specify the way the proxy is to vote on this Resolution.</li></ol> <p>However, the above prohibition does not apply if:</p> <ol style="list-style-type: none"><li>3. the proxy is the Chair; and</li><li>4. the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li></ol>



## VOTING

### Voting Entitlement

Shareholders recorded on the Company's register of members at 7.00 pm (Sydney time) on 13 June 2023 will be entitled to vote on the items to be considered at the Meeting.

### Becoming a Shareholder

Persons who become registered Shareholders after this Notice has been despatched, and wish to vote at the Meeting by proxy should call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) and request a personalised proxy form.

Persons who become beneficial Shareholders after this Notice has been despatched, and wish to vote at the Meeting by proxy, should contact their broker or intermediary for instructions on how to do so.

### Webcast

The Company will webcast its Meeting. However, Shareholders will not be able to vote, ask questions or otherwise participate in the Meeting through the webcast. Rather, Shareholders who wish to vote on the Resolutions to be considered at the Meeting, but are not able to physically attend the Meeting, should appoint a proxy to vote at the Meeting on their behalf.

To watch the Meeting via the live webcast, please email the Company at [info@peakrareearths.com](mailto:info@peakrareearths.com) to register your interest. You will then receive an email containing log in details for the webcast.

### Voting Restrictions

The voting prohibitions under the Corporations Act, and voting exclusions under the Listing Rules, which apply to certain Resolutions are set out above.

## PROXY FORMS

### Proxy Form

Shareholders will be provided with a personalised proxy form (**Proxy Form**). The Proxy Form allows Shareholders to appoint a proxy to vote on their behalf.

If you hold Shares in more than one capacity, please complete the Proxy Form that is relevant to each holding.

Shareholders who intend to appoint a proxy are encouraged to submit their Proxy Forms as early as possible. Lodgement instructions (which include the ability to lodge proxies electronically) are set out below and in the Proxy Form.

### Appointing Proxies

Shareholders who are entitled to attend and vote at the Meeting may appoint a proxy to act generally at the Meeting and to vote on their behalf.

A proxy need not be a Shareholder.

A Shareholder who is entitled to cast two or more votes at the Meeting can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If you wish to appoint two proxies please call 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) and request an additional Proxy Form.

### Undirected Proxies

The Chair intends to vote all valid undirected proxies for all Resolutions in favour of each Resolution to the extent permitted by law and the Listing Rules.

### Power of Attorney and Corporate Representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be lodged with, or presented to, the Company prior to the Meeting.

A body corporate appointed as a proxy must also lodge a certificate of appointment of a corporate representative.

## LODGING PROXY FORMS

### Deadline

Proxy Forms must be received by 11.00am (AEST) on 13 June 2023.

### How to lodge Proxy Forms

You can lodge your Proxy Form with the Company:

**Online:** visit <https://investorcentre.linkgroup.com>

**By Mail:** Peak Rare Earths Limited

C/- Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235 Australia

**By Fax:** +61 2 9287 0309

**By Hand:** Link Market Services Limited

Parramatta Square, Level 22, Tower 6, 10 Darcy

Street, Parramatta NSW 2150

Further details on how to lodge your Proxy Form can be found on the Proxy Form.

**ATTENDING THE MEETING IN PERSON**

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

**SHAREHOLDER QUESTIONS**

Shareholders will be able to ask questions relevant to the business of the Meeting. Shareholders are encouraged to ask questions in advance of the Meeting by emailing the Company at [info@peakrareearth.com](mailto:info@peakrareearth.com)

Shareholders will also be permitted to ask questions in person at the Meeting once the Chair has read out each item of business.

**ENQUIRIES**

If you have any questions about this Notice or your Proxy Form please contact the Company's share registry, Link Market Services Limited, at 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia).

**By order of the Board**

**Dr Russell Scrimshaw, Executive Chair**

**8 May 2023**

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## EXPLANATORY STATEMENT

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

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### 1. RESOLUTION 1 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES

#### 1.1 Background

As announced on Monday, 1 May 2023, the Company is undertaking a capital raising by way of a placement of an aggregate of 55,000,000 Shares each at an issue price of \$0.50 (**Placement Shares**) to institutional, sophisticated and professional investors to be completed in two tranches comprising:

- (a) 28,648,186 Placement Shares to raise approximately \$14.3 million utilising the Company's existing placement capacity pursuant to Listing Rule 7.1 (**Tranche 1 Placement**); and
- (b) 26,351,814 Placement Shares to raise approximately \$13.2 million, subject to shareholder approval at the Meeting (refer to Resolutions 2, 3, 4 and 5) (**Tranche 2 Placement**),

to raise a total of \$27.5 million (before costs) (**Placement**).

The Tranche 1 Placement completed on Friday, 5 May 2023. The Company has issued 28,648,186 Placement Shares (**Tranche 1 Placement Shares**) at an issue price of \$0.50 per Share under the Tranche 1 Placement.

The Tranche 2 Placement is subject to Shareholder approval (refer to Resolutions 2, 3, 4 and 5).

Canaccord Genuity (Australia) Limited and Barrenjoey Markets Pty Ltd are acting as Joint Lead Managers to the Placement.

Shenghe, the Company's largest Shareholder who, prior to the issue of any Shares under the Placement, held 41,262,359 Shares (equating to approximately 19.81% of the total Shares on issue at that time), has committed to subscribe for up to \$5,568,407 worth of Shares under the Tranche 2 Placement (which is subject to Shareholder approval – refer to Resolution 3). If Shareholders approve Resolution 3, Shenghe will hold approximately 19.9% of the Company's issued Share capital following completion of the Placement.

Directors Russell Scrimshaw and Ian Chambers have also committed to subscribe for \$150,000 and \$157,500 worth of Shares, respectively, under the Tranche 2 Placement (which is subject to Shareholder approval – refer to Resolutions 4 and 5).

Refer to the Company's ASX announcements dated Monday, 1 May 2023 for further details on the Placement and other related matters.

