



CATALYST METALS LIMITED

ABN 54 118 912 495

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

12 November 2021 at 10.00 a.m.

Place of meeting

Celtic Club
48 Ord Street
West Perth, Western Australia

CATALYST METALS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Catalyst Metals Limited (Company) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 12 November 2021 at 10.00 a.m.

AGENDA

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2021.

To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

1. Re-election of Robin Scrimgeour as a director

“That Mr Robin Scrimgeour, being a director of the Company, retires by rotation in accordance with Clause 14.2 of the Constitution and ASX Listing Rules 14.4 and 14.5, and being eligible for re-election, is hereby re-elected as a director of the Company.”

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

2. Remuneration report

“That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2021.”

A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of any member of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of such a member. However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or*
- (b) the Chairman of the meeting is appointed as proxy and the proxy form does not specify the way the proxy is to vote on the resolution, and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company.*

SPECIAL BUSINESS

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolution as ordinary resolutions.

3. Approval for issue of shares to Bruce Kay

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approves the issue of 75,000 Shares to Bruce Kay (or his nominee) on the terms and conditions set out in the explanatory memorandum accompanying this notice of meeting.”

For the purposes of ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Bruce Kay (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.

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

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

As Resolution 3 deals with the remuneration of Key Management Personnel, under section 250BD of the Corporations Act, a vote on Resolution 3 must not be cast by a person that is appointed proxy, on the basis of that appointment, if the person is a member of Key Management Personnel of the Company or a closely related party of a member of Key Management Personnel, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution. This does not apply to the Chairman, however, if the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company (on a consolidated basis).

4. Approval for issue of shares to Gary Schwab

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approves the issue of 50,000 Shares to Gary Schwab (or his nominee) on the terms and conditions set out in the explanatory memorandum accompanying this notice of meeting.”

For the purposes of ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Gary Schwab (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.

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

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

As Resolution 4 deals with the remuneration of Key Management Personnel, under section 250BD of the Corporations Act, a vote on Resolution 4 must not be cast by a person that is appointed proxy, on the basis of that appointment, if the person is a member of Key Management Personnel of the Company or a closely related party of a member of Key Management Personnel, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution. This does not apply to the Chairman, however, if the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company (on a consolidated basis).

5. Approval for issue of shares for consulting services

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approves the issue of 10,000 Shares to former director, Gary Schwab (or his nominee), on the terms and conditions set out in the explanatory memorandum accompanying this notice of meeting.”

For the purposes of ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Gary Schwab (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.

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

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

As Resolution 5 deals with the remuneration of Key Management Personnel, under section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by a person that is appointed proxy, on the basis of that appointment, if the person is a member of Key Management Personnel of the Company or a closely related party of a member of Key Management Personnel, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution. This does not apply to the Chairman, however, if the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company (on a consolidated basis).

6. Authority for issue of securities pursuant to Employee Incentive Plan

"That for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, shareholders re-approve the Company being able to issue up to 4,500,000 equity securities under the employee incentive scheme titled "Catalyst Metals Employee Incentive Plan" over a period of 3 years commencing on the date of the annual general meeting, in the manner and on the terms set out in the explanatory memorandum."

For the purposes of ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person that is eligible to participate in the Employee Incentive Plan or an associate of those persons.

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

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

As Resolution 6 may deal with the remuneration of Key Management Personnel, under section 250BD of the Corporations Act, a vote on Resolutions 6 must not be cast by a person that is appointed proxy, on the basis of that appointment, if the person is a member of Key Management Personnel of the Company or a closely related party of a member of Key Management Personnel, and the appointment of the proxy does not specify the way the proxy is to vote on the resolution. This does not apply to the Chairman, however, if the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company (on a consolidated basis).

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolutions as special resolutions.

7. Approval for 10% placement capacity

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

As at the date of this notice of meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore no voting exclusion applies to Resolution 7.

8. Renewal of proportional takeover bid provisions

“That for the purposes of Sections 136(2) and 648G of the Corporations Act and for all other purposes, the Constitution of the Company be amended by re-inserting proportional takeover bid provisions, in the form set out in the explanatory memorandum accompanying the notice of meeting, for a period of three years commencing immediately.”

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
6 October 2021

Proxy appointments

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with Section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

A proxy form is enclosed. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.

Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held Shares in the Company as at 4.00 p.m. (WST) on 10 November 2021.

COVID-19 health restrictions

In the event that restrictions on public gatherings in Western Australia due to the COVID-19 global pandemic are reintroduced and prevent a physical meeting from being held, the annual general meeting will be held as a virtual meeting. Details of any virtual meeting will be notified to shareholders, including information and guidance on how to participate and vote at the meeting.