#### 1.2 Use of funds, capital structure and key dates

Proceeds from the Placement will be applied to the following purposes:

- **Pre-Final Investment Decision ("FID") Development Costs:**
  - commencement of early works;

- Front End Engineering Design (FEED) and construction contracts;
- Updated environment and social studies; and
- external consultants; and
- **Corporate, Exploration and Other Costs:**
  - general corporate overheads;
  - working capital requirements;
  - exploration and drilling expenditure;
  - project financing costs (including debt advisor and legal costs); and
  - offer costs (including Joint Lead Managers and legal costs).

The Company has determined that the Placement is the best available option and most certain and appropriate structure to raise the necessary additional capital after exploring many alternative capital raising options.

The capital structure of the Company on completion of the Placement will be as follows:

	Shares	Options	Performance Rights <sup>1,2</sup>
Securities on issue as at the Last Practicable Date (including the securities issued under the Tranche 1 Placement)	236,960,616	500,000	9,197,773
Securities to be issued under the Tranche 2 Placement (other than to Shenghe and certain Directors) – Resolution 2	14,600,000	Nil	Nil
Securities to be issued to Shenghe under the Tranche 2 Placement – Resolution 3	Up to 11,136,814	Nil	Nil
Securities to be issued to certain Directors under the Tranche 2 Placement – Resolutions 4 and 5	615,000	Nil	Nil
<b>Total</b>	<b>263,312,430</b>	<b>500,000</b>	<b>9,197,773</b>

Notes: <sup>1</sup> Of the 9,197,773 Performance Rights stated in the table, 905,036 have vested and are capable of being exercised into Shares at the election of the holder.

<sup>2</sup> An additional 600,000 Performance Rights are proposed to be issued to Mr Ian Chambers – see Resolution 7.

An indicative timetable for the Placement is detailed below:

Key Dates	Date
Settlement of New Shares under Tranche 1 Placement	Thursday, 4 May 2023
Allotment and trading of New Shares issued under Tranche 1 Placement	Friday, 5 May 2023
General Meeting to approve Tranche 2 Placement	Thursday, 15 June 2023
Settlement of New Shares under Tranche 2 Placement	Monday, 19 June 2023
Allotment of New Shares under Tranche 2 Placement	Tuesday, 20 June 2023

The above timetable is indicative only and may change without notice.

### 1.3 General

Resolution 1 seeks Shareholder ratification and approval of the issue of the 28,648,186 Tranche 1 Placement Shares pursuant to Listing Rule 7.4.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

### 1.4 Listing Rules

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

The issue of the Tranche 1 Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

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

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval to the issue of the Tranche 1 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively

increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 1 is not passed, the issue of the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

### **1.5 Specific information required by Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The Tranche 1 Placement Shares were issued to institutional, sophisticated and professional investors who participated in the Tranche 1 Placement, identified by the Joint Lead Managers. No Tranche 1 Placement Shares were issued to any related party, Key Management Personnel, substantial Shareholder or adviser of the Company or any of their Associates.
- (b) The Tranche 1 Placement Shares comprise 28,648,186 Shares.
- (c) The Tranche 1 Placement Shares are fully paid ordinary shares and rank equally in all respects with the Company's existing Shares.
- (d) The Tranche 1 Placement Shares were issued on Friday, 5 May 2023.
- (e) The Tranche 1 Placement Shares had an issue price of \$0.50 per Share.
- (f) Funds raised from the issue of the Tranche 1 Placement Shares will be used as detailed in Section 1.2.
- (g) The Tranche 1 Placement Shares were issued pursuant to short form subscription letters pursuant to which subscribers under the Tranche 1 Placement agreed to be issued Tranche 1 Placement Shares at an issue price of \$0.50 per Share.
- (h) A voting exclusion statement is included in the Notice for Resolution 1.

### **1.6 Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 1.

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## **2. RESOLUTION 2 – ISSUE OF TRANCHE 2 PLACEMENT SHARES TO NON-RELATED PARTIES**

### **2.1 General**

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 7.1 to issue up to a further 14,600,000 Placement Shares to institutional, sophisticated and professional investors under the Tranche 2 Placement (**Tranche 2 Placement Shares**) (excluding the Placement Shares to be issued to Shenghe, Dr Russell Scrimshaw (Executive Chairman) and Mr Ian Chambers (Non-Executive Director) under the Tranche 2 Placement – refer to Resolutions 3, 4 and 5, respectively).

Refer to Sections 1.1 and 1.2 for further details of the Placement.

Resolution 2 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 2.

## **2.2 Listing Rule 7.1**

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

The issue of the Tranche 2 Placement Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval to issue the Tranche 2 Placement Shares under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares and, assuming Resolution 3 is also passed, expects to have sufficient funds to fund pre-Final Investment Decision (**FID**) development costs, corporate, exploration and other working capital requirements. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares, and the Company will not have sufficient funds to complete pre-FID development costs, including early works, placing orders for long lead items, executing construction contracts, and planned exploration costs. If this occurs, the Company will have to consider deferring work streams, which will impact the timetable to a FID and project delivery, and/or alternative funding options, which may not be available on acceptable terms (if at all) and which may result in dilution to Shareholders. There can be no assurance that the Company will be able to obtain additional financing (whether via equity, debt or a combination of both) on terms that are acceptable and favourable to the Company, or at all.

Further, if Resolution 2 is not passed, as noted in Section 3.1 below, the number of Shenghe Shares to be issued pursuant to Resolution 3 will be reduced to such extent so as to ensure that Shenghe does not hold, immediately following completion of the Placement, voting power in the Company of more than 19.9%. Consequently, the amount of funds that the Company will raise from the Placement will be reduced accordingly.

## **2.3 Specific information required by Listing Rule 7.3**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) Up to a maximum of 14,600,000 Tranche 2 Placement Shares will be issued to institutional, sophisticated and professional investors who participated in the Tranche 2 Placement, identified by the Joint Lead Managers. None of the Tranche 2 Placement Shares will be issued to any related party, Key Management Personnel, substantial Shareholder or adviser of the Company or any of their Associates, noting that the Placement Shares proposed to be issued to Shenghe, Dr Russell Scrimshaw and Mr Ian

Chambers are subject to separate Resolutions (refer to Resolutions 3, 4 and 5, respectively).