CATALYST METALS LIMITED
EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of shareholders of Catalyst Metals Limited in connection with the business to be considered at the forthcoming annual general meeting of shareholders of the Company and should be read in conjunction with the accompanying notice of meeting.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2021 (including the financial statements, directors' report and auditors' report) was included in the 2021 annual report of the Company, a copy of which is available on the Company's web-site at www.catalystmetals.com.au.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

RESOLUTION 1 – RE-ELECTION OF ROBIN SCRIMGEOUR AS A DIRECTOR

ASX Listing Rule 14.4 and Clause 14.2 of the Constitution require that a director (other than a managing director) must not hold office without re-election for more than 3 years and that one third of the directors in office (other than a managing director) must retire by rotation at each annual general meeting of the Company. ASX Listing Rule 14.5 provides that a listed company with directors must hold an election of directors at each annual general meeting.

Mr Gary Schwab is the director that has held office the longest without re-election. However, Mr Schwab intends to retire and not offer himself for re-election at the annual general meeting.

Mr Robin Scrimgeour is the next longest serving director and was last re-elected in November 2019. Mr Scrimgeour therefore retires at the forthcoming annual general meeting in accordance with the Constitution and ASX Listing Rule 14.4 and 14.5 and being eligible, has offered himself for re-election at that meeting.

Mr Scrimgeour spent 17 years working for Credit Suisse in London, Tokyo, Hong Kong and Singapore. His most recent experience has been providing structured hybrid financing for corporates in Asia for project and acquisitions concentrated in the primary resources sector. Mr Scrimgeour's previous experience was as a senior equity derivatives trader involved in the pricing of complex structured equity derivative instruments for both private and corporate clients focused in Asia. Mr Scrimgeour is a member of the Audit Committee.

Mr Scrimgeour is not considered an independent director due to his major shareholding in the Company.

The Board (excluding Mr Scrimgeour) recommends that shareholders vote in favour of the re-election of Mr Scrimgeour as a director of the Company. The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

RESOLUTION 2 – REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2021 annual report. The Remuneration Report describes the underlying principles and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. Shareholders should note that the vote on Resolution 2 is not binding on the Company or its directors. However, the directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration policies and practices.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 2.

RESOLUTIONS 3-4 – APPROVAL FOR ISSUE OF SHARES TO DIRECTORS

In January 2021, the Company completed the acquisition of the operating Henty gold mine, a high grade underground gold-silver mine with established infrastructure and significant exploration upside in the mineral rich Mt Read Volcanic belt in Western Tasmania. This acquisition transformed the Company from an exploration company into a gold producer. All of the directors provided significant additional services to the Company in connection with the due diligence, negotiation and implementation of this project acquisition.

Under Clause 14.9 of the Constitution, if any of the directors perform extra services or make any special exertions on behalf of the Company, the directors may remunerate that director in accordance with such services or exertions and this remuneration may be in addition to the directors fees paid to that director.

It is proposed that Mr Bruce Kay and Mr Gary Schwab be remunerated with Shares in addition to their director fees for the significant additional services provided during the acquisition process. Mr Boston and Mr Scrimgeour have offered not to receive any additional remuneration for their additional services during the acquisition of the Henty gold mine.

The table below sets out the current annual directors' fees for each director as well as the proposed issue of Shares the subject of Resolutions 3 and 4 (**Director Shares**):

Table 1 - Directors' remuneration

Director	Remuneration	Consulting fees for FY-21	Number of Shares
Stephen Boston	\$80,000 per annum	\$136,800	Nil
Robin Scrimgeour	\$74,000 per annum	Nil	Nil
Bruce Kay	\$74,000 per annum	\$138,677	75,000
Gary Schwab	\$74,000 per annum	\$47,638	60,000

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, amongst other persons, a related party of the Company unless shareholder approval is first obtained.

Mr Kay and Mr Schwab are directors of the Company and are therefore related parties of the Company. At the AGM, Mr Schwab will retire as a director and will not offer himself for re-election but the Company has engaged Mr Schwab as a consultant for a period of 12 months. Mr Schwab will be deemed to remain a related party of the Company for a period of 6 months after his retirement in accordance with section 228(5) of the Corporations Act.

None of the exceptions in ASX Listing Rule 10.12 applies to the issue of the Director Shares. Accordingly, the Company is seeking shareholder approval for Resolutions 3 and 4 for the issue of the Director Shares as set out in Table 1 for the purposes of Listing Rule 10.11.

If Resolutions 3 and 4 are not approved, the Company will not issue the Director Shares and will remunerate Mr Kay and Mr Schwab in another manner (likely via cash payments).

ASX Listing Rule 10.13

In accordance with ASX Listing Rule 10.13, the following information is provided to shareholders:

- (a) it is proposed that each of Mr Kay and Mr Schwab (or their respective nominees) will be issued the Director Shares set out in Table 1 above.
- (b) Mr Kay and Mr Schwab are directors of the Company and Mr Schwab will retire at the AGM and transition to a consultant, so all are related parties of the Company.
- (c) The Director Shares will be fully paid and rank equally with all other fully paid ordinary Shares on issue.
- (d) The Director Shares will be issued to Mr Kay and Mr Schwab within 1 month following the date of the AGM (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) The Director Shares will be issued as remuneration for nil additional consideration at a deemed price of \$2.10 each.
- (f) The purpose of the issue is to compensate Mr Kay and Mr Schwab for the significant additional services provided to the Company in connection with the due diligence, negotiation and implementation of the Henty gold mine.
- (g) The current remuneration package of each Director is set out in Table 1 above.
- (h) A voting exclusion statement is set out in the notice of meeting.

ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Shares if approval is obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Director Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless shareholder approval is obtained for the giving of the benefit, or the giving of the benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act.

Mr Kay and Mr Schwab are, as directors, related parties of the Company. The issue of Shares to them constitutes the giving of a financial benefit to them. However, it is the view of the Board that the proposed issue of Shares falls under one of the exceptions in the Corporations Act.

The relevant exception is set out in section 211(1) of the Corporations Act and states that shareholder approval is not required in order to give a financial benefit to a related party if that benefit is reasonable remuneration given to an officer or employee of the company, and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment).

For Resolution 3, the Board (other than Mr Kay, who abstained) has formed the view, for the reasons outlined above, that the financial benefit proposed to be given to Mr Kay by way of the issue of Shares amounts to reasonable remuneration given to him in his capacity as Non-Executive Director of the Company, having regard to the significant additional services he provided to the Company in connection with the negotiation and implementation of the acquisition of the Henty gold mine. As a result, the Board is of the view that the exception in section 211(1) of the Corporations Act applies to the proposed issue of Shares and therefore the approval of shareholders under section 208 of the Corporations Act is not required for the giving of the benefit.

For Resolution 4, the Board (other than Mr Schwab, who abstained) has formed the view, for the reasons outlined above, that the financial benefit proposed to be given to Mr Schwab by way of the issue of Shares amounts to reasonable remuneration given to him in his capacity as Non-Executive Director of the Company, having regard to the significant additional services he provided to the Company in connection with the negotiation and implementation of the acquisition of the Henty gold mine. As a result, the Board is of the view that the exception in section 211(1) of the Corporations Act applies to the proposed issue of

Shares and therefore the approval of shareholders under section 208 of the Corporations Act is not required for the giving of the benefit.

The Chairman of the meeting intends to vote all available proxies in favour of Resolutions 3 and 4.

RESOLUTION 5 – APPROVAL FOR ISSUE OF SHARES FOR CONSULTING SERVICES

Resolution 5 seeks shareholder approval for the issue of 10,000 Shares (**Consultant Shares**) to Gary Schwab (or his nominee) for consulting services to be provided to the Company in the 12 month period following the date of the AGM.

Mr Schwab will retire as a director at the AGM and not seek re-election. Under section 228(5) of the Corporations Act, Mr Schwab will be deemed to remain a related party of the Company for the 6 month period following his retirement.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, amongst other persons, a related party of the Company unless shareholder approval is first obtained.

None of the exceptions in ASX Listing Rule 10.12 applies to the issue of the Consultant Shares. Accordingly, the Company is seeking the approval of shareholders for the proposed issue of the Consultant Shares to Gary Schwab (or his nominee) in accordance with ASX Listing Rule 10.11.

If the approval is not obtained, the Consultant Shares will not be issued and the Company will remunerate Mr Schwab in another manner (likely via cash payments).

ASX Listing Rule 10.13

The following information is provided in accordance with ASX Listing Rule 10.13:

- (a) Mr Schwab or his nominee will be issued 10,000 Shares, which will rank equally with all other Shares on issue.
- (b) Mr Schwab will retire as a director at the AGM and not offer himself for re-election, but he will be deemed to remain as a related party for 6 months following his retirement.
- (c) Mr Schwab's remuneration as a director is set out in Table 1 above and as a consultant, post retirement, Gary Schwab will be paid a retainer of \$20,000 per quarter during the 12 month term of the consultancy arrangements, in addition to the issue of the Consultant Shares.
- (d) The Consultant Shares will be issued within 1 month following the date of the AGM (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (e) The Consultant Shares will be fully paid and rank equally with all other fully paid ordinary Shares on issue.
- (f) The Consultant Shares will be issued as part payment for consulting services to be provided by Mr Schwab in the 12 month period following his retirement as director, for nil additional consideration at a deemed price of \$2.10 each;
- (g) The services Mr Schwab will provide as a consultant are ongoing assistance and advice to the Board in relation to business development opportunities, liaison with major shareholders and joint venture partners and planning and implementation of future potential corporate initiatives.
- (h) A voting exclusion statement is set out in the Notice of Meeting.

ASX Listing Rule 7.1

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Consultant Shares if approval is obtained under ASX Listing Rule 10.11. Accordingly, the issue of Consultant Shares will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless shareholder approval is obtained for the giving of the benefit, or the giving of the benefit falls within one of the exceptions in sections 210 to 216 of the Corporations Act.