- (b) The Tranche 2 Placement Shares will be fully paid ordinary shares and rank equally in all respects with the Company's existing Shares.
- (c) The Tranche 2 Placement Shares will be issued no later than three months after the date of the Meeting and are expected to be issued on one date.
- (d) The Tranche 2 Placement Shares have an issue price of \$0.50 per Share.
- (e) Funds raised from the issue of the Tranche 2 Placement Shares will be used as detailed in Section 1.2.
- (f) The Tranche 2 Placement Shares will be issued pursuant to short form subscription letters pursuant to which subscribers under the Tranche 2 Placement will be issued Tranche 2 Placement Shares at an issue price of \$0.50 per Share.
- (g) A voting exclusion statement is included in the Notice for Resolution 2.

#### **2.4 Directors' recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 2.

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### **3. RESOLUTION 3 – ISSUE OF PLACEMENT SHARES TO SHENGHE**

#### **3.1 General**

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 10.11 to issue up to 11,136,814 Placement Shares to Shenghe (**Shenghe Shares**) under the Tranche 2 Placement. If not all of the Placement Shares are issued (for example, because Resolution 2, 4 and/or 5 is not passed), then the number of Shenghe Shares to be issued pursuant to Resolution 3 will be reduced to such extent so as to ensure that Shenghe does not hold, immediately following completion of the Placement, voting power in the Company of more than 19.9%.

Resolution 3 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 3.

#### **3.2 Listing Rule 10.11**

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

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;



- (d) an Associate of a person referred to in paragraph (a) to (c); or
- (e) a person whose relationship with the company or a person referred to in paragraph (a) to (d) is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Shenghe Shares falls within paragraph (c) above because Shenghe is a substantial holder in the Company and has nominated a director to the Board (being Ms Shasha Lu) and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 3 seeks the required Shareholder approval to issue the Shenghe Shares to Shenghe under and for the purposes of Listing Rule 10.11.

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Shenghe Shares to Shenghe and, pursuant to Listing Rule 7.2 (Exception 14), the issue will not use up the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Shenghe Shares, and the Company will not have sufficient funds to complete pre-Final Investment Decision (**FID**) development costs, including early works, placing orders for long lead items, executing construction contracts, and planned exploration costs. If this occurs, the Company will have to consider deferring work streams, which will impact the timetable to a FID and project delivery, and/or alternative funding options, which may not be available on acceptable terms (if at all) and which may result in dilution to Shareholders. There can be no assurance that the Company will be able to obtain additional financing (whether via equity, debt or a combination of both) on terms that are acceptable and favourable to the Company, or at all.

### **3.3 Specific information required by Listing Rule 10.13**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The Shenghe Shares will be issued to Shenghe.
- (b) Shenghe falls within Listing Rule 10.11.3 – Shenghe is a substantial (10%+) holder in the Company and has nominated Ms Shasha Lu as a Director.
- (c) The maximum number of Shenghe Shares to be issued is 11,136,814.
- (d) The Shenghe Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Shenghe Shares will be issued no later than one month after the date of the Meeting and are expected to be issued on one date.
- (f) The Shenghe Shares will be issued at an issue price of \$0.50.
- (g) Funds raised from the issue of the Shenghe Shares will be used as detailed in Section 1.2.

- (h) The Shenghe Shares will be issued pursuant to a short form subscription letter pursuant to which Shenghe will be issued up to 11,136,814 Shares at an issue price of \$0.50 per Share.
- (i) A voting exclusion statement is included in the Notice for Resolution 3.

### **3.4 Directors' recommendation**

The Directors (other than Ms Shasha Lu) recommend that Shareholders vote in favour of Resolution 3.

Ms Lu makes no recommendation to Shareholders in relation to Resolution 3 because she has been nominated as a Director by Shenghe.

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## **4. RESOLUTIONS 4 AND 5 – ISSUE OF PLACEMENT SHARES TO DIRECTORS**

### **4.1 General**

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of 300,000 Placement Shares to Dr Russell Scrimshaw, Executive Chairman (and/or his nominee) under the Tranche 2 Placement.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of 315,000 Placement Shares to Mr Ian Chambers, Non-Executive Director (and/or his nominee) under the Tranche 2 Placement.

Each of Resolution 4 and Resolution 5 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolutions 4 and 5.

### **4.2 Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception to sections 210 to 216 of the Corporations Act.

The Board (excluding Dr Russell Scrimshaw in relation to Resolution 4 and Mr Ian Chambers in relation to Resolution 5) considers that Shareholder approval under section 208 of the Corporations Act is not required as the exception in section 210 of the Corporations Act applies. The Director Shares to be issued to Dr Russell Scrimshaw and Mr Ian Chambers (and/or their respective nominee) will be issued on the same terms as non-related party participants in the Tranche 2 Placement and as such the giving of the financial benefit to Dr Russell Scrimshaw and Mr Ian Chambers will be on arm's length terms.

### **4.3 Listing Rule 10.11**

A summary of Listing Rule 10.11 is detailed in Section 3.2.

The issue of the Shares the subject of Resolutions 4 and 5 (**Director Shares**) falls within Listing Rule 10.11.1 because each of Dr Russell Scrimshaw and Mr Ian Chambers is a related party of the Company by virtue of being a Director, and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolution 4 seeks the required Shareholder approval to issue the relevant Director Shares to Dr Russell Scrimshaw (and/or his nominee) under and for the purposes of Listing Rule 10.11.

Resolution 5 seeks the required Shareholder approval to issue the relevant Director Shares to Mr Ian Chambers (and/or his nominee) under and for the purposes of Listing Rule 10.11.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the relevant Director Shares to Dr Russell Scrimshaw (and/or his nominee) and, pursuant to Listing Rule 7.2 (Exception 14), the issue will not use the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the relevant Director Shares to Mr Ian Chambers (and/or his nominee) and, pursuant to Listing Rule 7.2 (Exception 14), the issue will not use the Company's 15% placement capacity under Listing Rule 7.1.

If either Resolution 4 or 5 is not passed:

- (a) the Company will not be able to proceed with the issue of the relevant Director Shares; and
- (b) as noted in Section 3.1, the number of Shenghe Shares to be issued pursuant to Resolution 3 will be reduced to such extent so as to ensure that Shenghe does not hold, immediately following completion of the Placement, voting power in the Company of more than 19.9%,

and, consequently, the amount of funds that the Company will raise from the Placement will be reduced accordingly.

#### **4.4 Specific information required by Listing Rule 10.13**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The Director Shares the subject of Resolution 4 will be issued to Dr Russell Scrimshaw (and/or his nominee). The Director Shares the subject of Resolution 5 will be issued to Mr Ian Chambers (and/or his nominee).
- (b) Both Mr Ian Chambers and Dr Russell Scrimshaw fall within Listing Rule 10.11.3 – each person is a related party of the Company because he is a Director.
- (c) The maximum number of Director Shares to be issued pursuant to Resolution 4 is 300,000. The maximum number of Director Shares to be issued pursuant to Resolution 5 is 315,000.
- (d) The Director Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (e) The Director Shares will be issued no later than one month after the date of the Meeting and are expected to be issued on one date.
- (f) The Director Shares will have an issue price of \$0.50.

- (g) Funds raised from the issue of the Director Shares will be used as detailed in Section 1.2.
- (h) The Director Shares will be issued pursuant to a short form subscription letter pursuant to which:
  - i. Dr Russell Scrimshaw (and/or his nominee) will be issued 300,000 Shares; and
  - ii. Mr Ian Chambers (and/or his nominee) will be issued 315,000 Shares,at an issue price of \$0.50 per Share.
- (i) Voting exclusion statements are included in the Notice for Resolutions 4 and 5.

#### **4.5 Directors' recommendation**

The Directors (other than Dr Russell Scrimshaw) recommend that Shareholders vote in favour of Resolution 4.

Dr Scrimshaw makes no recommendation to Shareholders in relation to Resolution 4 because he has an interest in the outcome of the Resolution.

The Directors (other than Mr Ian Chambers) recommend that Shareholders vote in favour of Resolution 5.

Mr Chambers makes no recommendation to Shareholders in relation to Resolution 5 because he has an interest in the outcome of the Resolution.

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## **5. RESOLUTION 6 – APPROVAL OF EMPLOYEE INCENTIVE PLAN**

### **5.1 General**

Resolution 6 seeks Shareholder approval for the adoption of an employee incentive plan (**Incentive Plan**), and for the issue of Equity Securities under the Incentive Plan, for the purposes of Listing Rules 7.2 (Exception 13(b)) and 10.19 and sections 200B and 200E of the Corporations Act.

The objective of the Incentive Plan is to provide the Company with a remuneration mechanism to motivate and reward the performance of directors, employees and other qualifying individuals in achieving specific performance milestones through the issue of Equity Securities.

A summary of the terms of the Incentive Plan is set out in Schedule 1 .

Resolution 6 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 6.

### **5.2 Listing Rule 7.2 (Exception 13(b))**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval

of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of Equity Securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

Exception 13(b) of Listing Rule 7.2 is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting despatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting seeking shareholder approval to the scheme for the purposes of that exception.

If Resolution 6 is passed, the issue of Equity Securities to eligible participants under the Incentive Plan (up to the maximum number of Equity Securities stated in Section 5.3(c) below) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1 for a period of three years from the date the Resolution is approved.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of Equity Securities under the Incentive Plan to a Director (or their Associates) or a person whose relationship with the Company or a Director (or their Associates) is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will still be able to proceed with the issue of Equity Securities under the Incentive Plan to eligible participants (to the extent that the Company has available capacity under Listing Rule 7.1), but any issues of Equity Securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Equity Securities.

### **5.3 Technical information required by Listing Rule 7.2 (Exception 13)**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) A summary of the terms of the Incentive Plan is set out in Schedule 1.
- (b) The Incentive Plan is a new employee incentive plan and was adopted by the Board in May 2023. As at the Last Practicable Date, no Equity Securities have been issued under the Incentive Plan.
- (c) The maximum number of Equity Securities proposed to be issued under the Incentive Plan in reliance on Listing Rule 7.2 (Exception 13(b)) is 15,000,000 Equity Securities (representing approximately 6.33% of the Company's issued Share capital as at the Last Practicable Date). This maximum is not intended to be a prediction of the actual number of Equity Securities to be issued under the Incentive Plan but is specified for the purposes of setting a ceiling on the number of Equity Securities approved to be issued for the purposes of Listing Rule 7.2 (Exception 13(b)).

- (d) A voting exclusion statement is included in the Notice for Resolution 6.

## **5.4 Termination benefits**

### **Overview**

Shareholder approval is also being sought under section 200E of the Corporations Act, as well as under Listing Rule 10.19, to permit the Company to give certain termination benefits to a person in connection with that person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company. Specifically, the benefits for which the Company seeks Shareholder approval are benefits that may be given in circumstances where the Board exercises its discretion under the Incentive Plan in certain situations. In particular, the terms of the Incentive Plan provide that the Board may at any time waive in whole or in part any terms or conditions (including vesting conditions) in relation to any Equity Securities issued under the Incentive Plan. The Board may exercise this or another discretion under the Incentive Plan in connection with a person ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a subsidiary of the Company.

### **Section 200B and 200E of the Corporations Act**

Section 200B of the Corporations Act restricts the range of 'benefits' that can be given without shareholder approval to persons (or persons or entities connected with persons) who hold a 'managerial or executive office' in a company (as defined and interpreted under and in accordance with the Corporations Act) on their 'retirement' from office or position of employment (as defined and interpreted under and in accordance with the Corporations Act).

Under the Corporations Act, the term 'benefit' has a wide meaning and may possibly include benefits resulting from the Board exercising discretions under the rules of the Incentive Plan when a participant ceases to be employed by (or hold office with) the Company or a related body corporate of the Company.

Under the rules of the Incentive Plan, the Board may at any time waive in whole or in part any terms or conditions (including any vesting conditions) in relation to any Equity Securities issued to a participant. The exercise of this or another discretion under the Incentive Plan may constitute a 'benefit' for the purposes of section 200B of the Corporations Act.