Mr Schwab is deemed to be a related party of the Company for 6 months after his retirement as a director under section 228(5) of the Corporations Act. The issue of Shares to Mr Schwab constitutes the giving of a financial benefit to him. However, it is the view of the Board that the proposed grant of the Shares falls under one of the exceptions in the Corporations Act.

The relevant exception is set out in section 210 of the Corporations Act and states that shareholder approval is not required in order to give a financial benefit to a related party if that benefit would be reasonable in circumstances where the Company and Mr Schwab were dealing on arm's length terms (or they are less favourable to Mr Schwab than arm's length terms).

For Resolution 5, the Board (other than Mr Schwab, who abstained) has formed the view, for the reasons outlined above, that the financial benefit proposed to be given to Mr Schwab by way of the issue of Shares is on arm's length terms. As a result, the Board is of the view that the exception in section 210 of the Corporations Act applies to the proposed issue of Shares and therefore the approval of shareholders under section 208 of the Corporations Act is not required for the giving of the benefit.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 5.

RESOLUTION 6 – AUTHORITY FOR ISSUE OF SECURITIES PURSUANT TO EMPLOYEE INCENTIVE SCHEME

Resolution 6 seeks the approval of shareholders for the re-approval of the employee incentive scheme titled the Catalyst Metals Limited Employee Incentive Plan in accordance with ASX Listing Rule 7.2 (Exception 13(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 13(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Shares and other securities convertible to Shares under the Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without shareholder approval in any 12 month period.

If Resolution 6 is not passed, any securities issued under the Employee Incentive Plan must come within and will be counted towards the Company's 15% capacity under ASX Listing Rule 7.1.

The objective of the Employee Incentive Plan is to attract, motivate and retain selected employees, directors, contractors and consultants of the Company or any of its subsidiaries (**Eligible Participants**) by providing equity incentives and rewards. It will also enable Eligible Participants, upon becoming shareholders, to participate in the future growth and development of the Company. The directors consider this to be a cost effective and efficient means of providing targeted incentives and rewarding Eligible Participants and expects it to result in ongoing benefits to both the Company and Eligible Participants.

Any future issues of securities under the Employee Incentive Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require specific shareholder approval under ASX Listing Rule 10.14 at the relevant time. A summary of the key terms and conditions of the Employee Incentive Plan is set out in Annexure C.

No securities have been issued under the Employee Incentive Plan since it was last approved by shareholders in 2018.

It is proposed that the number of equity securities to be issued under the Employee Incentive Plan if Resolution 6 is passed is not more than 4,500,000 equity securities will be issued under the Employee Incentive Plan in the next 3 year period.

A voting exclusion statement is set out in the Notice of Meeting.

RESOLUTION 7 – APPROVAL FOR 10% PLACEMENT CAPACITY

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issued 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.

ASX Listing Rule 7.1A provides that an “eligible entity” may seek shareholder approval by special resolution at its annual general meeting to allow it to issue Equity Securities up to maximum of 10% of its issued capital (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and increases the total placement capacity to 25%.

Resolution 7 seeks shareholder approval by way of a special resolution for the Company to have the additional 10% Placement Capacity provided for in ASX Listing Rule 7.1A to issue securities without shareholder approval.

If shareholders approve Resolution 7, the number of equity securities that the Company can issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below) and the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

The effect of Resolution 7 will be to allow the Company to issue equity securities of a maximum of 10% of the Company's ordinary fully paid securities on issue under the 10% Placement Capacity, during the period of up to 12 months from the date of the annual general meeting, without the requirement to obtain subsequent shareholder approval and without using the Company's 15% annual placement capacity available pursuant to ASX Listing Rule 7.1.

Resolution 7 is to be considered as a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the meeting must be in favour of Resolution 7 for it to be passed.

If Resolution 7 is not approved, the Company will not be able to access the additional 10% Placement Capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval.

ASX Listing Rule 7.1A

For the purposes of ASX Listing Rule 7.1A, an eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

As at the date of this notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$184 million.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of quoted Equity Securities on issue, being Shares (ASX trading code: CYL) and Options over ordinary Shares expiring 31 May 2022 (CYLOA). The exact number of Equity Securities that the Company may issue under ASX Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2 (other than exceptions 9, 16 or 17);
 - (ii) plus the number of Shares issued in the previous 12 months on the conversion of convertible securities within rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4;
 - (iii) plus the number of Shares issued in the previous 12 months under an agreement to issue securities within rule 7.2 exception 16, where:
 - a. the agreement was entered into before the commencement of the previous 12 month period; or
 - b. the agreement or issue was approved, or taken under the ASX Listing Rule to have been approved, under rule 7.1 or rule 7.4;
 - (iv) plus the number of partly paid Shares that became fully paid in the previous 12 months;
 - (v) plus the number of Shares issued in the previous 12 months with the approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of ordinary fully paid Shares under the company's 15% placement capacity without shareholder approval; and
 - (vi) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 10 ASX trading days of the above date, the date on which the Equity Securities are issued.

(b) Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the meeting and expiring on the first to occur of the following:

- 12 months after the date of the meeting;
- the time and date of the Company's next annual general meeting; and

- the time and date of approval by shareholders of any transaction under ASX Listing Rules 11.1.2 (significant change to nature or scale of the Company’s activities) or 11.2 (disposal of main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid), (the “**10% Placement Capacity Period**”).

(c) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of shareholders who do not receive any Shares under the issue.

If Resolution 7 is approved by shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of equity securities on issue as at the date of this notice of meeting.

The table shows the voting dilution impact for securities issued under the 10% Placement Capacity where the number of Shares on issue (Variable A in the formula) increases by 50% and 100% and the economic dilution where there are changes in the issue price of Shares (based on a 50% decrease to current market price of Shares and 100% increase).

Number of Shares on issue (Variable A in ASX Listing Rule 7.1A2)	Issue price per share	Dilution		
		\$0.935 50% decrease in issue price	\$1.87 Issue price	\$3.74 100% increase in issue price
98,295,723 (Current Variable A)	Shares issued (10% voting dilution) Funds raised	9,829,572 \$9,190,649	9,829,572 \$18,381,299	9,829,572 \$36,762,599
147,443,584 (50% increase in Variable A)	Shares issued (10% voting dilution) Funds raised	14,744,358 \$13,785,974	14,744,358 \$27,571,949	14,744,358 \$55,143,898
196,591,446 (100% increase in Variable A)	Shares issued (10% voting dilution) Funds raised	19,659,144 \$18,381,299	19,659,144 \$36,762,599	19,659,144 \$73,525,198

The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require shareholder approval (such as under a pro-rata rights issue or Shares issued under a takeover offer) or that are issued with shareholder approval under ASX Listing Rule 7.1.

The table above is based on the following assumptions:

1. Variable A being the current 98,295,723 Shares on issue.
2. The issue price set out above is the closing price of Shares on the ASX on 5 October 2021 (\$1.87 per Share).
3. The Company issues the maximum possible number of equity securities under the 10% Placement Capacity.
5. The issue of equity securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the equity securities.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1, 7.4 or pursuant to an issue of shares pursuant to an exception in ASX Listing Rule 7.2.

7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Capacity, based on that shareholder's holding at the date of the annual general meeting. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of issue under 10% Placement Capacity

The Company intends to use any funds that may be raised under the 10% Placement Capacity for acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current projects and any additional projects acquired (funds used for drilling, feasibility studies and ongoing project administration) and general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) upon the issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company obtained approval under ASX Listing Rule 7.1A at the 2020 annual general meeting held on 20 November 2020. The Company has issued 8,339,969 Shares pursuant to this previous approval.

In the 12 months preceding the date of the meeting, the Company has issued a total of 14,896,025 Shares, representing 17.9% of the total diluted number of Equity Securities on issue in the Company as at 20 November 2020, which was 83,399,698. The details of all issues of Equity Securities in the 12 months preceding the date of the meeting are set out in Annexure A to this explanatory memorandum.

(g) Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will state in its announcement under ASX Listing Rule 3.10.3 or in its application for quotation of securities under ASX Listing Rule 2.7 that the securities are being issued under ASX Listing Rule 7.1A and it will give to ASX a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4.

Voting exclusion

As at the date of this notice, the Company has not identified or invited any person to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 7.

The Board recommends that shareholders vote in favour of Resolution 7 as it allows the Company to retain the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 month period. The Chairman intends to vote all available undirected proxies in favour of Resolution 7.

RESOLUTION 8 – RENEWAL OF PROPORTIONAL TAKEOVER BID PROVISIONS

Clause 36 of the Constitution contains provisions dealing with proportional/partial takeover bids for the Company's securities in accordance with the Corporations Act. A copy of Clause 36 is set out in Annexure B.

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's securities. This can result in control being transferred to the bidder without shareholders having the chance to sell all their shares. It also means a bidder can obtain control of a company without paying the appropriate consideration for gaining control.

To deal with this possibility, the Corporations Act permits a company's constitution to include provisions that enable it to refuse to register the transfer of securities acquired under a proportional takeover bid, unless shareholders approve the takeover bid.

Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect. If Resolution 8 is approved by shareholders, the proportional takeover provisions will be in exactly the same terms as the existing proportional takeover provisions and will have effect from the date of the AGM until 12 November 2024.

The directors consider it is in the interests of shareholders to continue to have proportional takeover provisions in the Constitution and, accordingly, Resolution 8 seeks shareholder approval for the renewal of the proportional takeover provisions contained in Clause 36 of the Constitution

Information required by section 648G of the Corporations Act

For the purposes of section 648G of the Corporations Act, information regarding the proportional takeover bid provisions is provided as follows:

Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's securities (i.e. less than 100%).