In this context, Shareholders are being asked to approve any exercise of the Board's discretion in respect of any participant under the Incentive Plan who holds Equity Securities under the Incentive Plan at the time of their 'retirement' from office or position of employment and who would otherwise fall within the scope of the application of the retirement benefits regime in Part 2D.2 of the Corporations Act.

The value of the retirement 'benefits' that the Company may give under the Incentive Plan cannot be determined in advance. This is because various matters will (or are likely to) affect that value. In particular, the value of a particular 'benefit' will depend on factors such as the price of Shares at the relevant time and the number of Equity Securities that the Board exercises its discretion in relation to. The following additional factors may also affect the value of a 'benefit':

- (a) the portion of any relevant performance periods that have elapsed at the time of their 'retirement' from office or position of employment;

- (b) the portion of any performance milestones that have been satisfied at the time of their 'retirement' from office or position of employment;
- (c) the number of unvested Equity Securities that the relevant participant holds at the time of their 'retirement' from office or position of employment;
- (d) the circumstances of and reasons for the relevant participant ceasing to be an officer or ceasing to be employed; and
- (e) the time that has elapsed since the relevant Equity Securities were granted relative to the vesting date.

### **Listing Rule 10.19**

Approval is also sought for the purposes of Listing Rule 10.19 which provides that, without the approval of shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be entitled to 'termination benefits' if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

'Termination benefits' are payments, property and advantages that are receivable on termination of employment, engagement or office, except those from any superannuation or provident fund and those required by law to be made.

As noted above, under the rules of the Incentive Plan, the Board may at any time waive in whole or in part any terms or conditions (including any vesting conditions) in relation to any Equity Securities issued to a participant. The exercise of this or another discretion under the Incentive Plan may constitute a 'termination benefit' for the purposes of Listing Rule 10.19.

Depending upon the value of the termination benefits, and the equity interests of the Company at the time such benefits may crystallise, it is uncertain if the value of the termination benefits would exceed the 5% threshold provided for in Listing Rule 10.19. Shareholder approval is therefore being sought under the Listing Rule in order to give the Company maximum flexibility, in case the value of the termination benefits exceeds this 5% threshold.

As noted above, the value of the termination benefits that the Company may give under the Incentive Plan cannot be determined in advance and will depend on a range of factors, including those outlined above.

### **5.5 Directors' recommendation**

As all Directors have (or may have) an interest in the outcome of Resolution 6, the Directors abstain from making a recommendation in relation to the Resolution.

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## **6. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – MR IAN CHAMBERS**

### **6.1 General**

The Company has established the Incentive Plan, as detailed in Section 5.1.

The Company has agreed, subject to obtaining Shareholder approval, to issue 600,000 Performance Rights to Director Mr Ian Chambers (or his nominee) pursuant to the Incentive Plan and on the terms and conditions set out below.

The Board seeks to ensure that any vesting conditions attaching to Equity Securities issued pursuant to the Incentive Plan are aligned with the successful growth of the Company's business activities. The purpose of the proposed issue of Performance Rights to Mr Chambers is to assist in his reward and retention, and to align his interest as a Director with those of Shareholders.

The grant of the Performance Rights forms part of the Company's remuneration strategy for Directors. In this regard, if the relevant performance condition is satisfied, the Performance Rights that have been issued subject to that condition confer the right on the holder to be issued Shares without the requirement to pay any exercise price. Accordingly, the grant of Performance Rights subject to the satisfaction of performance conditions provides Mr Chambers with the flexibility and incentive to benefit in circumstances where Shareholders are also likely to benefit, without Mr Chambers needing to provide any additional cash consideration.

The Board acknowledges that the grant of Performance Rights to a Non-Executive Director is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to Mr Chambers to be reasonable in order to further align his interests with those of Shareholders and to provide him with cost-effective consideration for his ongoing commitment and contribution to the Company.

The number of Performance Rights to be issued to Mr Chambers, and the vesting conditions attaching to those Performance Rights, are as set out in the table below:

<b>Class</b>	<b>Number</b>	<b>Vesting condition</b>
Class A	450,000	Upon the raising of the funding required to commence construction and development of the Ngualla Project
Class B	75,000	On remaining a non-executive director of the Company to 31 December 2024
Class C	75,000	On first shipment of concentrate from the Ngualla Project
<b>Total</b>	<b>600,000</b>	

Resolution 7 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 7.

## **6.2 Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act requires that, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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



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

The issue of the Performance Rights to Mr Chambers constitutes the giving of a financial benefit and Mr Chambers is a related party of the Company for the purposes of the Corporations Act by virtue of being a Director.

The Board (excluding Mr Chambers) has determined that the proposed issue of the Performance Rights the subject of Resolution 7 constitutes reasonable remuneration having regard to the respective position of the Company and Mr Chambers, including the duties and responsibilities of Mr Chambers in relation to the Company. Accordingly, the Board (excluding Mr Chambers) has determined that the issue of these rights falls within an exception to the need to obtain the approval of Shareholders for the purposes of Chapter 2E of the Corporations Act.

### **6.3 Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the company;
- (b) an Associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Performance Rights to Mr Chambers falls within paragraph (a) above because Mr Chambers is a Director, and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 7 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Ian Chambers under the Incentive Plan within three years after the date of the Meeting. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% placement capacity under Listing Rule 7.1.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Ian Chambers under the Incentive Plan and will be required to consider providing other forms of remuneration to him.

### **6.4 Technical information required by Listing Rule 10.15**

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval:

- (a) The Performance Rights will be issued to Mr Ian Chambers (or his nominee).