Effect of proportional takeover bid provisions

If a proportional takeover bid is made, the directors must ensure that a general meeting to approve the takeover bid is held more than 14 days before the last day of the bid period, at which shareholders will consider a resolution to approve the takeover bid. Each shareholder will have one vote for each fully paid Share held, with the vote to be decided on a simple majority. The bidder and its associates are not allowed to vote.

Reasons for proportional takeover provisions

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

Knowledge of any acquisition proposals

As at the date of this notice of meeting, no director is aware of any proposal to acquire or to increase the extent of a substantial interest in the Company.

Potential advantages and disadvantages

The directors consider that during the period in which the proportional takeover provisions have been in effect, the proportional takeover provisions have had no potential particular advantages or disadvantages for them or for shareholders. During the time that the existing proportional takeover provisions have been in effect, there have been no takeover bids for the Company. The directors are not aware of any potential bid that was discouraged by Clause 36 of the Constitution.

The directors consider that the proportional takeover provisions enable the directors to ascertain the views of shareholder on a proportional takeover bid. Apart from this, there is no specific advice or disadvantage for directors in their capacity as directors in seeking to including the proportional takeover provisions in the Constitution.

The directors consider that the proportional takeover approval provisions proposed to be renewed have the following potential advantages for Shareholders including:

- (a) shareholders will be given the right to decide by majority vote whether to accept a proportional takeover bid;
- (b) the provisions may help shareholders avoid being locked in as a minority and may prevent a bidder acquiring control of the Company without paying an adequate control premium;
- (c) the provisions may increase shareholders' bargaining power and may help ensure that any proportional takeover bid is adequately priced; and
- (d) knowing the view of the majority of shareholders may help each individual shareholder to assess the likely outcome of a proportional takeover bid and decide whether to accept or reject the proportional offer.

The directors consider that the proportional takeover approval provisions proposed to be renewed have the following potential disadvantages for shareholders including:

- (a) they may discourage proportional takeover bids being made for Shares in the Company;
- (b) this in turn may reduce opportunities which shareholders have to sell some of their Shares at a premium; and
- (c) the likelihood of a proportional takeover succeeding may be reduced.

The directors consider that the potential advantages outweigh the potential disadvantages and as a result consider that the renewal of the proportional takeover provision is in the interest of shareholders.

The Board unanimously recommends the renewal of the proportional takeover provisions in the Constitution and the Chairman intends to vote all available undirected proxies in favour of Resolution 8.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

GLOSSARY OF TERMS

“AGM” means the 2021 annual general meeting of the Company convened by this notice.

“ASX” means ASX Limited;

“ASX Listing Rules” means the official listing rules of ASX;

“Board” means the board of directors of the Company;

“Closely Related Party” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.

“Company” or **“Catalyst”** means Catalyst Metals Limited (ABN 54 118 912 495);

“Constitution” means the constitution of the Company;

“Corporations Act” means the Corporations Act 2001 (Commonwealth);

“Corporations Regulations” means the Corporations Regulations 2001 (Commonwealth);

“Employee Incentive Plan” means the employee incentive scheme titled "Catalyst Metals Employee Incentive Plan" last approved by shareholders at the 2018 annual general meeting.

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

“Key Management Personnel” or **“KMP”** 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.

“Option” means an option to subscribe for a Share.

“Share” means an ordinary fully paid share in the capital of the Company.

ANNEXURE A – SUPPLEMENTARY INFORMATION FOR RESOLUTION 7

The table below sets out the details of all issues of Equity Securities by the Company under ASX Listing Rule 7.1A.2 in the 12 months preceding the annual general meeting, as required by ASX Listing Rule 7.3A.6(b).

Date	Number	Class	Recipients	Issue price and discount to market price ² (if any)	Form of consideration ⁴
30.12.20	8,339,969 (plus 231,459 shares issued pursuant to ASX Listing 7.1)	Shares ¹	Applicants to share placement ³	\$2.10 per share (no discount to market price)	Cash consideration of \$18 million, with \$9 million paid in two instalments as part consideration for acquisition of the Henty gold mine and to fund exploration programs and for working capital. Amount spent = approx. \$15 million

Notes

¹ Ordinary fully paid shares (ASX: CYL).

² Market price means the closing price on ASX at the date of issue of the Equity Securities.

³ Argonaut Securities Pty Ltd acted as Lead Manager to the share placement and substantial shareholder, St Barbara Limited, participated in the placement.

⁴ Cash proceeds received from the issue of shares have been used for the cash consideration component for the acquisition of the Henty gold mine and for ongoing exploration and evaluation of existing mining projects, including but not limited to drilling programmes and gravity surveys undertaken at the Henty gold mine in Tasmania and the Four Eagles Gold Project, Tandarra Gold Project and other projects in Victoria (as per announcements progressively released to the ASX) and for general working capital purposes. The balance of the funds will be used for purchase instalment for the Henty gold mine and ongoing drilling programs and exploration activities at the Henty gold mine and the Company's advanced projects at the Four Eagles Gold Project and Tandarra Gold Project in Victoria and other exploration programmes on the Company's tenements in the Whitelaw Gold Belt north of Bendigo and adjacent belts north of the Fosterville and Inglewood goldfields.