- (b) Mr Chambers falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director.
- (c) The maximum number of Performance Rights to be issued to Mr Chambers (or his nominee) is 600,000. The classes of Performance Rights are detailed in Section 6.1.
- (d) Mr Ian Chambers was appointed a Non-Executive Director on 20 March 2023. His current total remuneration is \$50,000, per annum plus statutory superannuation and an entitlement to be offered Performance Rights.
- (e) No Equity Securities have previously been issued to Mr Chambers under the Incentive Plan.
- (f) A summary of the material terms of the Incentive Plan (being the plan pursuant to which the Performance Rights will be issued) is set out in Schedule 1. The specific vesting conditions attaching to the different classes of Performance Rights are set out in Section 6.1.
- (g) The purpose of the issue of the Performance Rights is to provide a retention or performance linked incentive component in the remuneration package of Mr Chambers to align the interests of Mr Chambers with those of Shareholders, to motivate and reward the performance of Mr Chambers in his role as Director, and to provide a cost effective way for the Company to remunerate Mr Chambers, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Chambers.
- (h) The number of Performance Rights to be issued to Mr Chambers has been determined based upon a consideration of:
- the role and responsibilities of Mr Chambers;
  - current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - the remuneration of Mr Chambers; and
  - incentives required to attract and ensure continuity of service of Mr Chambers, who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.
- (i) For accounting purposes, the Performance Rights are valued at the Company's Share price at the date the Shareholders approve the issue of the Performance Rights. Assuming Resolution 7 is passed at the Meeting, each Performance Right the subject of that Resolution will be valued at the Company's Share price on the date of the Meeting (being 15 June 2023). The Company's Share price as at Last Practicable Date was 50.5 cents.
- (j) The Performance Rights will be issued to Mr Chambers as soon as practicable following Shareholder approval and in any event no later than three years after the date of the Meeting.
- (k) The issue price of the Performance Rights will be nil and no amount will be payable by the holder to exercise any Performance Rights that vest. As such, no funds will be raised from the issue or exercise of the Performance Rights.

- (l) A summary of the material terms of the Incentive Plan is set out in Schedule 1.
- (m) No loans are being made to Mr Chambers in connection with the acquisition of the Performance Rights.
- (n) Details of any Equity Securities issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (o) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Equity Securities under the Incentive Plan after Resolution 7 is approved and who were not named in the Notice or this Explanatory Statement will not participate until approval is obtained under Listing Rule 10.14.
- (p) A voting exclusion statement is included in the Notice for Resolution 7.

## 6.5 Additional information

Although the Board has determined that the Company will not seek approval for the proposed issue of the Performance Rights to Mr Chambers pursuant to Chapter 2E of the Corporations Act, the Board provides the following additional information in relation to Resolution 7 as a matter of good corporate governance:

- (a) The relevant interest of Mr Chambers in securities of the Company as at the Last Practicable Date is set out below:

Related party	Shares	Options	Performance Rights
Ian Chambers	885,000	Nil	Nil

- (b) If the vesting conditions attaching to the Performance Rights issued to Mr Chambers are met and the Performance Rights are exercised, a total of 600,000 Shares would be issued. This would increase the number of Shares on issue from 236,960,616 (being the total number of Shares on issue as at the Last Practicable Date) to 237,560,616 (assuming that no Shares are issued and no other convertible securities vest or are exercised after the Last Practicable Date) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of approximately 0.25%. If the Shares the subject of Resolutions 2, 3, 4 and/or 5 are issued prior to any Performance Rights being exercised into Shares, the amount existing Shareholders would be diluted as a result of the Performance Rights being exercised into Shares would be less than the aforementioned percentage.
- (c) The trading history of the Shares on ASX in the 12 months before the Last Practicable Date is set out below:

	Price	Date
Highest	74 cents	26 April 2023
Lowest	29 cents	30 June 2022
Last	50.5 cents	8 May 2023

- (d) Mr Ian Chambers has a material personal interest in the outcome of Resolution 7 since he (or his nominee) will receive Performance Rights if the Resolution is approved by Shareholders.
- (e) The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.
- (f) The Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolution 7.

#### **6.6 Directors' recommendation**

Having considered all relevant matters, and the alternatives to an issue of the Performance Rights (such as a higher cash-based component of remuneration), the Directors (other than Mr Chambers), support the issue of the Performance Rights to Mr Chambers and recommend that Shareholders vote in favour of Resolution 7.

Mr Chambers makes no recommendation to Shareholders in relation to Resolution 7 because he has an interest in the outcome of the Resolution.

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## GLOSSARY

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**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales, Australia.

**Associate** has the same meaning as the meaning prescribed by Listing Rule 19.1.

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

**Board** means the current board of directors of the Company.

**Chair** means the chair of the Meeting.

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

- (i) a spouse or child of the member;
- (ii) a child of the member's spouse;
- (iii) a dependent of the member or the member's spouse;
- (iv) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company;
- (v) a company the member controls; or
- (vi) a person prescribed by the *Corporations Regulations 2001* (Cth).

**Company** or **Peak** means Peak Rare Earths Limited (ACN 112 546 700).

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

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

**Director Shares** has the meaning given in Section 4.3.

**Equity Security** has the same meaning as the meaning prescribed by Listing Rule 19.12.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Incentive Plan** has the meaning given in Section 5.1.

**Joint Lead Managers** means Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Barrenjoey Markets Pty Ltd (ACN 636 976 059).

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Last Practicable Date** means the last practicable date prior to finalising the Notice, being 8 May 2023.

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

**Meeting** or **General Meeting** means the general meeting of the Company convened by the Notice.

**New Shares** means the new Shares issued or proposed to be issued pursuant to the Placement.

**Notice** or **Notice of Meeting** means the notice of meeting to which this Explanatory Statement is attached.

**Performance Rights** means a performance right issued or proposed to be issued by the Company (as the context requires).

**Placement** has the meaning given in Section 1.1.

**Placement Shares** has the meaning given in Section 1.1.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means a resolution set out in the Notice.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**Shenghe** means Shenghe Resources (Singapore) Pte. Ltd.

**Shenghe Shares** has the meaning given in Section 3.1.

**Tranche 1 Placement** has the meaning given in Section 1.1.

**Tranche 2 Placement Shares** has the meaning given in Section 1.1.

**Tranche 2 Placement** has the meaning given in Section 1.1.

**Tranche 2 Placement Shares** has the meaning given in Section 2.1.

## SCHEDULE 1 – SUMMARY OF EMPLOYEE INCENTIVE PLAN

Set out below is a summary of the key terms of Peak Rare Earths Limited's (**Company**) Employee Incentive Plan (**Plan**).