ANNEXURE B – EXTRACT OF SECTION 36 OF THE CONSTITUTION

36. PARTIAL TAKEOVER PLEBISCITES

36.1 Resolution to Approve Proportional Off-Market Bid

- (a) Where offers have been made under a proportional off-market bid in respect of a class of securities of the Company (“bid class securities”), the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless and until a resolution (in this clause 36 referred to as a “prescribed resolution”) to approve the proportional off-market bid is passed in accordance with the provisions of this Constitution.
- (b) A person (other than the bidder or a person associated with the bidder) who, as at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities is entitled to vote on a prescribed resolution and, for the purposes of so voting, is entitled to one vote for each of the bid class securities.
- (c) A prescribed resolution is to be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution.
- (d) A prescribed resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the prescribed resolution bears to the total number of votes on the prescribed resolution is greater than one half, and otherwise is taken to have been rejected.

36.2 Meetings

- (a) The provisions of this Constitution that apply in relation to a general meeting of the Company apply, with modifications as the circumstances require, in relation to a meeting that is convened pursuant to this clause 36.2 as if the last mentioned meeting was a general meeting of the Company.
- (b) Where takeover offers have been made under a proportional off-market bid, the directors are to ensure that a prescribed resolution to approve the proportional off-market bid is voted on in accordance with this clause 36 before the 14th day before the last day of the bid period for the proportional off-market bid (the “resolution deadline”).

36.3 Notice of Prescribed Resolution

Where a prescribed resolution to approve a proportional off-market bid is voted on in accordance with this clause 36 before the resolution deadline, the Company is, on or before the resolution deadline:

- (a) to give the bidder; and
- (b) if the Company is listed – each relevant financial market (as defined in the Corporations Act) in relation to the Company;

a notice in writing stating that a prescribed resolution to approve the proportional off-market bid has been voted on and that the prescribed resolution has been passed, or has been rejected, as the case requires.

36.4 Takeover Resolution Deemed Passed

Where, at the end of the day before the resolution deadline, no prescribed resolution to approve the proportional off-market bid has been voted on in accordance with this clause 36, a resolution to approve the proportional off-market bid is to be, for the purposes of this clause 36, deemed to have been passed in accordance with this clause 36. If the directors fail to convene a vote before the approving resolution deadline, it is deemed to have been passed. Refer to Section 648E(3) CA.

36.5 Takeover Resolution Rejected

Where a prescribed resolution to approve a proportional off-market bid under which offers have been made is voted on in accordance with this clause 36 before the resolution deadline, and is rejected, then:

- (a) despite section 652A of the Corporations Act:
 - (i) all offers under the proportional off-market bid that have not been accepted as at the end of the resolution deadline; and
 - (ii) all offers under the proportional off-market bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the resolution deadline,

- are deemed to be withdrawn at the end of the resolution deadline;
- (b) as soon as practicable after the resolution deadline, the bidder must return to each person who has accepted any of the offers referred to in clause 36.5(a)(ii) any documents that were sent by the person to the bidder with the acceptance of the offer;
- (c) the bidder:
 - (i) is entitled to rescind; and
 - (ii) must rescind as soon as practicable after the resolution deadline, each binding takeover contract resulting from the acceptance of an offer made under the proportional off-market bid; and
- (d) a person who has accepted an offer made under the proportional off-market bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

36.6 Renewal

This clause 36 ceases to have effect on the third anniversary of the date of the adoption of the last renewal of this clause 36.

ANNEXURE C - EMPLOYEE INCENTIVE PLAN

Outlined below is a summary of the key terms of the Catalyst Metals Limited Employee Incentive Plan.