<p><b>Incentives</b></p>	<p>The Plan provides for the grant of rights or options (<b>Incentives</b>) to acquire fully paid ordinary shares in the capital of the Company (<b>Shares</b>), or cash equivalent, subject to the terms of the Plan and upon such additional terms and vesting conditions as the board of directors of the Company (<b>Board</b>) determines in its absolute discretion.</p> <p>The term "Performance Right" is used to describe an Incentive for which the exercise price is zero.</p>
<p><b>Eligible Participants</b></p>	<p>The persons eligible to be granted Incentives under the Plan include:</p> <ul style="list-style-type: none"> <li>• current and prospective directors and employees of, and service providers to, the Company or any of its subsidiaries (<b>Group</b>) (<b>Eligible Participants</b>); and</li> <li>• certain nominees of an Eligible Participant, such as their immediate family members, controlled bodies corporate and related self-managed superannuation funds (<b>Nominated Parties</b>).</li> </ul> <p>The Board has the discretion to declare any other person to be an Eligible Participant or Nominated Party.</p>
<p><b>Invitations</b></p>	<p>The Board will advise Eligible Participants, in an invitation, of, amongst other matters, the number of Incentives that the Eligible Participant is eligible for, the method of calculation of any issue price and/or exercise price, the period or periods which Incentives may be exercised, any applicable vesting conditions, the date and times when the Incentives lapse and any other relevant terms and conditions attaching to the Incentives or Shares allocated under the Plan, including any disposal restrictions.</p> <p>In making an invitation, the Board must have regard to any cap imposed on the issue of Incentives under employee share scheme regime set out in Division 1A of Part 7.12 of the <i>Corporations Act 2001</i> (Cth) (<b>Corporations Act</b>).</p>
<p><b>Vesting exercise and</b></p>	<p>Subject to the terms of the Plan, an Incentive will not vest and become capable of being exercised unless any vesting conditions have been satisfied.</p> <p>The decision of the Board as to the satisfaction, interpretation, effect or waiver of any vesting conditions may be made in its absolute discretion.</p> <p>Following the exercise of an Incentive, the Company must issue to, or procure the transfer to, the holder of the Incentive the number of Shares in respect of which the Incentive has been exercised. However, the Company may (in its absolute discretion) pay a cash amount in place of issuing or transferring some or all of the relevant Shares. The cash amount will be</p>


	equivalent to the then market value of such Shares (determined based on the 5-day volume weighted average price of Shares).
<b>Cashless exercise facility</b>	<p>Subject to Board approval (which may be withheld at its absolute discretion), the holder of an Incentive may elect to pay the exercise price for some or all of their vested Incentives by setting off the exercise price against the market value of the Shares which they are entitled to receive upon exercise (<b>Cashless Exercise Facility</b>). By using the Cashless Exercise Facility, the holder will receive Shares (or the cash equivalent) to the value of the surplus after the exercise price has been set off.</p> <p>If the holder of an Incentive elects to use the Cashless Exercise Facility, the holder will be issued or transferred such number of Shares as is equal to the value of the difference between the exercise price otherwise payable in respect of the Incentives and the then market value of Shares, divided by the market value of a Share (with the market value being determined based on the 5-day volume weighted average price of Shares). If the Board determines to make a cash payment instead of issuing or transferring Shares, the cash amount will be determined by multiplying the number of Shares the holder is entitled to (using the aforementioned formula) with the market value of those Shares.</p>
<b>Lapse</b>	<p>Unless the Board determines otherwise, an unexercised Incentive will lapse in certain circumstances, including:</p> <ul style="list-style-type: none"> <li>• where the Incentive holder purports to transfer, assign, dispose of or encumber the Incentive without the prior consent of the Board or where required by force of law upon death or bankruptcy;</li> <li>• where the Eligible Participant or their Nominated Party enters into any arrangement under which the economic benefit to be derived from an Incentive that remains unvested or unexercised is altered, irrespective of future changes in the Share price;</li> <li>• in connection with the cessation of employment or engagement of the Relevant Person (see further details below);</li> <li>• in connection with a Change of Control Event (see further details below);</li> <li>• subject to any vesting of unvested Incentives in accordance with the Plan, a failure to meet the Incentive's vesting condition in the prescribed period;</li> <li>• on the expiry date of the Incentive; or</li> <li>• on the 5 year anniversary of the date on which the Incentive was granted.</li> </ul>
<b>Cessation of employment or engagement</b>	<p><b>Cessation of employment or engagement</b></p> <p>Subject to the terms of the relevant invitation and the Plan:</p> <ul style="list-style-type: none"> <li>• if the Eligible Participant who was invited to apply for the relevant Incentive (<b>Relevant Person</b>) ceases to be an employee of, or engaged by, the Group in circumstances</li> </ul>




	<p>where the cessation is due to Termination for Cause then, unless the Board determines otherwise, all of their vested (but unexercised) Incentives, and all of their unvested Incentives, will automatically lapse; and</p> <ul style="list-style-type: none"> <li>• if a Relevant Person ceases to be an employee of, or engaged by, the Group in circumstances other than due to Termination for Cause then, unless the Board determines otherwise: <ul style="list-style-type: none"> <li>• all of their unvested Incentives will automatically lapse; and</li> <li>• all of their Incentives that have previously vested but that are unexercised (and any unvested Incentives the Board has permitted the person to retain) must be exercised within a period stipulated by the Board.</li> </ul> </li> </ul> <p><b>Termination for Cause</b> means termination of employment or engagement of the Relevant Person due to, amongst other matters, fraud or dishonesty, a material breach of the Relevant Person's obligations to the Group, any act of gross negligence in the performance of duties or any other reason (including under applicable law or the Relevant Person's employment contract, consulting agreement or other form of engagement) that the Board determines constitutes justification for termination without notice or compensation.</p> <p><b>Treatment of Incentives after cessation of employment or engagement</b></p> <p>If a person continues to hold Incentives after they or their Relevant Persons ceases to be employed or engaged by the Group, then the Board may in its discretion determine that some or all of those Incentives will lapse if the Board determines that the person has breached any obligation owed to the Group or the circumstances have changed such that it is no longer appropriate for the person to retain the Incentives.</p>
<p><b>Clawback</b></p>	<p>The Board may, amongst taking other action such as requiring any benefits obtained under the Plan to be returned, deem any unvested or vested (but unexercised) Incentives to have lapsed if a Relevant Person takes certain adverse action, including committing a fraudulent or dishonest act or engaging in behaviour which has caused, or is likely to cause, the Company's reputation to be adversely affected.</p>
<p><b>Change of Control Event</b></p>	<p>If an event occurs that the Board reasonably believes may lead to a Change of Control Event, the Board may determine the treatment and the timing of such treatment of any unvested or unexercised Incentives. If a Change of Control Event occurs and the Board hasn't made such a determination, all of the unvested Incentives automatically vest and are deemed to have been exercised, together with any previously vested but unexercised Incentives, on the occurrence of the Change of Control Event.</p> <p>A <b>Change of Control Event</b> includes:</p> <ul style="list-style-type: none"> <li>• a takeover bid that is or becomes free of any defeating conditions where an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;</li> </ul>

	<ul style="list-style-type: none"> <li>• shareholders of the Company approving a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act;</li> <li>• any person becoming bound or entitled to acquire shares in the Company under section 414 (compulsory acquisition following a scheme or contract) or Chapter 6A (compulsory acquisition of securities) of the Corporations Act;</li> <li>• a selective capital reduction being announced in respect of the Company which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or</li> <li>• in any other case, a person obtaining voting power in the Company which the Board determines is sufficient to control the composition of the Board.</li> </ul>
<b>Disposal restrictions</b>	<p>An Incentive is not transferable except where permitted with the prior written consent of the Board or where required by force of law upon death or bankruptcy.</p> <p>The Board may impose restrictions on disposal or dealing in a Share to be allocated upon the exercise of an Incentive as part of the terms of the Incentives and may implement any procedure it considers appropriate to restrict the holder of an Incentive from trading in such Shares while they remain subject to a disposal restriction.</p> <p>The Board may decide to lift, extend or vary any disposal restrictions in its absolute discretion (including where the Relevant Person has ceased employment or engagement with the Group or there has been a Change of Control Event).</p>
<b>Bonus issues</b>	<p>If Shares are issued pro rata to the Company's shareholders by way of bonus issue, the number of Shares over which the Incentives are exercisable will be increased by the number of Shares that the Incentive holder would have received if it had exercised the Incentives before the record date for the bonus issue. No adjustment will be made to the exercise price.</p>
<b>Pro rata issues</b>	<p>If Shares are offered pro rata for subscription by the Company's shareholders (except a bonus issue) during the currency of and prior to exercise of any Incentives, the exercise price of each Incentive will be adjusted in a manner determined by the Board and in accordance with the ASX Listing Rules.</p>
<b>Adjustment for reorganisation</b>	<p>If there is a reorganisation of the issued capital of the Company then the rights of an Incentive holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p>
<b>New issues</b>	<p>Subject to the foregoing, during the currency of any Incentives and prior to their exercise, Incentive holders are not entitled to participate in any new issue of securities of the Company as a result of their holding Incentives.</p>

<b>Ranking of Shares</b>	Any Shares allotted under the Plan will rank equally with Shares of the same class on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their allotment.
<b>Quotation</b>	<p>If Shares of the same class as those allotted under the Plan are quoted on the Australian Securities Exchange (<b>ASX</b>) at the time of allotment, the Company will apply to the ASX for those Shares to be quoted.</p> <p>The Company will not apply for quotation of any Incentives on the ASX, unless the Board determines otherwise.</p>
<b>Amendment</b>	<p>Subject to the ASX Listing Rules, the Board may amend, revoke, vary or add to all or any of the provisions of the Plan, or the terms or conditions of any Incentive granted under the Plan, including vesting conditions.</p> <p>However, without the consent of the Incentive holder, no amendment may be made to the terms of any granted Incentive which reduces the rights of the holder in respect of that Incentive, other than in certain circumstances, including an amendment for the purposes of complying with law or the ASX Listing Rules.</p> <p>Subject to the foregoing, any amendment may be given retrospective effect.</p>
<b>Board discretion</b>	<p>The Plan is administered by the Board which has power to, amongst other matters, determine appropriate procedures for administration of the Plan consistent with the Plan rules.</p> <p>Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Incentives under the Plan and in the exercise of any power or discretion under the Plan.</p> <p>The Board may at any time waive in whole or in part any terms or conditions (including any vesting condition) in relation to any Incentives granted under the Plan.</p>

**LODGE YOUR VOTE**
 **ONLINE**  
<https://investorcentre.linkgroup.com>
 **BY MAIL**  
 Peak Rare Earths Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia

 **BY FAX**  
 +61 2 9287 0309

 **BY HAND**  
 Link Market Services Limited  
 Parramatta Square, Level 22, Tower 6,  
 10 Darcy Street, Parramatta NSW 2150

 **ALL ENQUIRIES TO**  
 Telephone: 1300 554 474      Overseas: +61 1300 554 474

**X999999999999**
**PROXY FORM**

I/We being a member(s) of Peak Rare Earths Limited and entitled to participate in and vote hereby appoint:


**APPOINT A PROXY**
 **the Chairman of the Meeting (mark box)**
**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

 or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11.00am (AEST) on Thursday, 15 June 2023 at Banjo Paterson Room, Sydney Harbour Marriott Hotel, 30 Pitt Street, Sydney, New South Wales, Australia** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 6 & 7:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 6 & 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**
**VOTING DIRECTIONS**
**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .**
**Resolutions**

	For	Against	Abstain*		For	Against	Abstain*
<b>1</b> Ratification of Issue of Tranche 1 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>5</b> Issue of Placement Shares to Mr Ian Chambers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Issue of Tranche 2 Placement Shares to Non-Related Parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>6</b> Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Issue of Placement Shares to Shenghe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>7</b> Issue of Performance Rights to Director – Mr Ian Chambers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Issue of Placement Shares to Dr Russel Scrimshaw	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

 This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).


## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to participate in the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to participate in the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11.00am (AEST) on Tuesday, 13 June 2023**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Peak Rare Earths Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO PARTICIPATE IN AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**