- (a) **Eligibility:** Eligible Employees include directors (both executive and non-executive), full time and part time employees and casual employees, consultants and contractors of the Company (to the extent permitted by ASIC Class Order 14/1000). Subject to the Board's consent, an Eligible Employee may nominate another person to participate in the Plan in their place.
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Employees will be offered awards under the Plan.
- (c) **Invitation:** The Board may issue an invitation to an Eligible Employee to participate in the Plan (**Invitation**). The Invitation will specify:
 - (i) the number and type of awards (being options, performance rights and/or incentive shares) specified in the Invitation;
 - (ii) any vesting conditions, performance hurdles, performance period, exercise conditions and/or restriction conditions attaching to the awards;
 - (iii) the issue price or exercise price of the awards (as applicable);
 - (iv) an acceptance period;
 - (v) any other terms and conditions attaching to the awards; and
 - (vi) any other information required by ASIC Class Order 14/1000, the Listing Rules or any law to be included in the Invitation.
- (d) **Issue and exercise price:**
 - (i) Options shall be issued for nil cash consideration, and the Board may determine the exercise price in its absolute discretion (including whether to offer the Eligible Employee a cashless exercise facility which will entitle the Eligible Employee to set-off the exercise price against the number of Shares which the Eligible Employee is entitled to receive upon exercise of the Eligible Employee's Options);
 - (ii) Performance rights shall be issued for nil cash consideration, and Shares issued upon the conversion of performance rights shall be issued for nil cash consideration;
 - (iii) The Board shall determine the issue price of any Shares issued under the Plan, which may be nil.
- (e) **Quotation on ASX:** The Company will apply for Shares issued under the Plan and upon the exercise of options and performance rights to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares. Options and performance rights issued under the Plan shall not be quoted.
- (f) **Rights attaching to Shares:** Each Share issued under the Plan or on the exercise of an award shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date. The holder of a Share issued under the Plan shall be entitled to receive notice of, and attend and vote at, shareholder meetings, and to receive any dividends declared by the Company.
- (g) **Rights attaching to options and performance rights:** Subject to the terms of the Plan, the Board may determine the rights attaching the options and performance rights issued under the Plan. The holder of an option or performance right issued under the Plan shall not be entitled to receive notice of, and attend and vote at, shareholder meetings, nor to receive any dividends declared by the Company.
- (h) **Restriction conditions:** Shares may be subject to restriction conditions (such as a period of employment or a performance hurdle) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Condition**). The Board may waive Restriction Conditions in its absolute discretion, including where a holder dies or is a "good leaver". The Company is authorised to impose a holding lock on the Shares to implement these restrictions.

- (i) **No transfer:** Shares issued under the Plan or any beneficial or legal interest in awards may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless:
 - (i) all Restriction Conditions (if any) have been satisfied or waived by the Board;
 - (ii) the prior consent of the Board is obtained which consent may impose such reasonable terms and conditions on such transfer, encumbrance or disposal as the Board sees fit; or
 - (iii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (j) **Forfeiture of Shares:** Where a Restriction Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction (as determined by the Board in its reasonable opinion), and is not waived by the Board, the holder of those Shares forfeits its right, entitlement and interest in and to the Shares and the Company must, unless the Restriction Condition is waived by the Board, either:
 - (i) arrange to buy back and cancel the relevant Shares within 6 months of the date the Restriction Condition was not satisfied (or became incapable of satisfaction) under the Corporations Act at a price equal to the cash consideration paid by the holder for the Shares; or
 - (ii) arrange to sell the Shares on behalf of the holder (using a power of attorney) as soon as reasonably practicable after the Restriction Condition was not satisfied (or became incapable of satisfaction) on the ASX or to an investor who falls within an exemption under Section 708 of the Corporations Act (provided that the sale must be at a price that is no less than 80% of the volume weighted average price of Shares on ASX over the 10 trading days before the sale date), and apply the sale proceeds in the following priority:
 - firstly, to use towards repaying any cash consideration paid by the holder for the Shares; and
 - secondly, any remainder to the Company to cover its costs of managing the Plan.
- (k) **Power of Attorney:** The holder irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back or sale of the holder's Shares in accordance with the Plan.
- (l) **Ceasing to be an Eligible Employee:** If an Eligible Employee ceases to be an employee or director of the Company and:
 - (i) at that time there are unfulfilled Restriction Conditions in relation to Shares under the Plan held by the Eligible Employee or his or her nominee, the Shares are forfeited and the Company must either buy back or sell the Shares in accordance with the Plan;
 - (ii) the termination of employment or engagement is due to wilful misconduct, gross negligence or material breach of employment contract (**Misconduct**), then unvested awards shall lapse and the Board may determine that vested awards that have not been exercised shall also lapse; and
 - (iii) the termination of employment or engagement is not due to Misconduct, then vested awards may be exercised within 6 months from the date of termination of employment, and the Board may in its discretion determine whether to waive any vesting conditions, exercise conditions or restriction conditions to permit the Eligible Employee to exercise awards or sell or retain Plan Shares or other securities.
- (m) **Change of control events:** Unvested awards shall immediately vest and become exercisable if:
 - (i) (**Takeover**) a takeover bid for the Company's issued Shares is declared unconditional;
 - (ii) (**Compromise or Arrangement**): a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) (**Sale of main business**): the Company enters into an agreement to sell its main business undertaking or principal assets and that agreement becomes unconditional.

- (n) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares to be received on the exercise of awards, when aggregated with:
- (i) the number of Shares that would be issued if each outstanding offer made or award granted under the Plan or any other employee incentive scheme of the Company were to be exercised or accepted; and
 - (ii) the number of Shares issued during the previous 3 years under the Plan (or any other employee share scheme extended only to eligible employees),
- does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or Awards that can be disregarded in accordance with relevant ASIC Class Orders).



Catalyst Metals Limited | ABN 54 118 912 495

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 10 November 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

